

**KOSGEB GENERAL PRESENTATION
NOVEMBER 2013**

1

**KOSGEB
PRESENTATION**



KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

2

before starting..

REPUBLIC OF TURKEY



- 783.562 km² area,
- 75 million population
- 30 years average age
- 77% population urban areas
- 23% population in rural areas
- Europe's 6th largest economy



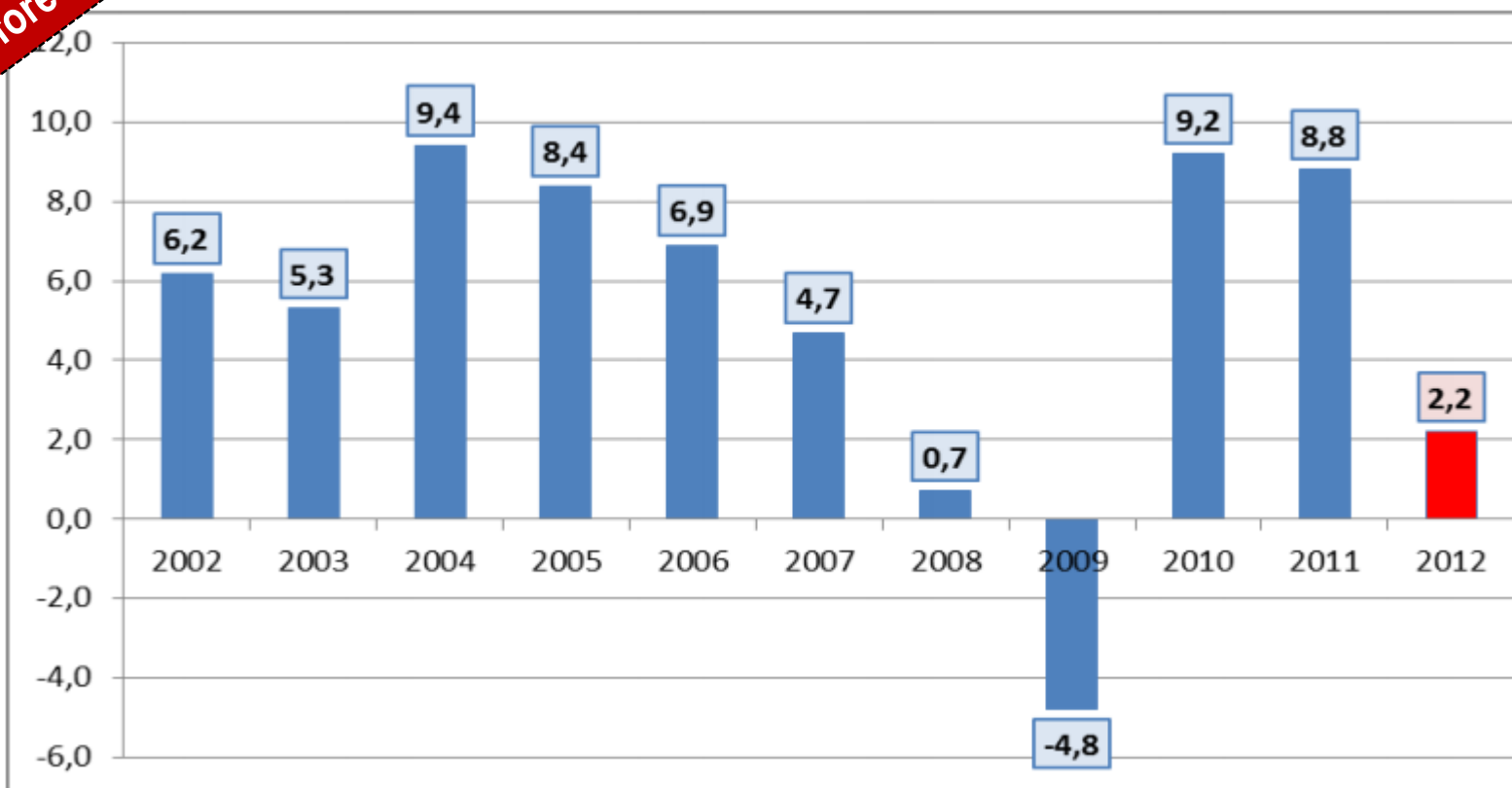
KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

3

before starting..

