

BUSINESS CLIMATE SURVEY FOR SWEDISH COMPANIES IN TURKEY 2020

A REPORT FROM TEAM SWEDEN IN TURKEY

KEY CONTRIBUTORS TO THIS REPORT

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FOREWORD

Trade relations between Turkey and Sweden date back to many years; even before the Turkish Republic was founded in 1923, Swedish companies were active during the Ottoman Empire era. Today, there are more than 125 Swedish companies active in Turkey operating in a wide range of industries.

In the recent years, Turkey and Turkish economy have experienced many challenges. Especially, the downward trend of the Turkish Lira has affected the market negatively. GDP growth has been slowed down for 2018 and 2019. Last quarter of 2019 and the first quarter of 2020 had promising results for the Turkish economy. However, the COVID-19 outbreak affected the Turkish economy very negatively, like every other country in the world. The situation especially hit the tourism and transportation sectors; while disrupting most of the sectors' sales and supply chain operations.

Swedish companies, despite all the challenges in the market, still achieved to have profitable business in Turkey. In fact, 64% of Business Climate survey respondents stated that 2019 was a profitable year for their operations in the market. This demonstrates the potential of Turkey, being the 18th largest economy in the world. With its large population and strong geopolitic location, Turkey is the 20th largest export market for Sweden and the country is expected to remain one of the more important markets for Swedish companies.

In this report we aimed to quantify opportunities and challenges in the Turkish market from a Swedish companies' perspective. We hope that this report will help our stakeholders to increase the understanding of Swedish companies' performance in Turkey and deepen our appreciation of the opportunities and challenges that the Turkish market possesses. In addition, it will hopefully serve as a reference in bilateral trade dialogues between Sweden and Turkey.

Lastly, we would like to extend our most sincere gratitude to the participating companies and respondents who have contributed to this report during challenging COVID-19 times.



Peter Ericson
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EXECUTIVE SUMMARY

COVERAGE

56%



Of Swedish companies in Turkey responded to the survey

Swedish Companies' experience in the market

66% Experienced

28% Mature

6% New comer

Global size of Swedish Companies in the market

66% Large

17% Medium

17% Small

MARKET & ECONOMY



Profitability

64%

of respondents reported profitability for 2019

Business Climate

Neutral



Most Satisfying Conditions

- Physical infrastructure
- Access to suppliers & distributors
- Access to service providers

Least Satisfying Conditions

- Customs
- Transparency and equal treatment
- Licenses, permits and approvals

SUCCESS FACTORS



Key Success Factors

- Cost efficiency
- Sales competence
- Brand awareness



Swedish Brand Image

87%

of respondents stated Swedish brand image supports their business



Low Environmental Concerns

36%

of respondents stated environmental concerns don't affect purchasing decisions

ABOUT THE SURVEY

Business Climate Survey explains Turkish Market from Swedish Companies' perspective

Business Climate Survey Turkey was sent out to Swedish companies in Turkey on the 13th of March and responses have been collected until the 11th of April. The survey timing was unfortunate due to the COVID-19 outbreak both globally and in Turkey. Therefore, in the report, we have noted the differentiation of the first 2 weeks' responses (36 responses) to the survey - when COVID-19 situation was in the beginning phase - and the last 2 weeks' (31 responses) responses - when COVID-19 situation was in the development phase - of the survey where applicable.

The survey has been sent out to companies:

- which were originally established in Sweden and have later, as part of its internationalization efforts, established a Turkish entity according to the Turkish Commercial Code or
- which were originally established in Turkey and have later been acquired by a company originally established in Sweden

The survey targeted company representatives who are mostly business unit, country or sales managers of Swedish companies defined above. The survey was sent out to 121 recipients and received 68 responses (56% response rate). Considering the unfortunate COVID-19 situation and challenges it brought in reaching respondents, who were mostly working from home, the survey was deemed to have achieved sufficient number of responses. Although Business Climate Survey 2020 does not cover every single Swedish company in Turkey, it is a firm representation of Swedish companies' perspective of doing business in the Turkish market.

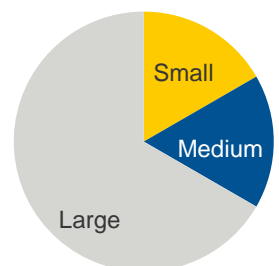
The report is divided into the following sections:

- **Economic Outlook:** In the economic outlook section, in addition to macro data, Swedish companies' performance and expectations from Turkey are defined
- **The Market:** Overall activities and Swedish companies' perspective to the market are explained
- **How Swedish Companies Succeed in Turkey:** Swedish companies' experience that can guide new market entrants to the market is analyzed
- **Acting sustainably:** Turkish market is demonstrated from a sustainability point of view

The panoramic view of the respondent base, as can be seen on the charts, shows that:

- The respondents of Business Climate Survey Turkey are mostly large companies with more than 1,000 employees globally (66.7%), while 16.6% are medium and remaining 16.6% are small companies.
- When it comes to the industries represented, it is observed that the Industrial segment is leading with 43% of the companies. The Professional services segment is second with 18% and the Consumer segment follows with 15%.
- Most of the respondent companies entered the Turkish market between 2001-2015 (66%), "Mature" companies which entered Turkish market before year 2000 constitute 28%, while "Newcomers" that entered Turkish market after 2015 are 6%

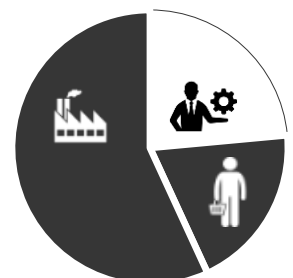
SIZE OF COMPANIES



Graph 1. Size of Companies

NOTE: Global employees. Large >1000. Medium 250-1000. Small 0-249.

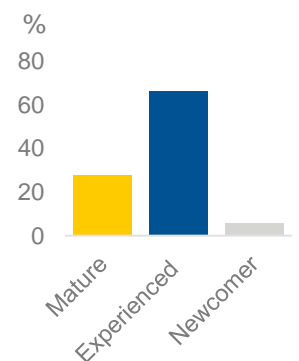
MAIN INDUSTRY



Graph 2. Main industry

NOTE: 43% Industrial. 18% Professional services. 15% Consumer.

