



Chamber of Commerce
The Netherlands - Turkey Foundation

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Building Business Bridges

CHAMBER OF COMMERCE THE NETHERLANDS – TURKEY FOUNDATION
IS A DYNAMIC CLUB OF ENTREPRENEURS

LET'S TALK!

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Hollanda - Türkiye Ticaret Odası Derneği



Stichting Kamer van Koophandel
Nederland - Turkije

Discover new markets!

Did you know that the Netherlands and Turkey have been maintaining diplomatic and economic relations for over 400 years? And that Turkey has been a member of the European Customs Union since 1996 and candidate-member of the EU since 1999?

Already more than 3,000 Dutch companies have representations in Turkey. On the other side, there are about 800 Turkish enterprises in the Netherlands. With more than 84 million inhabitants and 24 cities of over 1 million, the country presents a huge consumer market. Turkey is the world's 13th largest economy.

The predominantly Turkish family enterprises are characterized by a hierarchic and formal structure. At the same time they are very welcoming, curious and open to new developments. Turkish entrepreneurial mentality stands out for its capacity to sense and grasp any opportunity.

But stay realistic: Turkish people are intuitive and ad-hoc traders, unlike the Dutch, who are structured and well-planned. Find out more under cultural do's and don'ts in this brochure.

Benefit from Turkey's wide range of quality products and short(er) logistic chains as an alternative to China, Turkey's relatively cheap services including IT and its great diversity of tax-friendly investment options.

Position Turkey as your strategic bridge to surrounding countries. Like Rotterdam being Gateway to Europe, Istanbul takes the same in respect of the rest of Asia. Thanks to the smooth collaboration between Turkish entrepreneurs and their Middle-East, Central-Asian and African trading partners, Dutch entrepreneurs have the privilege of easier access to these markets.



Ülkelere göre yıllık ihracat (en çok ihracat yapılan 20 ülke) (genel ticaret sistemi)
Exports by country and year (top 20 country in exports) (general trade system)

Sıra Rank	Ülke	2020 ⁽¹⁾
	Toplam	169 657 940
8	Hollanda	5 195 418

Ülkelere göre yıllık ithalat (en çok ithalat yapılan 20 ülke) (genel ticaret sistemi)
Imports by country and year (top 20 country in imports) (general trade system)
Thousand US \$

Sıra Rank	Ülke	2020 ⁽¹⁾
	Toplam	219 514 373
16	Hollanda	3 628 593

Repeatedly, Turkey has given evidence of a resilient economy. It has learnt to quickly recover from shocks (global financial crisis, coup d'état, corona virus). According to the European EBRD bank, Turkey was among the few countries who demonstrated a positive growth during the 2020 pandemic.

Scope for growth



The Turkish climate stands out for its optimal conditions for, among others, agricultural entrepreneurs. Its coastal areas along the Aegean and Mediterranean Seas have a warm Mediterranean climate in summer and wet winters ranging from temperate to cool. Its coastal areas bordering on the Black Sea have a temperate maritime climate with hot and wet summers and cool, wet winters with rain all year round.

Turkey boasts 23.2 MLN ha. for general agriculture and 5.1 MLN ha. arable land. In 2018 it produced 22.1 MLN tons of milk; 34.4 MLN tons of cereals; 30 MLN tons of vegetables; 22.2 MLN tons of fruit; 2.1 MLN tons of poultry and 1.1 MLN tons of red meat.

Its legislation and regulations for biological agriculture conform to the EU and its main export countries Italy, Germany, the Netherlands, France, Belgium and the UK. Dutch and German horticulturalists already operate in Turkey. You are welcome to participate in trade missions organized by the CCNT.

A connecting infrastructure

Turkish infrastructure has grown immensely. Turkey has a road network measuring 67,403 km in total. In 2023, the total length of the dual carriageway system is planned to be 33,250 km including 5,034 km highways. The rail network measures 12,532 km (35% of which is electrified) including 1,213 km high-speed tracks 'HST'.

This HST train has had a huge impact on bus travel patterns; many passengers and car drivers now opt for rail transport. A planned €3 BN transport investments are intended for railways (43%), motor traffic roads (27%) and urban transport (23%). Turkey aims for 1 MLN electric cars on Turkish roads by 2030.

Logistic Supply Chain

The distance between the Netherlands and Turkey is over 2,500 km. Turkey boasts 210 maritime ports, including 172 active international ports and 27 container ports. There are daily RoRo vessel services between Istanbul/Pendik and Trieste/Italy that carry freight trailers on railway transport to destinations like Cologne. New seaports are under construction: Candarli Port in Izmir on the Aegean Sea and Filyos in Zonguldak on the Black Sea.