ANNUALLY GROWTH RATES of TURKEY



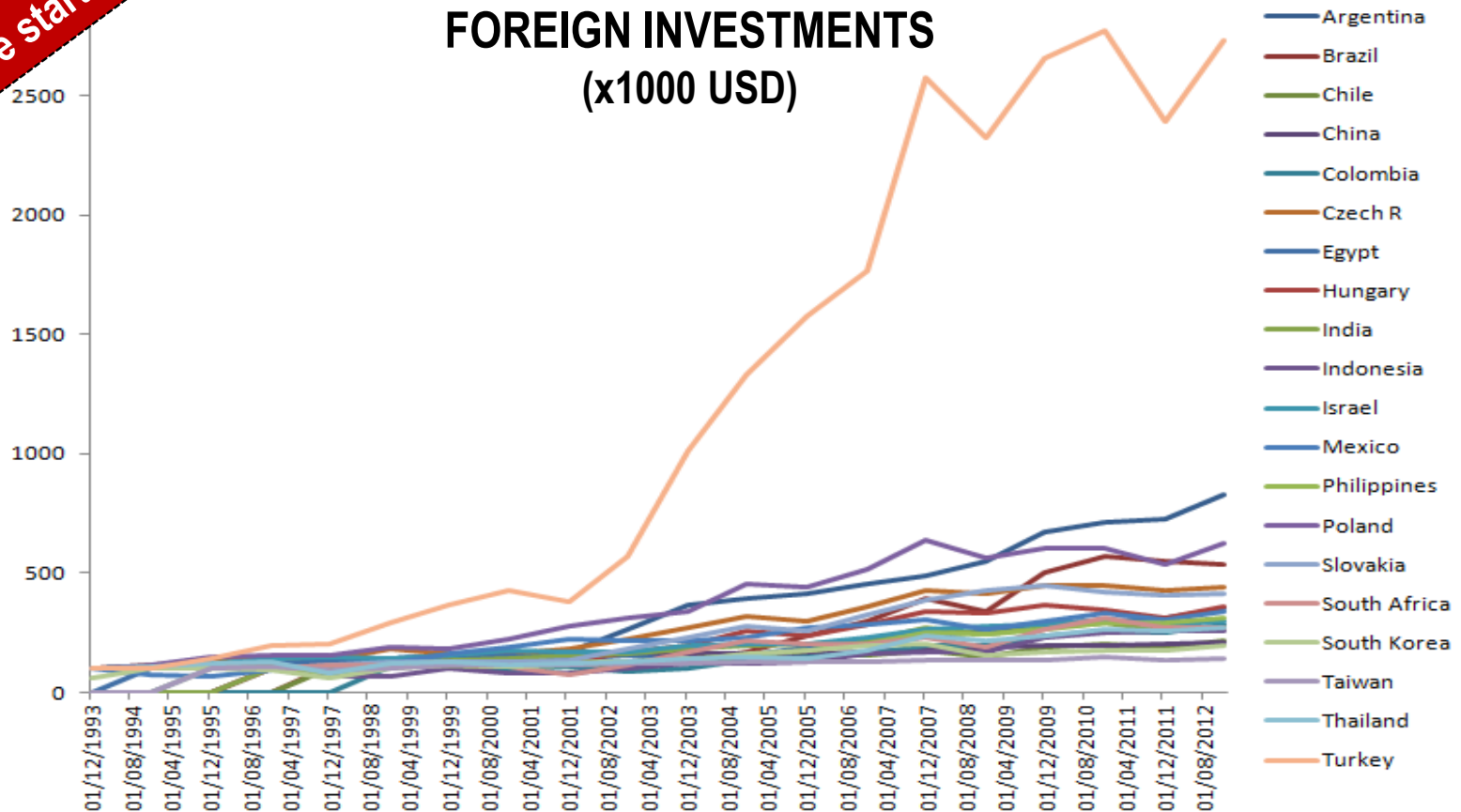
KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

4

before starting..