AGE OF COMPANIES



Graph 3. Age of companies

NOTE: Mature (<2000). Experienced (2001-2015). Newcomer (2016-)

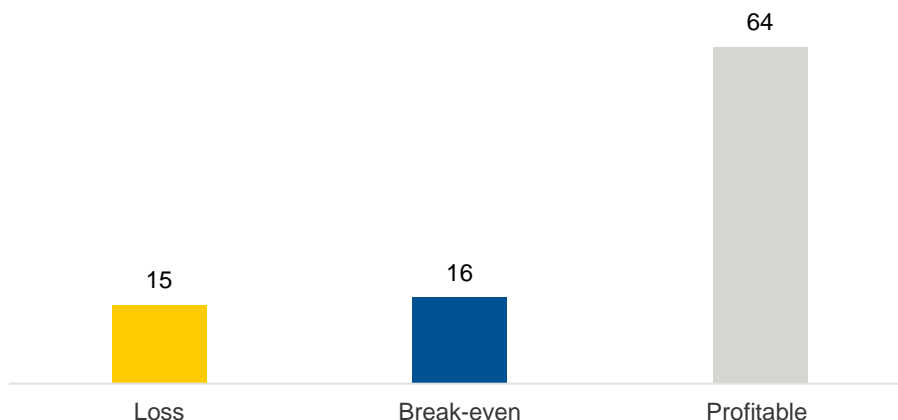
ECONOMIC OUTLOOK

Turkey has been an attractive investment destination for Swedish companies for a long time

Turkey, with its strategic geographical location between Europe & Asia, its population of more than 80 million, and growing economy and reforms, has always been an attractive investment destination for foreign companies. Many Swedish companies have foreseen this potential for a considerable time and invested in various industries while enjoying profits and contributing to the Turkish economy.

HOW WOULD YOU DESCRIBE YOUR COMPANY'S FINANCIAL PERFORMANCE IN TURKEY IN 2019?

Per cent



Graph 4. Financial performance in 2019

NOTE: The number of respondents for this question was 67. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Turkey 2020.

Despite economic challenges in 2019, Swedish companies reached a profitable year in Turkey

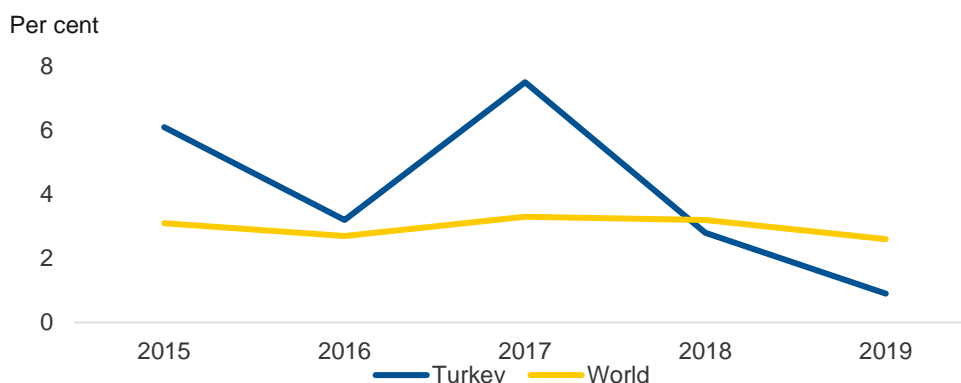
2019 was one of the most economically challenging years recently, considering the fluctuations in the Turkish Lira and the political uncertainties. These macro challenges in the economy also affected Swedish companies that have active operations in the market. However, even in this challenging year, with their strong presence and successful operations, most of Swedish companies (64%) reached profitability from their business in Turkey in 2019. Especially large multinational Swedish companies, thanks to their immunity against macro-economic risks, achieved to close this challenging year profitable or break even with an 88% ratio.



We are happy and proud to be in Turkey. Despite some challenges like FX, macro and political instability, we do not see major challenges within our industry area. We are positive in regards to the business climate.

Country Manager of a Large Swedish Company in Consumer Products industry

GDP GROWTH IN TURKEY

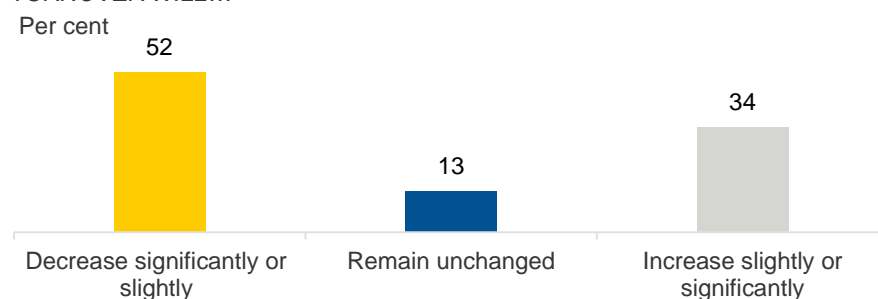


Graph 5. GDP growth
NOTE: Constant prices.
SOURCE: Oxford Economics 13 March 2020

As can be seen on Graph 5. GDP growth rate in Turkey was larger than the World average between 2015 and 2017. Starting from 2018, the GDP growth rate in Turkey has slowed down; due to fluctuations in Turkish Lira and political uncertainty. Although in the beginning of 2020, Turkish economy was expected to gather strength, the extraordinary outbreak of COVID-19 has made it nearly impossible to project future GDP growths both nationally and globally.

COMPARED TO THE DEVELOPMENT IN THE PAST 12 MONTHS, WHAT ARE YOUR EXPECTATIONS FOR THE COMING 12 MONTHS FOR YOUR INDUSTRY IN TURKEY REGARDING TURNOVER?

TURNOVER WILL...



