

Turkey

An overview on economy and business environment



Turkey is in a strategic position lying partly in Asia and partly in Europe. It is situated at the crossroads of the Balkans, Caucasus, Middle East, and eastern Mediterranean. It is among the larger countries of the region in terms of territory and population, and its land area is greater than that of any European state. For most of the period since 2000, Turkey has maintained a long term focus on implementing ambitious reforms in many areas, and government programs have targeted vulnerable groups and disadvantaged regions. Poverty incidence more than halved over 2002–15, and extreme poverty fell even faster.

During this time, Turkey urbanized dramatically, maintained strong macroeconomic and fiscal policy frameworks, opened to foreign trade and finance, harmonized many laws and regulations with European Union (EU) standards, and greatly expanded access to public services.

It also recovered well from the global crisis of 2008/09.



The Turkish economy showed slow signs of recovery in 2019 after experiencing a recession in the second half of 2018, against a backdrop of a currency crisis. Private and public consumption rose in 2019 amid credit growth and expansionary fiscal policy whereas the Turkish lira recovered some of its value against major international currencies after hitting record lows in August 2018.

Currently, the overall macroeconomic picture is more vulnerable and uncertain, given rising inflation and unemployment, contracting investment, elevated corporate and financial sector vulnerabilities. Also the impact of the COVID-19 world crisis is expected to have a severely negative effect in Turkey, further weakening economic and social gains.

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The agricultural sector constitutes 6.08% of Turkey's GDP. Despite employing nearly 19.1% of the population, the sector continues to suffer from low productivity due to reliance on small farms. Wheat is the country's main crop, though Turkey is the world's third largest exporter of tobacco and the largest producer of hazelnuts (nearly 70% of global production). Turkey continues to be a net exporter of agricultural products, nonetheless livestock imports in particular grow exponentially to compensate the shrinking animal breeding sector. Mineral resources are abundant, but under-exploited. Manufacturing is the main industrial activity of the country. Secondary sector accounts for 29.5% of GDP (2019) and employs 26% of the workforce. The Turkish government gives special priority to large infrastructure projects, particularly in the transport sector, through Build-Operate-Transfer (BOT) project financing model. Car manufacturing and textile are the spearhead of the Turkish industry but also the petrochemical, and electronics industries have risen in importance in Turkey's export mix. The services sector has grown rapidly in early 2000s, but has fallen in 2018. Tourism represents nearly 4% of GDP and is a major source of foreign currency for the nation.

Turkey remains highly dependent on imported oil and gas but is pursuing energy relationships with a broader set of international partners and taking steps to increase use of domestic energy sources including renewables, nuclear, and coal. The joint Turkish-Azerbaijani Trans-Anatolian Natural Gas Pipeline is moving forward to increase transport of Caspian gas to Turkey and Europe, and when completed will help diversify Turkey's sources of imported gas.



Turkey's main export partners are Germany, UK, UAE, Iraq, US, Italy, France, Spain.

Main exported goods are apparel, foodstuffs, textiles, metal manufactures, transport equipment

The top import partners are China, Germany, Russia, US, Italy while the top imported goods are machinery, chemicals, semi-finished goods, fuels, transport equipment.

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Turkey is an important trading partner for many European and non-European countries. However, before establishing a business relationship with a company or in order to keep safe business relationships, it is necessary to get in depth and reliable information on the companies of interest. Thanks to SkyMinder, it is possible to receive the most complete and updated credit report on any Turkish company thanks to the expertise of the local providers. On SkyMinder, all reports on Turkey are freshly investigated.

With the support of SkyMinder credit reports on Turkish businesses, you gain a better insight into your business partners thanks to the credit rating and credit opinion allowing you to prevent credit risk by carefully selecting your customers or suppliers. SkyMinder local providers perform fresh investigations by accessing all local official registries. All reports include the following information (if available at local sources):

- Complete company identification details: correct company name, address(es), contact details such as phone, fax, email, webs, etc.
- Company registration details: our local providers try to access local registries and to get registration number, company id, fiscal code, and any information that can be retrieved at the local registry
- Directors and company structure: board of directors, shareholders and related companies
- Financials: balance sheet and profit and loss (as filed at the company registry).
- Credit rating and suggested credit limit
- Number of employees
- Activity details: sector and industry of the company, when possible also information on import and export activities.
- Negative information on the company
- Banks information

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It is important to analyze financial accounts of companies, however, in Turkey, only listed companies and the companies under Capital Markets Board's supervision are obliged to publish financial statements. SkyMinder local providers team of experts always try to collect them also through company calls.

With regard to negative information on companies, if available, it is obtained from the Trade Registry Gazette (concordat, bankruptcy, the postpone of bankruptcy, capital decrease) and from news.

Please note that with regard to Court Data there is very limited availability because only lawyers are allowed to have access to the court database and only for the cases they are involved in. Some court decisions such as seizure of property, bankruptcy notices may be occasionally published in the media. Lists of Tax and Social Security Premium delinquents are published in related official web sites temporarily.

SkyMinder offers also the fastest delivery times, by ensuring the most accurate and updated credit report in a few working days. The reports are complete, updated and easy to read. Thanks to SkyMinder credit reports and the expertise of local providers, it is possible to establish safe and profitable business partnership with Turkish companies.

Sources: <https://www.britannica.com/place/Turkey>;

<https://www.worldbank.org/en/country/turkey/overview>;

<https://www.cia.gov/library/publications/the-world-factbook/geos/tu.html>