FOREIGN INVESTMENTS (x1000 USD)



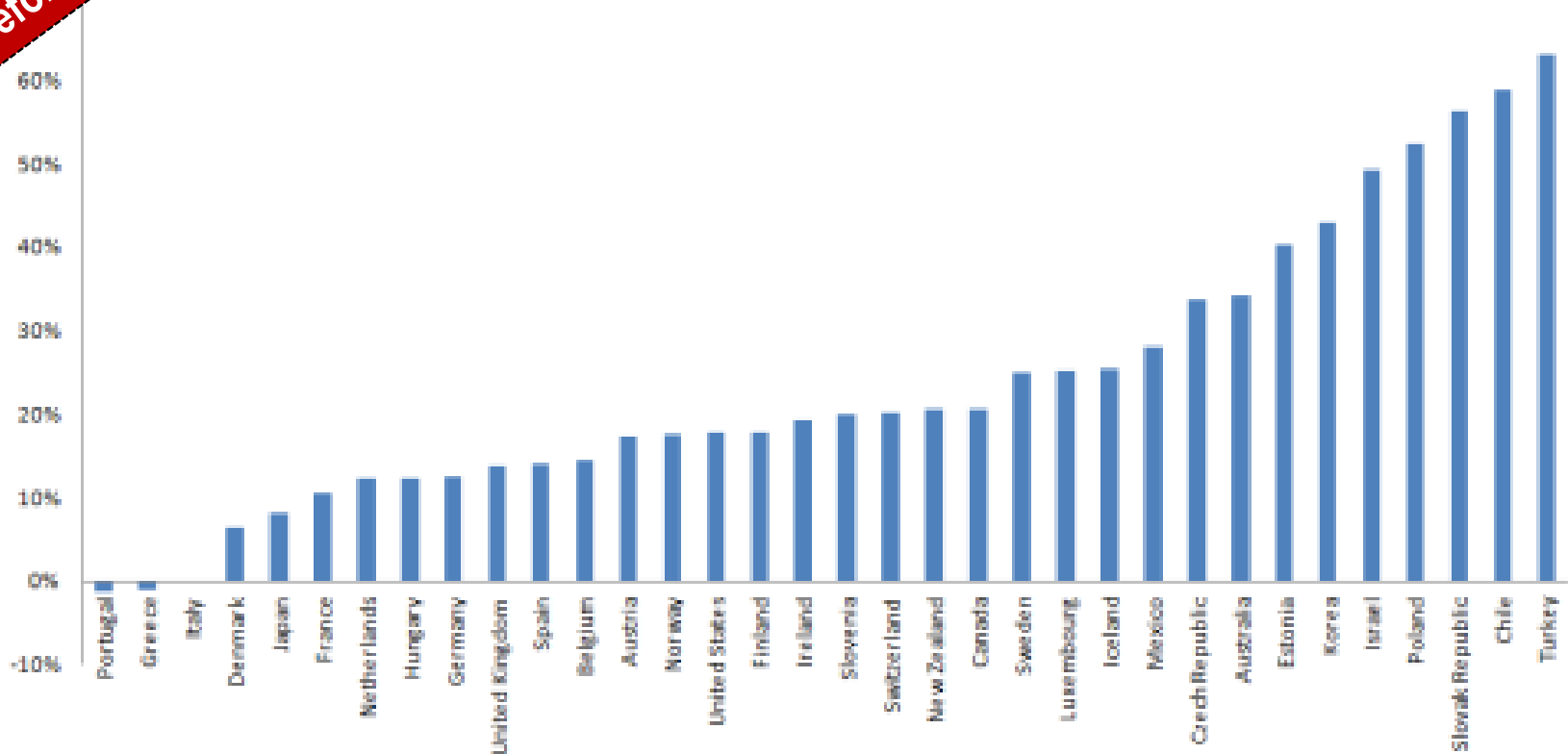
KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

5

before starting..

Cumulative GDP Growth Since 2003



KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

6

SME DEFINITION IN TURKEY

(has been harmonised with EU definition in November, 2005)

Category	Number of Employees	Annual Revenue	or	Annual Balance of Payments
Micro	1-9	≤ 1 million TL (\$ 500.000)		≤ 1 million TL (\$ 500.000)
Small	10-49	≤ 8 million TL (\$ 4 million)		≤ 8 million TL (\$ 4 million)
Medium	50-249	≤ 40 million TL (\$ 20 million)		≤ 40 million TL (\$ 20 million)



KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

7

SMEs in TURKISH ECONOMY

(in 2009)	Amount	Share in Total
Number of SMEs	3.084.183	99.9 %
Number of Employees	7.865.403	78 %
Generated Added Value	75 billion USD	55 %
Investment Amount Achieved by SMEs	25 billion USD	50 %
55 % of TOTAL EXPORTS		



KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

8

PROBLEMS OF TURKISH SMEs

- ? Finance and guarantee problems
- ? Lack of qualified human resources
- ? Inadequacy of capital formations for know-how and technology investments
- ? Being open to the innovation but being reluctant to implement asserting the high costs
- ? Lack in marketing skills
- ? Not making feasibility works or business plans even if they have the entrepreneurial spirit
- ? Having a limited knowledge and awareness in topics such as Industrial Property Rights, quality and environmental protection



KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

9

SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ORGANIZATION (KOSGEB)

- The only public agency providing supports to SMEs
- Established in 1990
- Manufacturing and service sectors are target audience

Sectoral and regional priorities of KOSGEB Supports are determined upon the needs of SMEs.



KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

10

KOSGEB ADMINISTRATIVE STRUCTURE

GENERAL ASSEMBLY
-Prime Minister-

Meeting annually
Setting out principles of annual work plans in accordance with the Development Plan and Programs

EXECUTIVE COMITEE
-Minister of SIT-

Taking decisions about the budget and implementation in accordance with the principles set out in the General Assembly

PRESIDENCY
-President-

Model-Developing
and Policy-Creating
Units

Monitoring, Evaluation
and Coordination Units

Service Centers



KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

11

GOAL OF KOSGEB

- To increase SME's share and effectiveness
- To raise their competitiveness
- To realize the integration within sectors in line with the economic dynamics
- To increase SME's technology levels

GENERAL ACTIVITIES

- To develop support mechanisms
- To encourage entrepreneurship upon the new trend
- To foster R&D focused job creation
- To disseminate relevant information to SMEs
- To improve capacity of SMEs
- To strengthen university / industry cooperation



Who can benefit from KOSGEB Supports?



Any company;

- ✓ **registered in Turkey (including foreign companies)**
- ✓ **classified as an SME**
- ✓ **registered in KOSGEB Database**

can benefit from KOSGEB Support Programme.

KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

13

KOSGEB Portal
kds.kosgeb.gov.tr

- online
- needs-based
- user friendly
- realtime



intranet



support



loans
credits



e-mail



statute



accounting



human
resources



purchase



service
procurement



inventory
stock



monitoring



integrated
information



awarding



distant
training



calendar

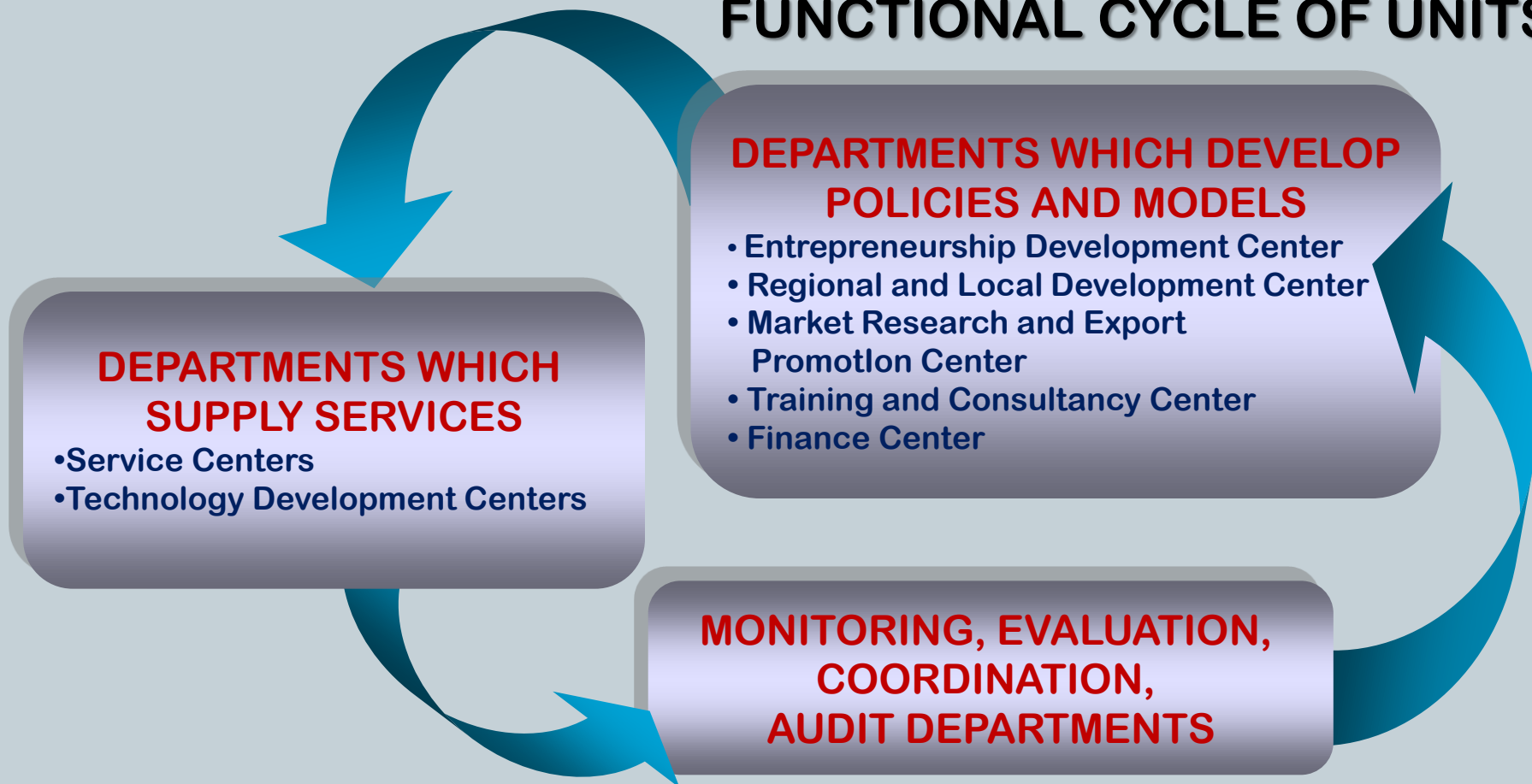


KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

14

FUNCTIONAL CYCLE OF UNITS



KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

15



88 Service Centers
38 Technology Development Centers
14 Business Development Centers
67 Virtual Technology Incubators
68 Representativeness

KOSGEB SUPPORTS and SERVICES

SUPPORTS WITHIN THE KOSGEB SUPPORT REGULATION

CREDIT SUPPORTS

LABORATORY SERVICES

INFORMATION AND GUIDANCE SERVICES



KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

16

SUPPORTS UNDER KOSGEB REGULATION

SME PROJECT SUPPORT PROGRAMME

THEMATIC PROJECT SUPPORT PROGRAMME

**COOPERATION- COLLABORATION
SUPPORT PROGRAMME**

**R&D, INNOVATION AND INDUSTRIAL PRACTICE
SUPPORT PROGRAMME**

ENTREPRENEURSHIP SUPPORT PROGRAMME

GENERAL SUPPORT PROGRAMME

**EMERGING ENTERPRISES MARKET SME
SUPPORT PROGRAMME**

SUPPORTS UNDER CREDIT PROGRAMMES

EMPLOYMENT CREDITS

EXPORT CREDITS

MACHINERY & EQUIPMENT CREDITS

EMERGENCY STATE SUPPORT CREDITS

ENTERPRISE CAPITAL SUPPORT CREDITS



KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

17

KOSGEB SUPPORT PROGRAMMES UPPER LIMITS AND RATIOS

Support Programme	Upper Limits	Support Ratio
SME Project Support Programme	75.000 USD (grant)	%50 - %60
Thematic Project Support Programme	75.000 USD (grant)	%50 - %60
Cooperation Collaboration Support Programme	125.000 USD (grant) 250.000 USD (reimbursable)	%50 - %60
R&D, Innovation And Industrial Implementation Support Programme	300.000 USD (grant) 200.000 USD (reimbursable)	%75 - %100
Entrepreneurship Support Programme	15.000 USD (grant) 35.000 USD (reimbursable)	%60 - %70
General Support Programme	50.000 USD (grant)	%75 - %100
Emerging Enterprises Market SME Support Programme	110.000 USD (grant)	%50 - %60

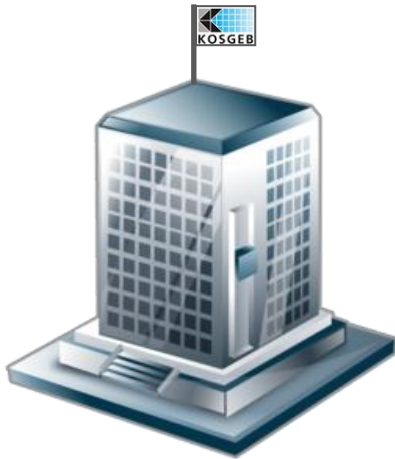


KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

18

STRATEGIES OF KOSGEB CREDIT SUPPORT PROGRAMMES



- KOSGEB covers the interest rate
- Banks cover the risk
- On-line implementing & monitoring
- KGF became a part of the Protocols



KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

19

KOSGEB SME Credit Programs (2003 - 2013)

Program Name	Number of SMEs	Credit Amount		KOSGEB Subsidy		Created Employment
		Million (TL)	Million (USD)	Million (TL)	Million (USD)	
Enterprise Development	168.800	5.423,35	2.711,68	618,02	309,01	0
Export	23.557	4.527,14	3.002,02	101,18	68,39	0
Employment	7.908	663,80	331,90	165,82	82,91	30.386
Investment	2.144	416,06	208,03	81,27	40,64	2.237
Emergency	7.392	617,85	299,25	119,57	59,78	0
Others	2.145	68,26	34,13	9,24	4,62	0
Total	211.946	11.716,47	6.587,01	1.095,11	565,35	32.623

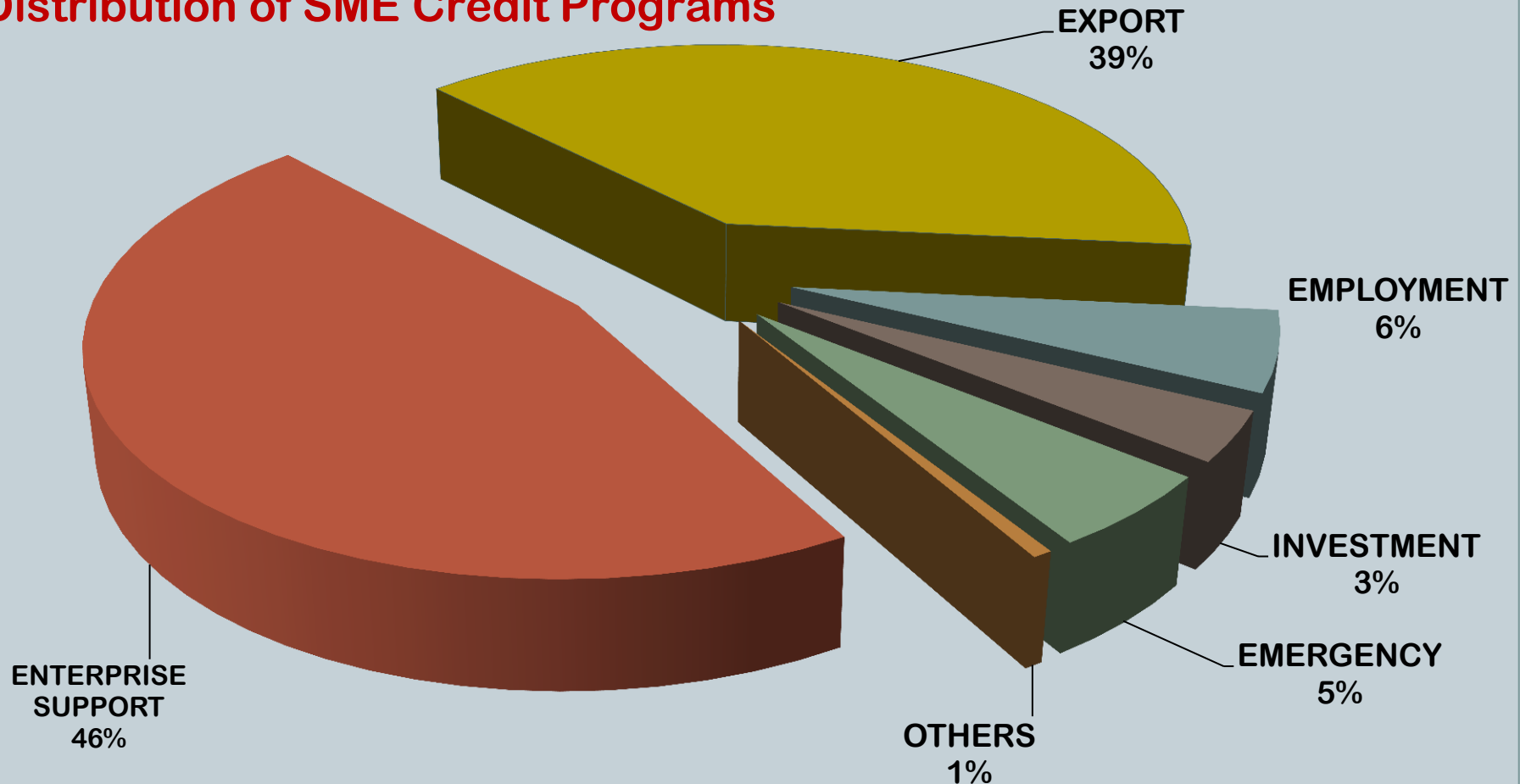


KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

20

Distribution of SME Credit Programs



KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

21



KGF A.S.

The Fund has been created to provide security for bank loans given to the SMEs.

THE KGF'S PRIORITIES IN EVALUATION

SMEs
young entrepreneurs /
women entrepreneurs
profitable / realizable
/achievable
management team
employment
acceptable risks
environmentally-conscious