Graph 6. Turnover expectation

NOTE: The number of respondents for this question was 67 "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Turkey 2020.

Graph 6. Turnover expectation shows that Swedish companies in Turkey are generally pessimistic about the coming 12 months - 52% of companies think their turnover will decrease. However, it is important to highlight that this result mostly stems from the current COVID-19 situation (March-April 2020). In fact, in the first two weeks of the survey, 36 companies responded and **44%** expected a turnover growth; while only **23%** of companies that responded in the second two weeks of the survey expected turnover growth.

▶ Although in the beginning of 2020, Turkish economy was expected to gather strength, the extraordinary outbreak of COVID-19 has made it nearly impossible to project future GDP growths both nationally and globally

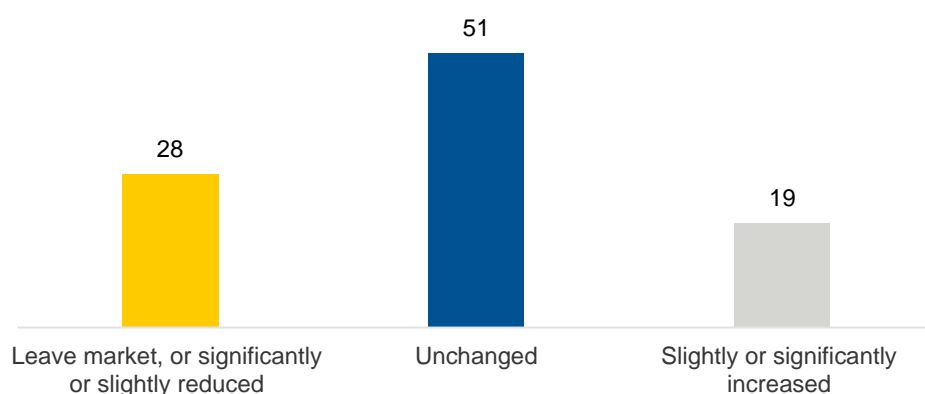
Swedish companies tend to keep the status quo in Turkey due to uncertain conditions

Majority of Swedish companies in Turkey are reluctant to new investments. Although 64% of the companies closed 2019 with profitability, only 19% of the respondents stated their plans to invest more. Uncertainties and challenges in the Turkish economy in 2019 affected companies' investment decisions and it is also worth to mention here that the COVID-19 situation made companies review their global investment plans again. During the first two weeks of the survey 28.6% of the companies answered that they are planning to invest more in Turkey; while only 10.3% of respondents stated their future investment plans in Turkey in the last two weeks of the survey.

WHAT ARE YOUR COMPANY'S INVESTMENT PLANS FOR THE COMING 12 MONTHS IN TURKEY, COMPARED TO THE PAST 12 MONTHS?

INVESTMENTS WILL BE...

Per cent



Graph 7. Investment expectations

NOTE: The number of respondents for this question was 67. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Turkey 2020

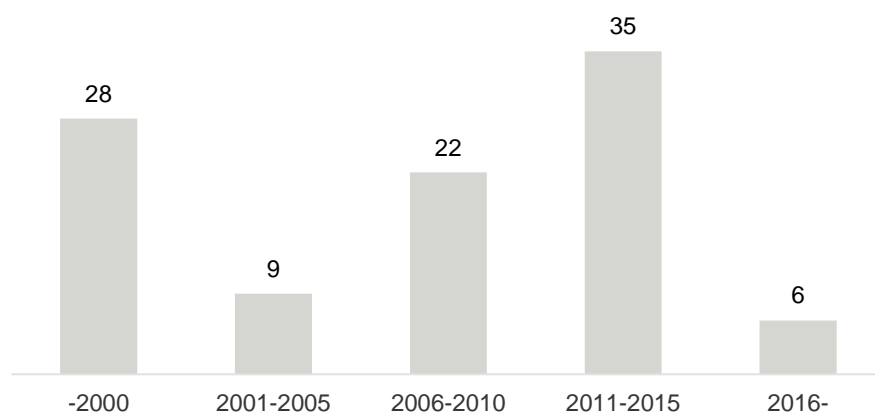
THE MARKET

Turkey, with its modern business environment and high potential, is a well-suited market for Swedish companies

Similar to its geographical location, business mindset in Turkey is a synthesis of Eastern and Western cultures. Modern commercial legislation structure, recent reforms in compliance with EU regulations as well as a trade and custom agreement with the EU make it easy to do business in Turkey. In addition to the welcoming business climate of Turkey, a strong & active Team Sweden presence; Embassy of Sweden in Ankara, Consulate General of Sweden in Istanbul, Business Sweden in Istanbul and Swedish Chamber of Commerce in Istanbul, is continuously working to promote & support Swedish companies in Turkey.

IN WHAT YEAR DID YOUR COMPANY ESTABLISH OPERATIONS IN TURKEY?

Per cent



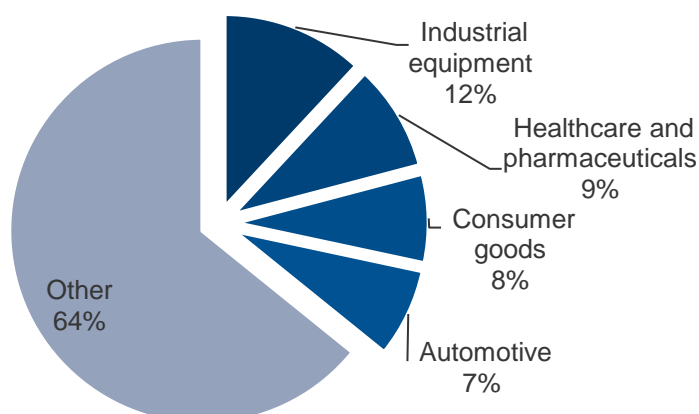
Graph 8. Company establishment years

NOTE: The number of respondents for this question was 67 "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Turkey 2020.

