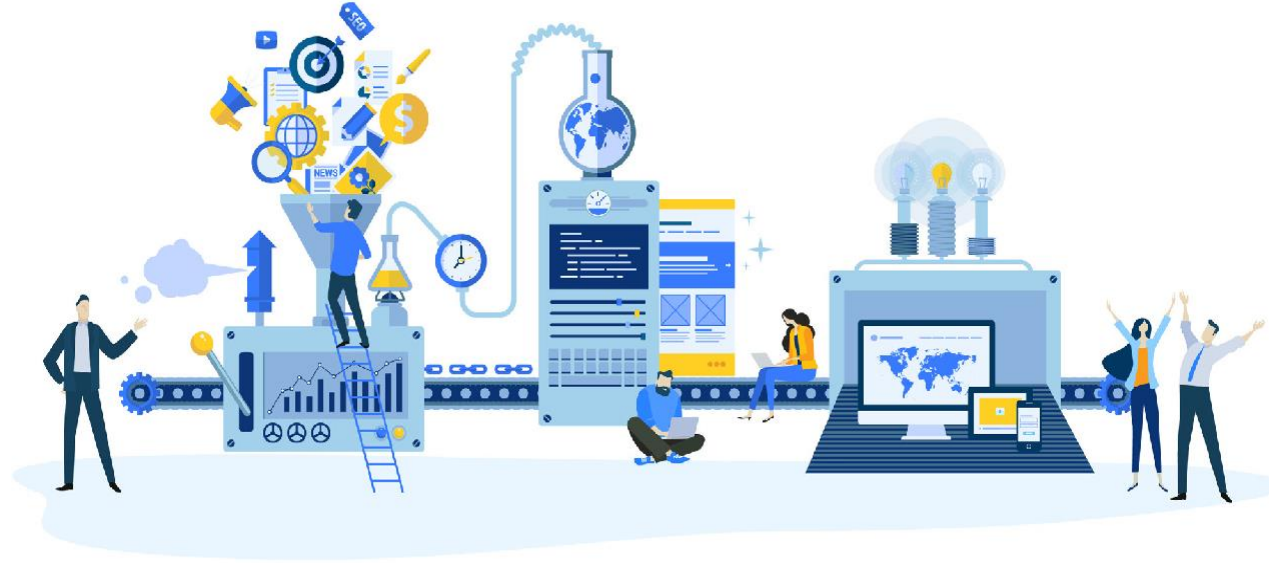


Increasing Internationalization of Small and Medium-Sized Enterprises (SMEs) in OIC Member Countries



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Aim and Design of the Survey