= Operational logistic centers. Centers under construction and/or in the tendering stage and/or industrial zones with railway connections: applications for a market study can be addressed to the Chamber foundation.



= Main international container ports



There are weekly train shuttle services between the Benelux countries and Turkey. In addition to being more sustainable, intermodal (rail/road) transport solutions generally are more reliable. There are three routes to choose from: Rotterdam - Vienna – Istanbul; Duisburg/Cologne - Trieste – Istanbul; Genk - Curtici – Istanbul. By late 2020, Turkish air transport with its 56 airports had carried ca. 174 MLN passengers and 3.4 MLN tons of cargo to 120 countries.

Challenges: a lack of strategic planning; free market rules and regulations; critical masses in (air) ports and logistics-trained staff.

Opportunities and key figures

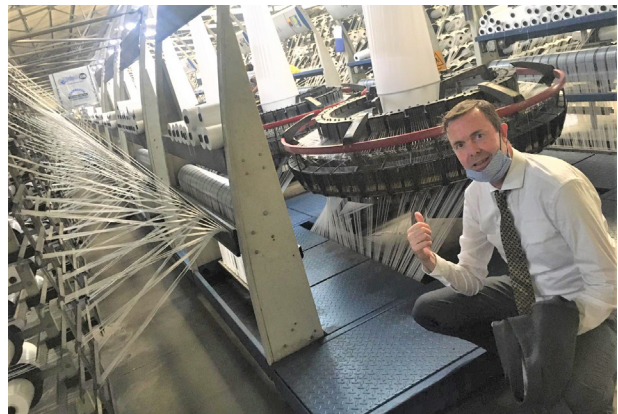
Turkey distinguishes 9 sectors for development and policy priority: technology and communication; renewable and alternative energy; infrastructure; transport; education; healthcare; food and drinks; consumer goods and financial products.

Selection of investment opportunities and key figures:

- ➔ AGRI: nr. 1 agricultural economy in the EU; 2.5% annual growth.
Opportunities: fruit & vegetable processing; animal feed; cattle; poultry; dairy produce; functional nutrition; cooling chain distribution; greenhouses; irrigation; fertilizers.

➔ **CHEMICAL:** 2nd biggest plastics producer in the EU and 7th worldwide; 2nd biggest importer worldwide; 25% worldwide consumption in Turkey and adjoining regions; 5th biggest paint producer.

Opportunities: upstream/downstream positioning in value chains BASF, Bayer, Dow, Evonik, Henkel, Linde, P&G, PPG. Plus: The Turkish building & construction industry (value €50 BN) is among the fastest-growing end-user markets for the chemical industry.



Trade mission to plastics plant in Turkey, 2020 Chamber foundation

➔ **ENERGY:** 5th in energy capacity in the EU; 5th in energy consumption in the EU; 4th in global geothermic capacity; 5.5% annual growth.

Opportunities: up to 30% enlargement of renewable energy sources in 2023 by installing 3 GW geothermic capacity; 16 GW solar and wind energy by 2027. Turkish government grants (small-scale) investment models without permits required, permit-exempt (medium-sized) and YEKA (large-scale).

Potential for Dutch companies: ca. € 500 MLN, which corresponds to ca. 40% of smart-grid sector Turkey by end 2025. Concrete examples: grid surveillance & control; supervision & data collecting; smart meters; enterprise IT systems etc.



Trade mission metallurgical plant, Turkey, 2020

➔ **MACHINERY:** 4th global market for agricultural machinery; 200+ export countries; 244,000 workforce, 16,000 local and international businesses operating in the industry; asset value for building and construction industry ca. €3 BN; Opportunities: ideal production basis for radiator panels, boilers, air treatment units and/or alternative innovations originating from the Netherlands. Also lifting and earth-moving equipment.

➔ **ICT:** €22 BN market value; 17% annual growth; 1000+ R&D centers; 70% workforce <35 years.

Opportunities: availability of skilled and cheap web developers, PHP-programmers, Java-developers, .Net-programmers and software testers. Send enquiry to the CCNT IT pool initiative.