Swedish companies active in Turkey are mostly in the "Experienced" category. 57% of the companies entered Turkey between 2006-2015 and 28% of the respondent companies have presence in Turkey for more than 20 years. These data show that Swedish companies present in Turkey are well established, have good partner network and settled operations. In addition to the mature companies in the market, 6% of respondent companies entered the market after 2016; demonstrating the solid growth of Swedish business presence in Turkey.

WHAT IS YOUR COMPANY'S MAIN INDUSTRY IN TURKEY?



Graph 9. Swedish companies' main industries

NOTE: The number of respondents for this question was 67 "Don't know/Not applicable" responses are included but not shown in figure.

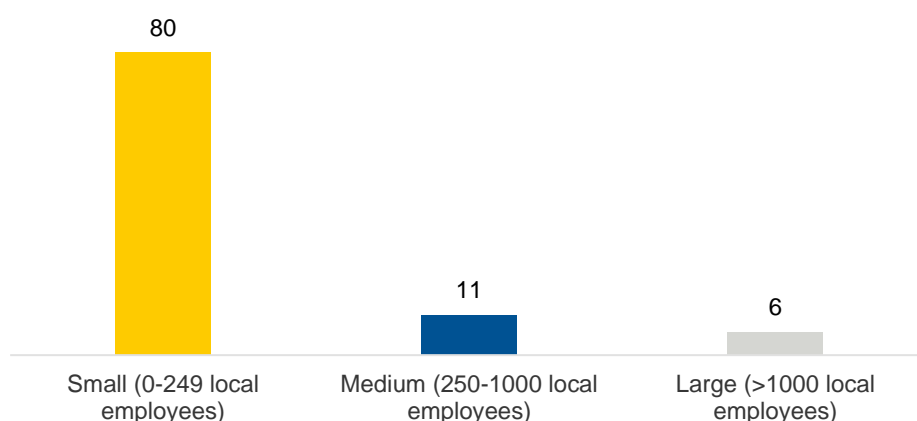
SOURCE: Business Climate Survey for Swedish Companies in Turkey 2020

In the Business Climate Survey, 20 different industries were defined as possible response options for the Main Industry question. Results show that there is at least one company active in 17 of the 20 defined industries which demonstrates that Swedish companies in Turkey are active in a wide range of industries. Industrial equipment is the leading industry that Swedish companies are active in, with a 12% ratio. Healthcare and pharmaceuticals, consumer goods and automotive sectors follow accordingly.

Swedish Companies mostly have less than 250 local employees in Turkey (80% of the respondents); 31% have 0-9 employees, 29% have 10-49 employees and 20% have 50-249 employees, while 20% stated that they have more than 250 local employees in Turkey. These numbers do not correspond exactly to the companies' employment contribution though. According to a recent study -"Swedish Value in Turkey" – done by Team Sweden in Turkey, employment contribution of Swedish companies in Turkey was 61.900 with direct, indirect and induced employments taken into account

SWEDISH FIRMS' LOCAL NUMBER OF EMPLOYEES IN TURKEY IN 2020

Per cent



Graph 10. Local number of employees

NOTE: The number of respondents for this question was 66 "Don't know/Not applicable" responses are included but not shown in figure.

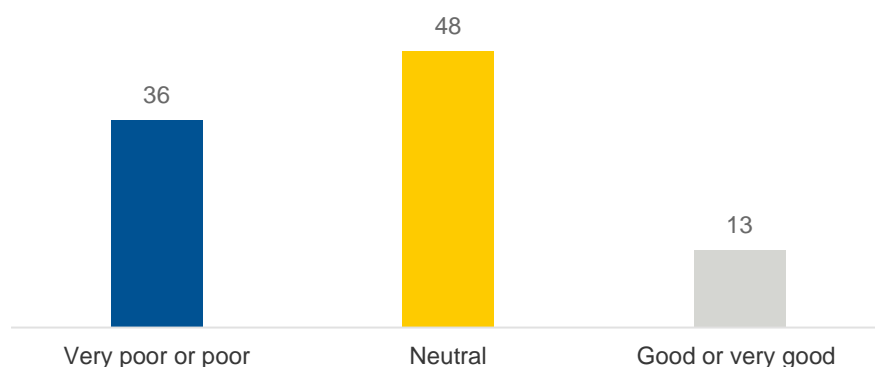
SOURCE: Business Climate Survey for Swedish Companies in Turkey 2020

Swedish Companies' perspective of business climate in Turkey is "Neutral"

48% of the respondents indicated that they perceive the business climate as neutral; while 36% of respondents stated negative perspective of Turkish market. Overall respondents specified the following factors as challenging for the business climate in Turkey: decreasing value of Turkish Lira, price competitiveness in the market and some recent policies that favor local manufacturing over imported goods. On the other hand, a large population, a large GDP and a modern economy create great opportunities in the market according to the respondents.

HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN TURKEY?

Per cent

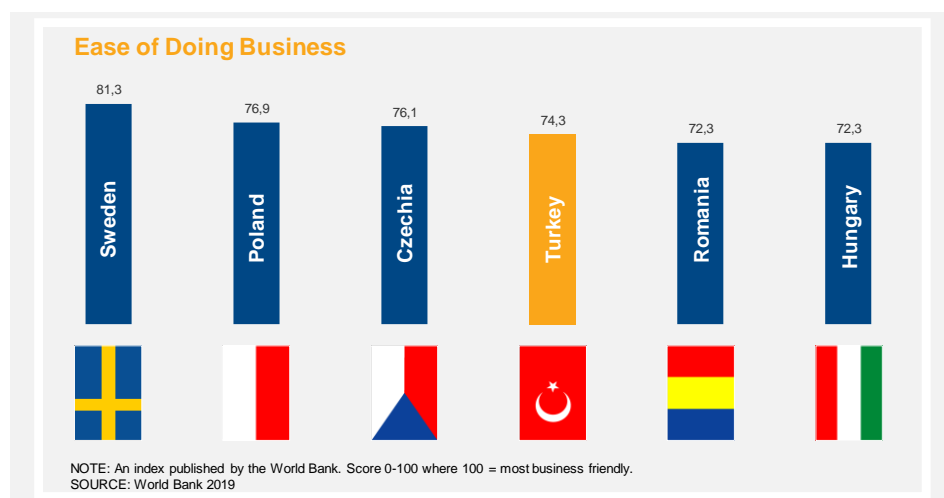


Graph 11. Business climate in Turkey

NOTE: The number of respondents for this question was 67. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Turkey 2020

According to Ease of Doing Business Index 2019 of the World Bank, Turkey is one of the TOP 10 countries that improved most between 2018-2019. Turkey is ranked 43rd among global economies with 74.3/100, while it was ranked 60th with 69.1/100 in 2018.