➤ In order to have information on

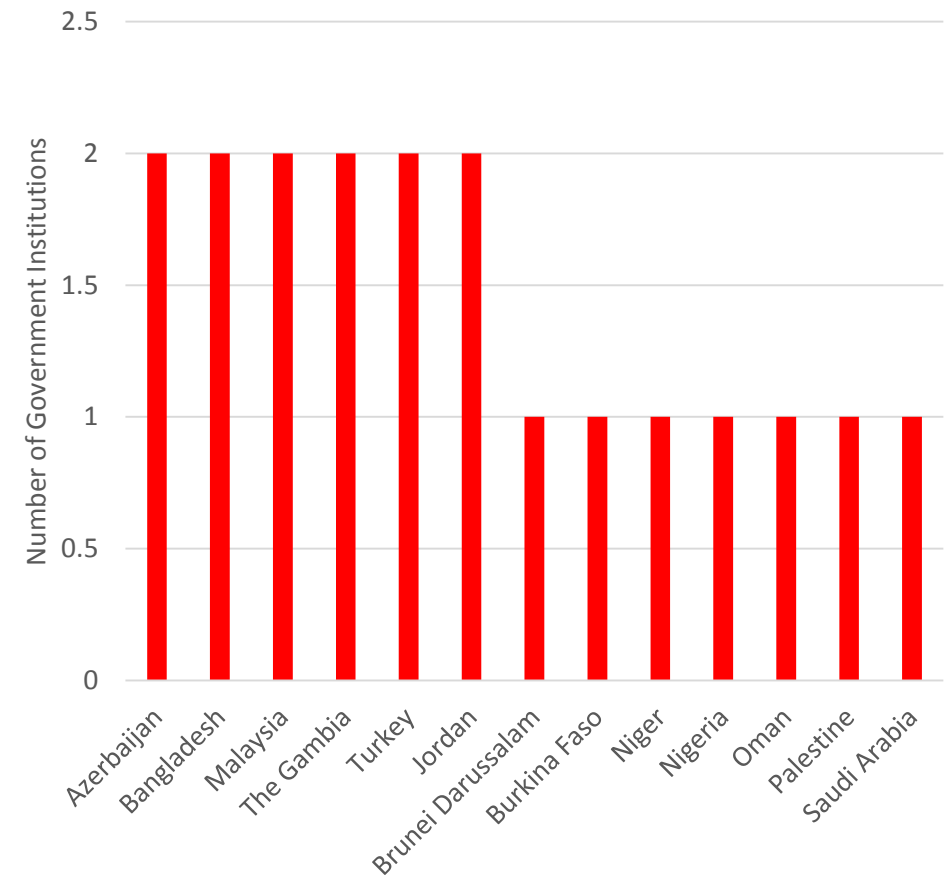
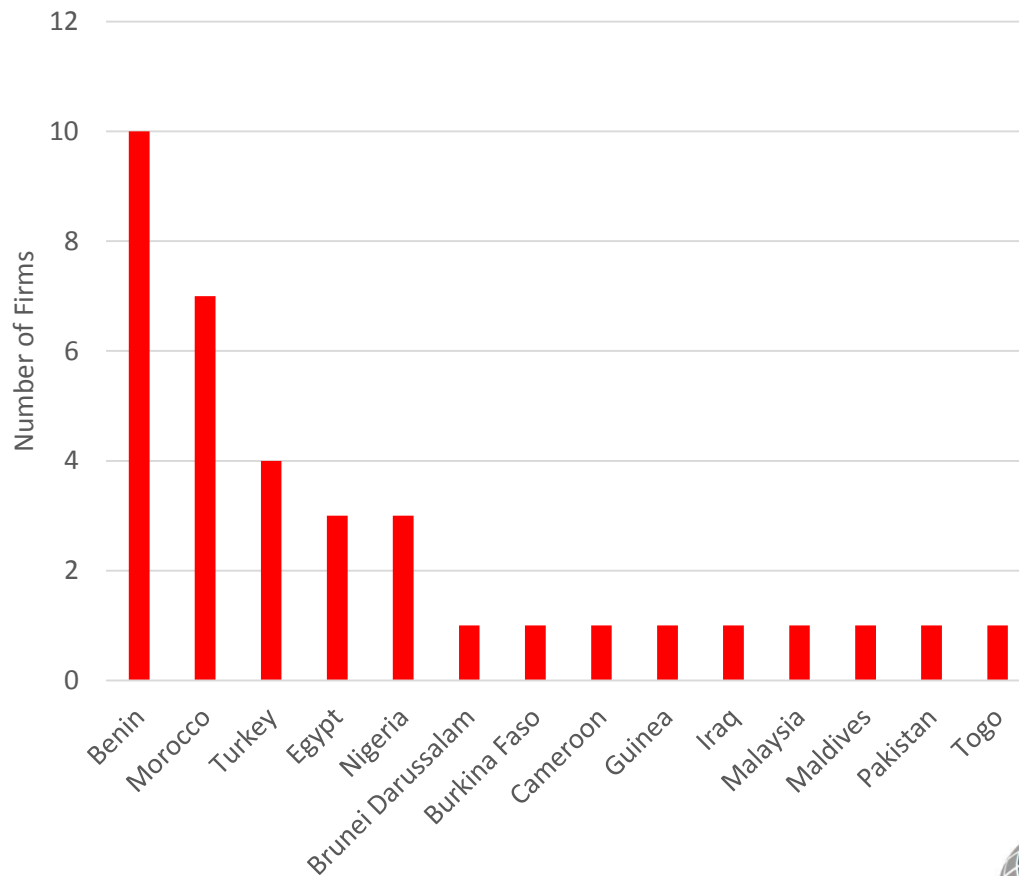
- the barriers to internalization of SMEs,
- policies to overcome those barriers and their effects, we conducted a survey to OIC member countries.