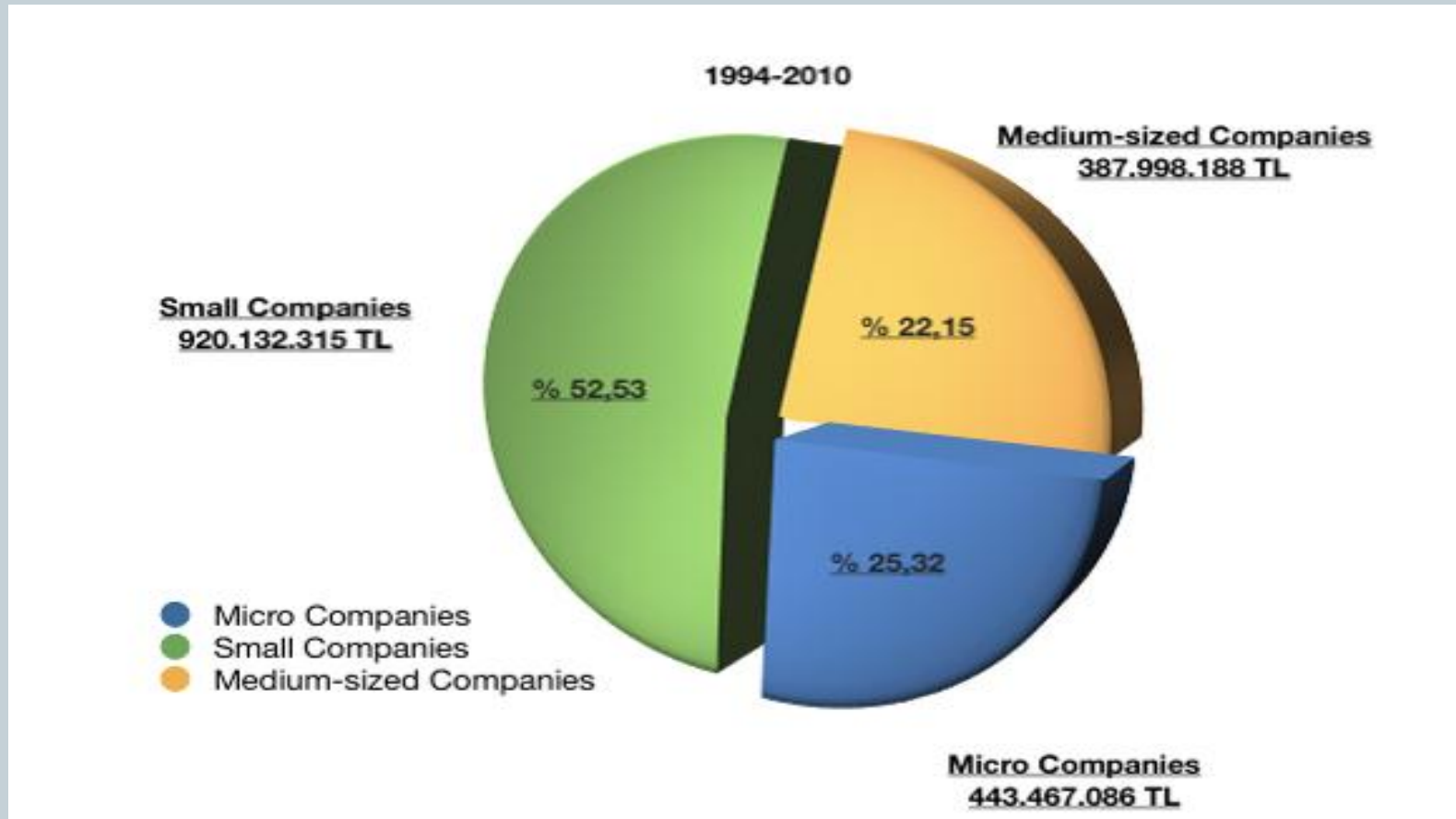


KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

22

Distribution of the guarantees according to the size of the firms

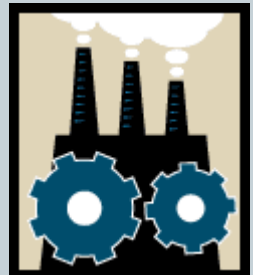