Graph 12. Ease of doing business index

Business conditions in Turkey are satisfying for Swedish Companies

Swedish companies are asked to grade pre-defined conditions in the market according to their satisfaction and respondents indicated that all of the pre-defined conditions are met in Turkey. Considering recent large infrastructure investments like Istanbul Airport, Osman Gazi Bridge, 3rd Bosphorus Bridge, new high speed rail lines and new highways, it is not surprising that one of the most satisfying condition is physical Infrastructure (7.1/9.0). Also, access to providers, suppliers, market and key personnel have scores above 6.8/9.0.

HOW WELL DO THE FOLLOWING CONDITIONS MEET THE NEEDS OF YOUR COMPANY IN TURKEY?



Graph 13. Conditions in Turkish Market

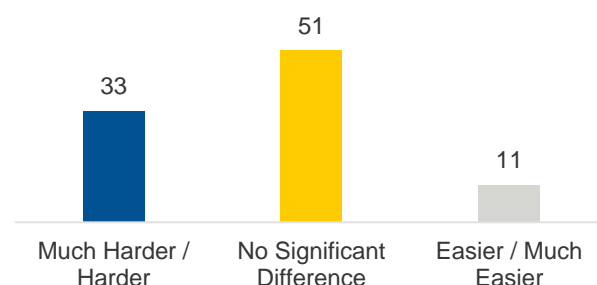
NOTE: The number of respondents for this question was 67
SOURCE: Business Climate Survey for Swedish Companies in Turkey 2020

Customs operations in 2019 were more challenging than usual

Customs clearance processes have the least satisfying conditions in Turkey for Swedish companies, scoring 5.6/7.0. During 2019, Team Sweden had more inquiries related to customs than usual. Although more than half of the respondents (51%) stated that there is no significant difference in custom processes in 2019, 33% of respondents expressed that 2019 was more challenging in terms of customs. Team Sweden has not been aware of major problems causing failure to deliver products in 2019. However, higher frequency of changes in application methods lead to inefficiencies in Turkish customs.

HOW WERE THE CUSTOM CLEARANCE PROCESSES IN TURKEY IN 2019 COMPARED TO PREVIOUS YEARS?

Per cent



Graph 14. Custom clearance process in 2019

NOTE: The number of respondents for this question was 67. . "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Turkey 2020

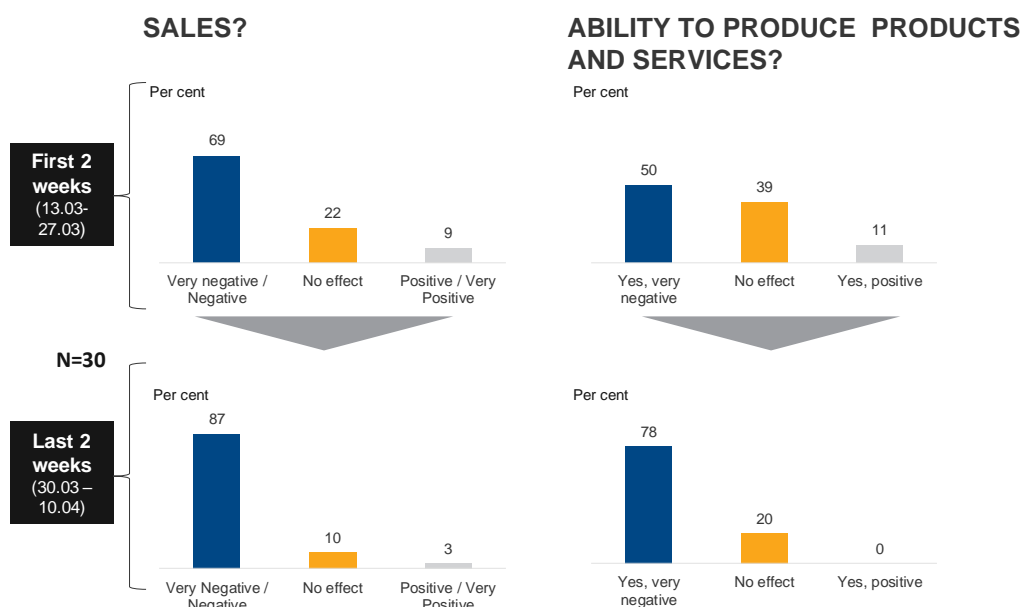
Effects of COVID-19 worsened while the spread of the virus was increasing

Business Climate Survey Turkey started to collect responses on 13 March 2020, just 2 days after the first Corona case was officially announced in Turkey. In only 19 days from the first announced case, the number of Corona cases reached more than 10.000, and casualties reached 168. When the survey response collection was finished on 10 April, there were more than 47.000 cases and more than 1.000 casualties.

Survey results indicate that the effects of COVID-19 worsened as the spread of the virus was increasing. Increasing cases in Turkey and Europe lead to travel limitations, measures limiting logistics operations as well export bans, all of which affected Swedish companies in the market negatively. In the first two weeks of the survey, 69% of the respondents stated that COVID-19 affected their sales negatively and 50% stated that the situation affected their supply chain negatively. In the last two weeks of the survey these numbers increased to 86% and 76% respectively.

As can be seen in the graphs below, Swedish companies' sales were affected more than their supply chain operations. Overall, 78% of Swedish companies indicated their sales were affected negatively and 61% of the respondents indicated their supply chain were negatively affected.