➤ Different questionnaires for firms and government institutions.

- how the perception of barriers differs among firms and institutions
- how the designed policies affected firms' exports.

Sample

- A total of 4902 e-mails were sent (3833 firms and 1069 government institutions).
- A total of 55 respondents (36 firms and 19 government institutions).



Firm Results (Characteristics)

- Out of 36 firms, 21 firms are non-exporters and 15 firms are exporters
- Exporters are larger (median employment is 10 vs 8).
- Exporter firms are older (share of firms with age 0-9 is 57.1 percent vs 33.3 percent).
- 8 non-exporter firms have no plans to export in the future.
- 13 of them are planning to be engaged in export activity.
- On average, 42.85 percent of sales is to foreign markets and 57.15 percent is to domestic markets.

Firm Results (Channels for Target Markets)

- Exporter firms mostly utilize business partners
- International market-related information portals, business websites and business associations are other channels
- Government channels are not sufficiently used.
- The rankings of the channels are different for exporter and non-exporter firms.
- Creating platforms for sharing the experience is important.

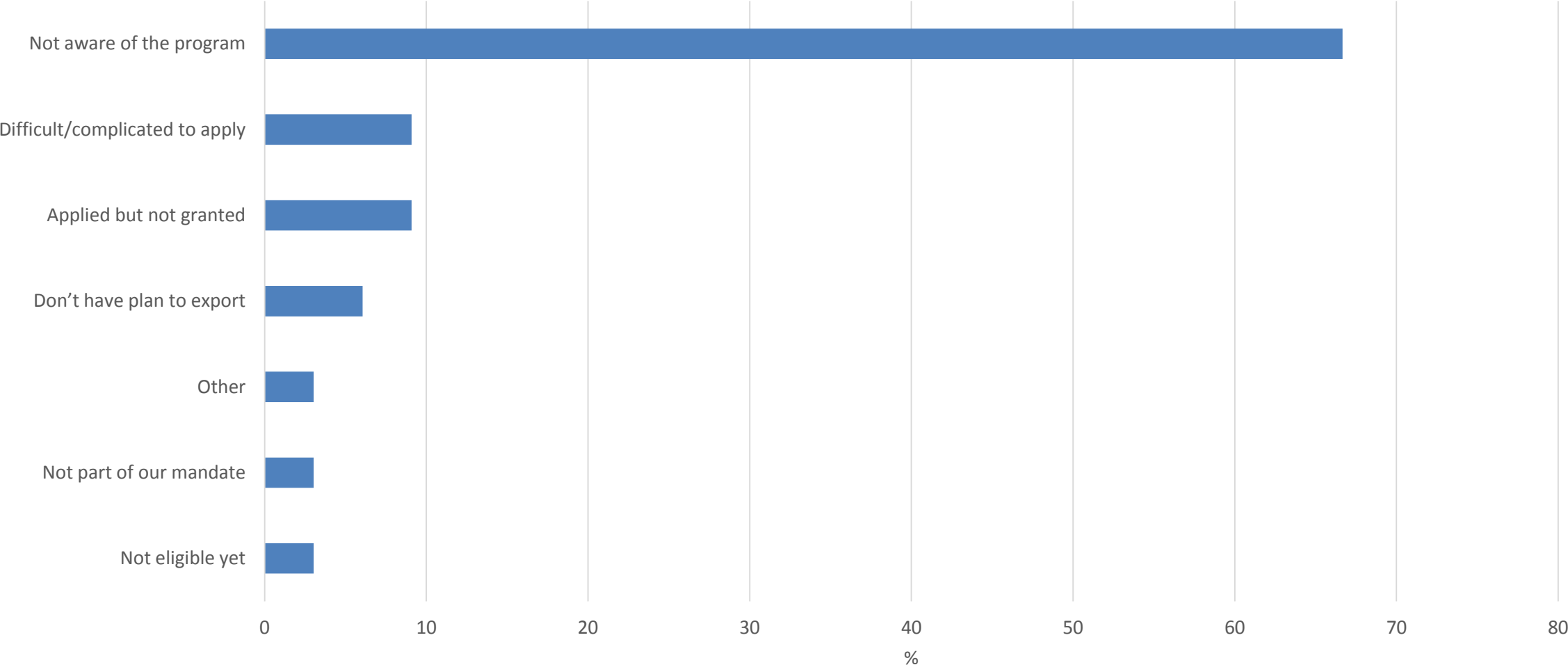
Firm Results (Perception of Internal Barriers)