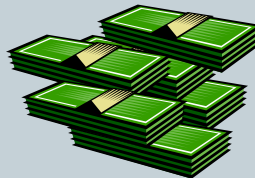
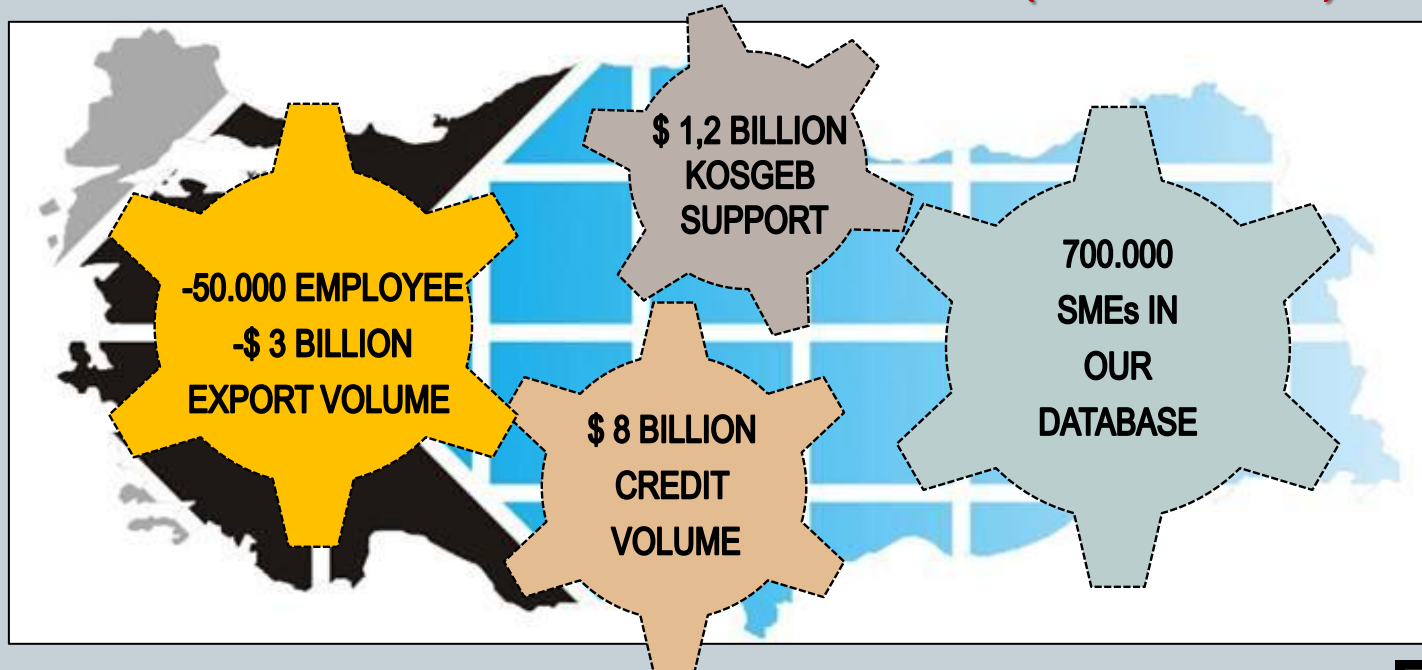


KOSGEB GENERAL PRESENTATION

NOVEMBER 2013

23

SUMMARY OF KOSGEB SUPPORTS (2003- 2013)



thank you...

KOSGEB EU and Foreign Relations Department