WITH REGARDS TO THE RECENT SPREAD OF THE CORONA VIRUS, WE ASK YOU TO ESTIMATE THE EFFECTS FOR YOUR COMPANY. DO YOU SEE ANY IMPACT WITH REGARDS TO SHORT TERM IMPACT ON YOUR COMPANY'S (ALREADY FELT)



Graph 15. COVID-19 Situation

NOTE: The number of respondents for this question was 36 for the first two weeks and 30 for the last two weeks (6 "Don't know/Not applicable" responses are included but not shown in figure).

SOURCE: Business Climate Survey for Swedish Companies in Turkey 2020

HOW SWEDISH COMPANIES SUCCEED IN TURKEY

Challenges and disruptions changed the customer journey in Turkey

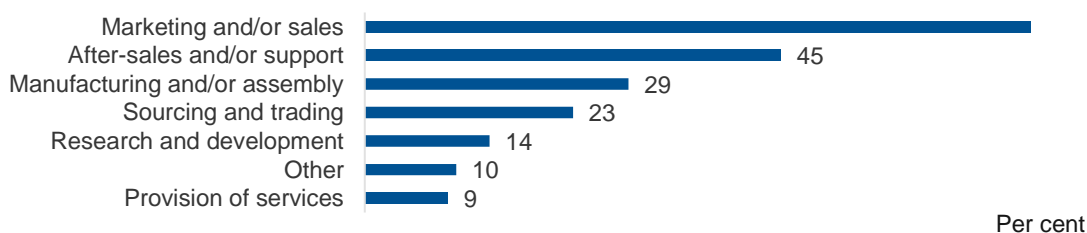
Turkish economy has experienced many challenges in recent years; failed coup attempt in 2016, steep decrease in Turkish Lira in 2018, refugee crisis, war and the most recent COVID-19 crisis. These crisis affected both B2B and B2C markets and changed the shape of customer journeys. Players with strong financing, established supply chains, qualified and competitive solutions reinforced their position on the market. Swedish companies have strong advantage in the market, with their efficient, high quality and competitive solutions. Also, the “Swedish” identity and brand is considered as “very high quality” which makes Swedish solutions favorable against other competitors.

Export based revenue, has become vital for Turkish manufacturing companies. The companies that have mostly export based revenue, have experienced more profits, since their manufacturing cost is reduced; while their revenue stayed same or even increased. More and more Turkish companies, with government incentives, make modernization and efficiency investments in order to decrease cost and also fulfill the high export standards of EU and other countries. Team Sweden noted that Turkish companies are increasingly interested in procuring products and services with foreign financing solutions. In this regard it is very important for Swedish companies to have in mind the Swedish export financing solutions provided by EKN and SEK when doing business in Turkey.

B2C market in Turkey has seen a big increase in digitalization. Despite the devaluation of the Turkish Lira and other challenges, E-commerce has increased by 13% yearly in USD between 2015-2019 and reached \$14.6 billion turnover in 2019¹. The COVID-19 situation is expected to contribute to a further increase in the Turkish E-commerce market.

Regarding key operational areas, Swedish companies are mostly focused on “Marketing and Sales” (73%). 45% of the respondents stated they have after-sales and support operations whereas 29% of the respondents have manufacturing / assembly operations in Turkey. That indicates that Swedish companies enjoy supplying to the market while also using local workforce resources to be more competitive.

OPERATIONS OF SWEDISH FIRMS IN THE MARKET



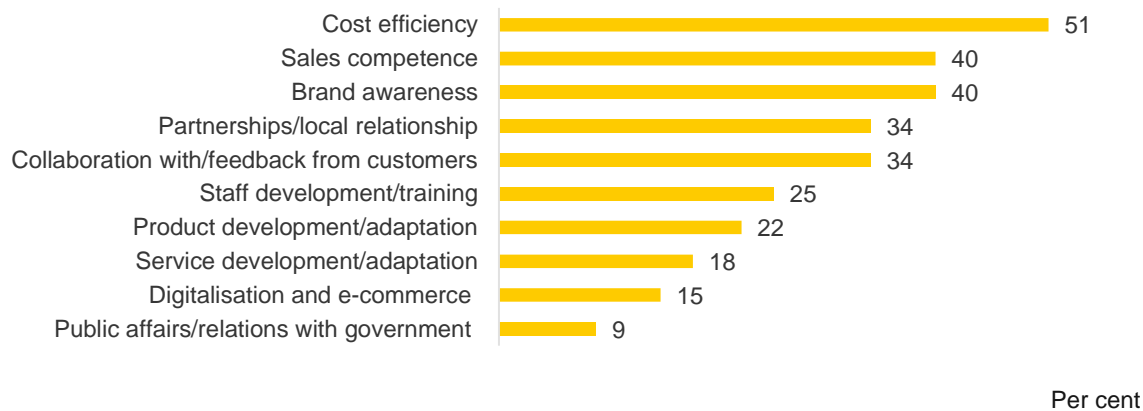
Graph 16. Operations

NOTE: The number of respondents for this question was 66 “Don't know/Not applicable” responses are included but not shown in figure. SOURCE: Business Climate Survey for Swedish Companies in Turkey 2020

Turkish companies are increasingly interested in procuring products and services with foreign financing solutions

¹ Turkish Informatics Industry Association - 2019 E-commerce market size report

TO DATE, WHICH OF THE FOLLOWING AREAS HAVE BEEN IMPORTANT IN MAINTAINING COMPETITIVENESS IN TURKEY?