- Large difference between exporters and non-exporters in their perception of internal barriers.
- The average score of exporters is significantly higher than non-exporters
 - barriers became higher with the realization of exporting activity
- For both exporter and non-exporter firms, financial barriers are the most important barriers.
- 2nd important barrier
 - Informational barriers for exporters,
 - product and price barriers for non-exporter.
- 3rd important barrier
 - distribution and logistics barriers for exporters,
 - information barriers for non-exporters.

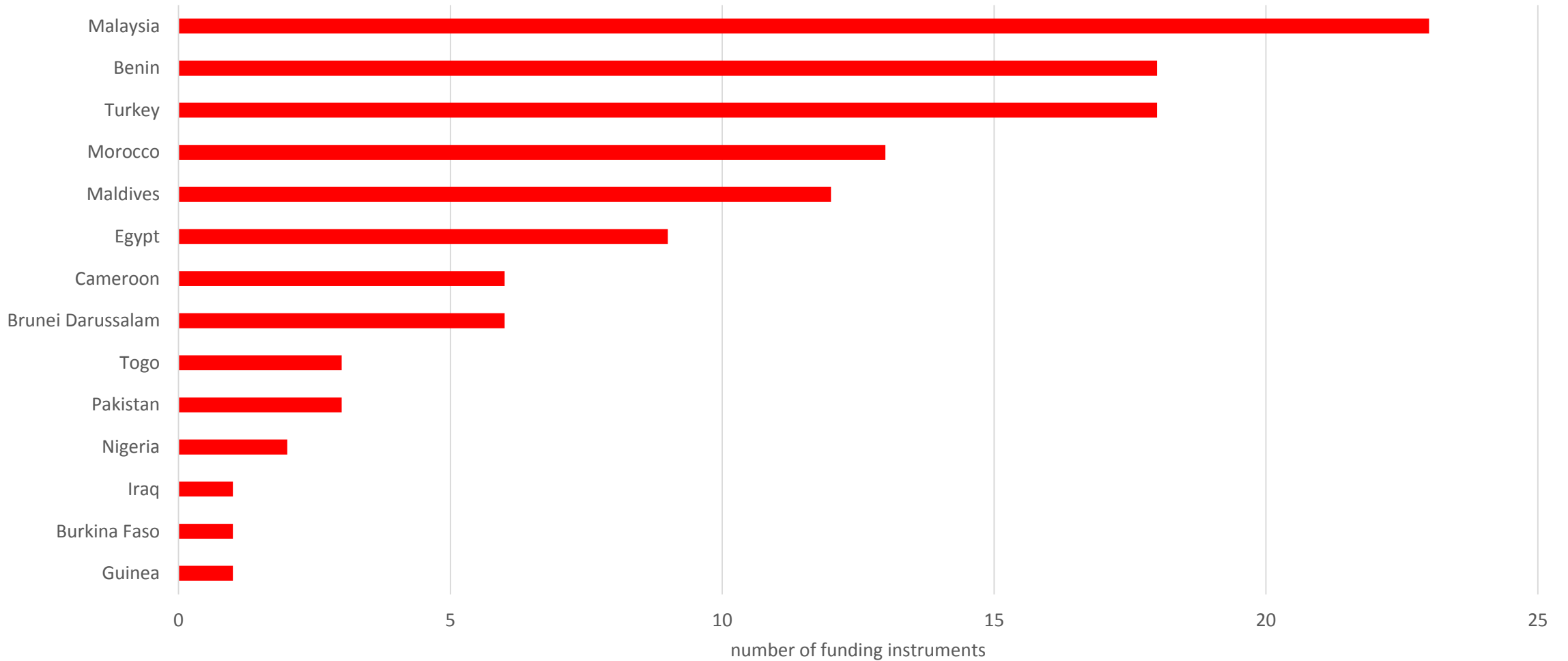
Firm Results (External Barriers)

- The perception of external barriers is similar among the exporter and non-exporters.
- For both groups of firms, the home governmental barriers are most important.
 - policies for supporting export for both exporter and non-exporter firms
- The second important main barrier is the tariff and non-tariff barriers.