Graph 17. Maintaining competitiveness

NOTE: The number of respondents for this question was 67. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Turkey 2020

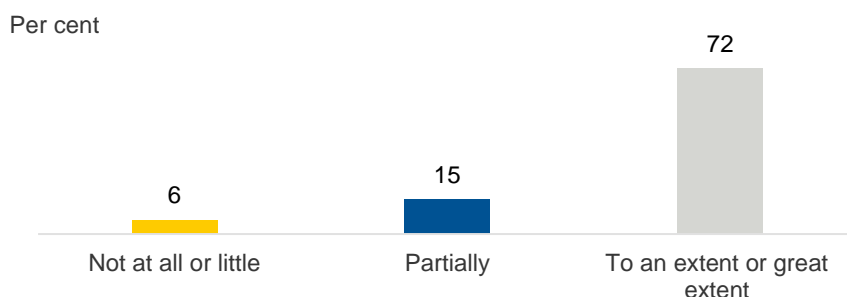
Half of the survey respondents stated that cost efficiency is the main factor to be competitive in Turkish market. In addition to cost efficiency, sales competence & brand awareness are also considered as key factors to become successful in the market. The results demonstrate that, in addition to cost efficiency, having a strong sales network and implementing marketing activities in Turkey are key factors to success.

“Swedish” solutions are known as high quality and durable in Turkish market

Sweden and Turkey have political and trade relations dating back to the 17th and 18th century. Long history of friendship between the countries has made “Swedish” identity a success in Turkey. Swedish solutions are known as high quality and durable. Even in Turkish language there is an expression: “like Swedish steel”, meaning “very sturdy”; e.g. “He has nerves like Swedish steel”. In addition to the historical background between the countries, Team Sweden in Turkey continuously promotes the “Swedish Brand” image and Swedish solutions. The survey results also demonstrate that the “Swedish brand” image contributes extensively to Swedish companies business in Turkey. 87% of the respondents stated that the “Swedish brand” image supports their business (15% partially – 72% to an extent or great extent).

▶ **87% of the respondents stated that the “Swedish brand” image supports their business**

TO WHAT EXTENT WOULD YOU ESTIMATE THAT THE “SWEDISH BRAND” CONTRIBUTES TO YOUR BUSINESS IN TURKEY?



Graph 18. Swedish brand contribution

NOTE: The number of respondents for this question was 67. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Turkey 2020

ACTING SUSTAINABLY

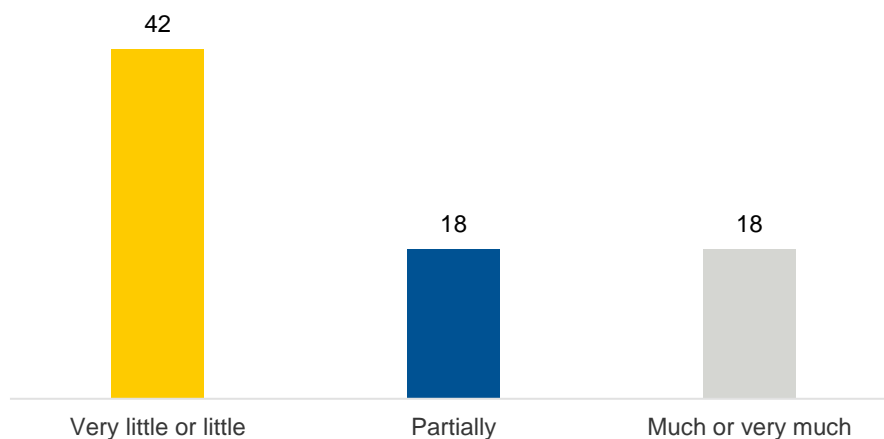
Turkey lags behind European countries in terms of taking concrete sustainability actions

Sustainability is one of the challenging subjects for the Turkish market. The awareness towards sustainability is increasing among the public, especially among the younger generation. However, it is still not one of the top priorities of the government, institutions and private companies.

Turkey has actually defined many goals related to sustainability; “National Climate Change Action Plan” in 2011, “National Renewable Energy Action Plan in 2014”, “Increasing Transparency and Fight Against Corruption” in 2016, “National Energy Efficiency Action Plan” in 2017 and recently “11th Development Plan” in 2019. Turkish public institutions do set goals towards increased sustainability, yet, Turkey is lagging behind European countries when monitoring sustainability goals and taking concrete actions.

TO WHAT EXTENT DO YOU PERCEIVE THAT CORRUPTION IN TURKEY AFFECTS YOUR BUSINESS?

Per cent

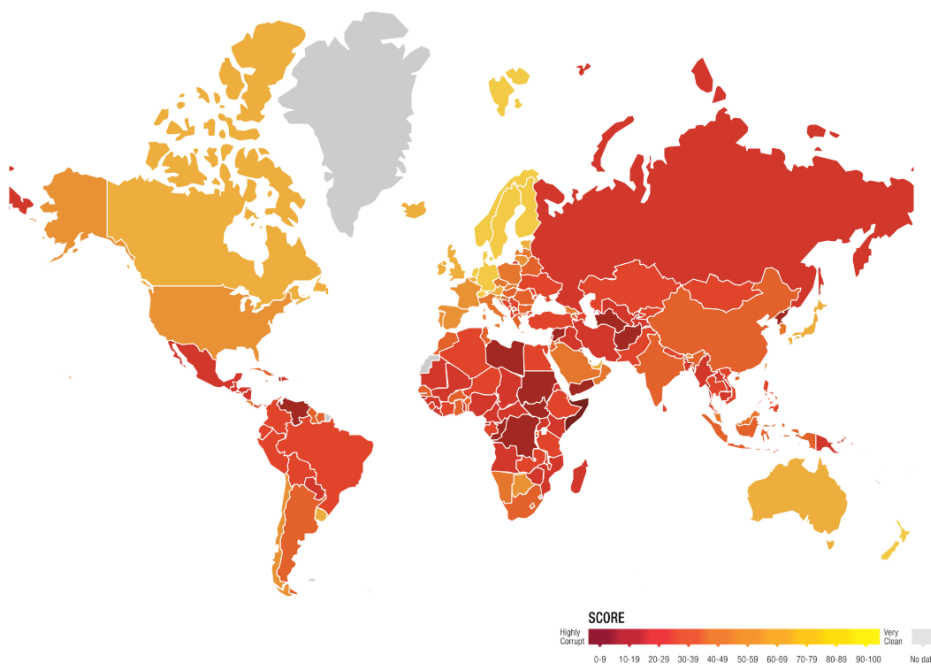


Graph 19. Corruption level

NOTE: The number of respondents for this question was 67 “Don’t know/Not applicable” responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Turkey 2020

42% of the survey respondents stated that corruption levels do not affect their business even partially in Turkey. However, 18% of the respondents are much or very much affected by corruption. The results indicate that corruption affects 2 out of 5 Swedish companies when doing business in Turkey and that there definitely is room for improvement.