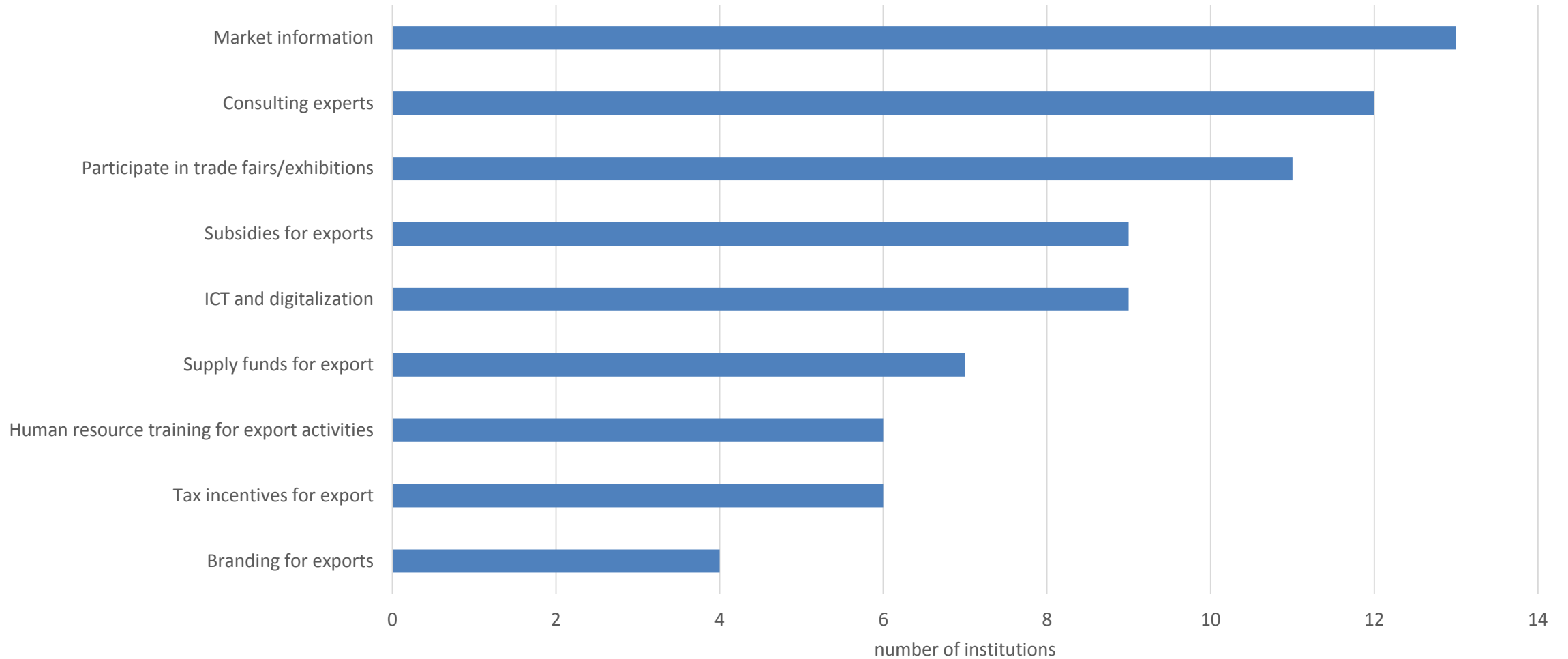
Firm Results (Reasons for Not Participating in Any Support Programs)



Firm Results (Number of Available Funding Instruments)