CORRUPTION PERCEPTION INDEX 2019



Graph 20. Corruption perception index

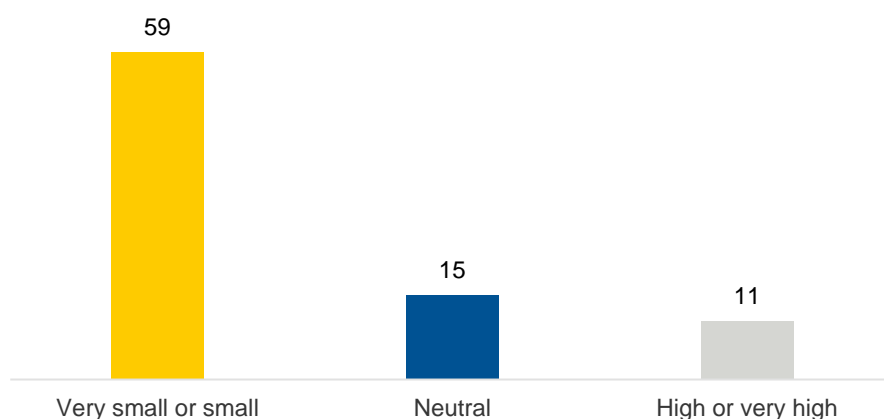
SOURCE: Transparency International.

Corruption remains a challenge in Turkey

For the 6th consecutive year, Turkey has dropped in the Corruption Perspective Index (CPI). Considering the 53rd rank in 2013 with 50/100 points, Turkey has now dropped 11 points and stands at 91st among 180 countries in 2019. This is the lowest rank ever for Turkey. According to “Transparency International” the reasons behind this drops are: lack of transparency, audit and accountability in public tenders, lack of monitoring expenditure of public sources and lack of transparency in political financing.

HOW DO YOU PERCEIVE THE RISK OF ENCOUNTERING HUMAN RIGHTS VIOLATIONS AND/OR LABOUR RIGHTS ABUSES WHEN CONDUCTING BUSINESS IN TURKEY?

Per cent



Graph 21. Human rights & Labour rights levels

NOTE: The number of respondents for this question was 66 Don't know/Not applicable" responses are included but not shown in figure.

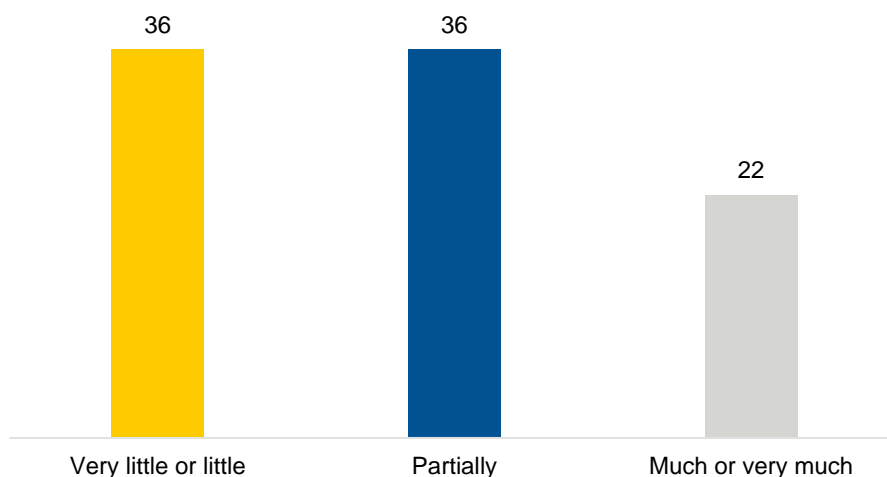
SOURCE: Business Climate Survey for Swedish Companies in Turkey 2020

The risk of encountering violation to human rights and labour right abuses is considered low

Turkey has structured regulations that protect labour right and fight against violations. These regulations are mostly applied in practice for registered employments. The percentage of unregistered employment has dropped from 43% in 2010 to 33% in 2018 according to Turkstat data. Unregistered employment mostly stems from the agricultural sector where 82% of employment is unregistered. Although migration to Turkey has affected unregistered employment negatively, the trend is still downwards for the last 16 years. The respondents of the survey also stated that the risk of encountering violation to human rights and labour rights abuses in Turkey is very small to small (59%).

IN YOUR VIEW, TO WHAT EXTENT DO CUSTOMERS IN YOUR INDUSTRY IN TURKEY CONSIDER ENVIRONMENTAL ASPECTS OF A PRODUCT OR SERVICE IN THEIR PURCHASING DECISION?

Per cent



Graph 22. Sustainability effects on purchasing decision

NOTE: The number of respondents for this question was 67. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Turkey 2020

Environmental concerns should go beyond marketing activities

Environmental protection is a very popular subject in Turkey. The Turkish government and many private companies regularly announce their concerns and action plans to be more environmentally sustainable. Especially the awareness among the young generation is increasing.

On the other hand, Turkey is the only member of G20 that has not ratified the Paris Climate Agreement². And although private companies have some initiatives, most of the investments needed to implement the change are not made due to cost and financing concerns. This indicates that environmental concerns do not go beyond marketing activities in Turkey. However, with increasing awareness and with increasing pressure international customers, it is expected to change.

Swedish companies responding to the survey indicated a low ratio of implemented actions towards environmental concerns. 36% of the respondents stated that environmental aspects affects purchasing decisions little or very little, while 36% indicated partial effects and 22% stated environmental concerns affects purchasing decisions much or very much.

² The USA has ratified the agreement but then withdrawn from it