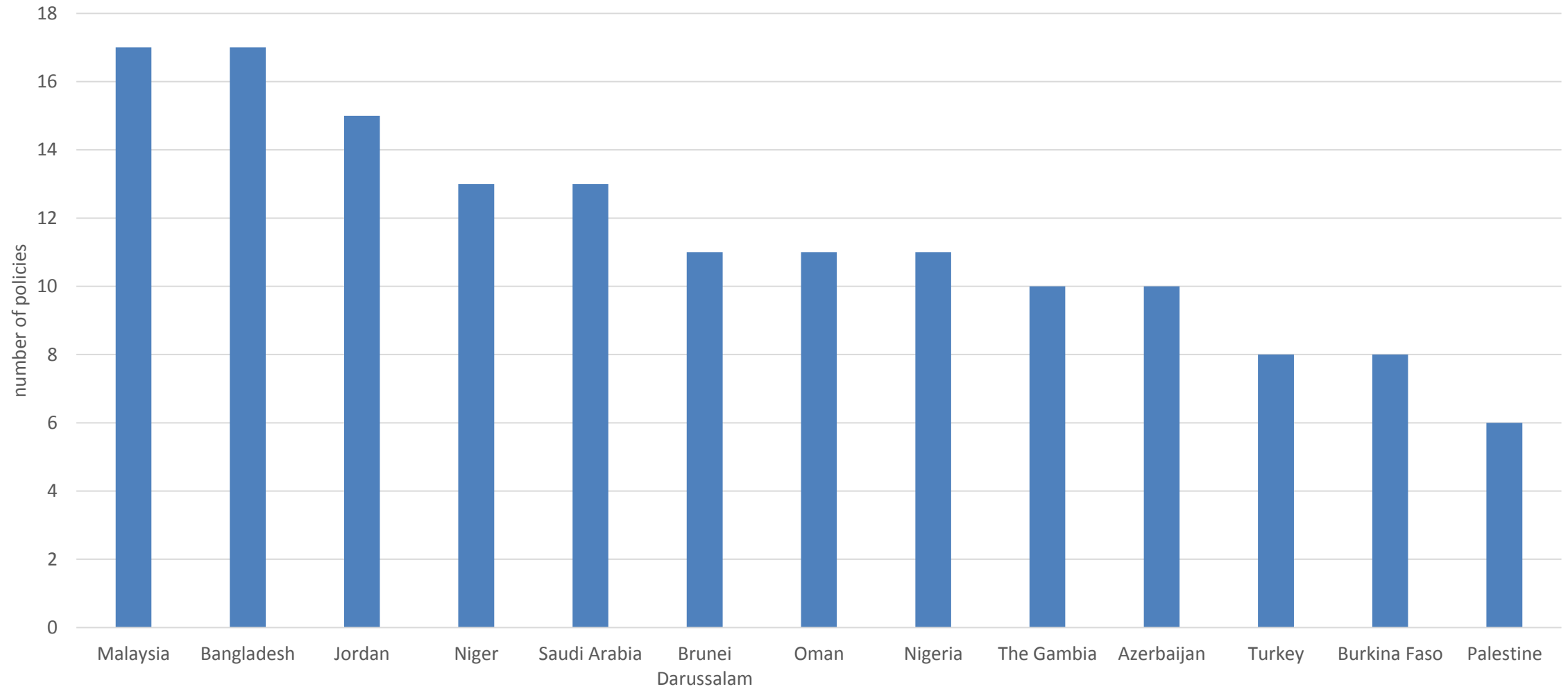
Institution Results (Type of Support Programs)



Institution Results (Government Policies for SMEs Access to Finance)

SME Finance Policies	Number of Countries
Socialization programs/workshops/seminars to promote financial literacy for SMEs	13
Creation of specialized financial institution(s) for SMEs (e.g., public SME bank)	11
Public credit bureau and/or SME credit risk database	10
Refinancing facility (the government provides concessional loans and guarantees through participating financial institutions)	10
Support for developing the base of professionals serving SMEs (e.g., increase the number of certified public accountants (CPAs) serving SMEs)	10
Tax incentive schemes for priority SME sectors	10
Public credit guarantee schemes	9

Institution Results (Number of SME Finance Policies)



Institution Results (Barriers and Policy Targets)

- The lack of awareness from the programs
 - trade chambers are important and needs to be strengthened.
- The implemented programs seem to target the most important barriers.
- The average number of internal barriers targeted by one program is 7.37.
 - Wide coverage of the programs.
- Good, if the program removes the targeted barriers.
- Bad, if this wide coverage makes the programs lose their focus.
 - Institutions need to design more focused programs.