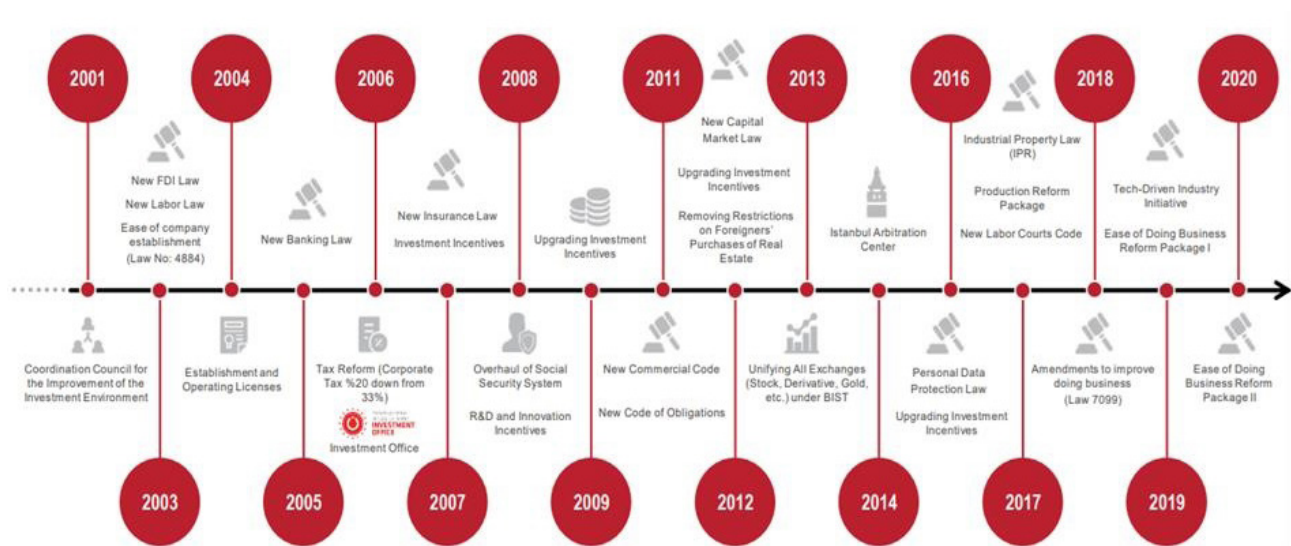
➔ **TEXTILE:** 7th largest exporter globally; Netherlands is 4th biggest market for Turkish textiles and garments.

Opportunities: design, technological innovation in sorting & recycling; circular design and production; digitalization; blockchains; renewable energy; collaboration and reporting.

➔ **REAL ESTATE:** 33 MLN domestic properties; 134,000 home sales to foreigners between 2013-2018; 5.7 MLN SQ.M. office space in Istanbul; 4 MLN SQ.M. logistic property in Istanbul; 14.5 MLN SQ.M. lease capacity in Turkish shopping centers.

Opportunities: over the next 20 years ca. 7.5 MLN Turkish housing units will be demolished and reconstructed in the scope of an urban transformation project. Budget: € 325 BN with participation from the private sector.

Reforms for investors



With over €26 BN of accumulated direct investments, the Netherlands is the largest investor in Turkey. Investors are offered a wide range of (financial) benefits through specialized institutes accommodated by for instance the Ministry of Industry and Technology. It concerns general, regional, strategic or project-related benefits. Apply to the CCNT for contacts.

Special Sectors & Zones

There are three special investment zones in which foreign companies qualify for tax benefits. For instance exemption from VAT, social contributions, municipal taxes, incomes and company tax, import duties, lower utility user fees, land assignments and so on.

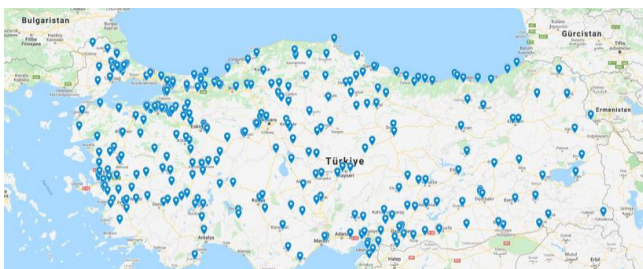
I. Free Zones (FZ): export-promoting locations outside the customs zone. Statutory and administrative regulations and provisions in the commercial, financial and economic domain that apply to Customs are not or not fully implemented here. There is a total of 19 FZs that provide easy access to international trading corridors via Mediterranean, Aegean and Black Sea ports.

II. Organized Industrial Zones (OIZ): zones designed to enable companies to operate in an environment with a ready-to-use infrastructure and social amenities like roads, water, natural gas, electricity, communications, disposal/processing and so on. There are 323 OIZs in 81 provinces.

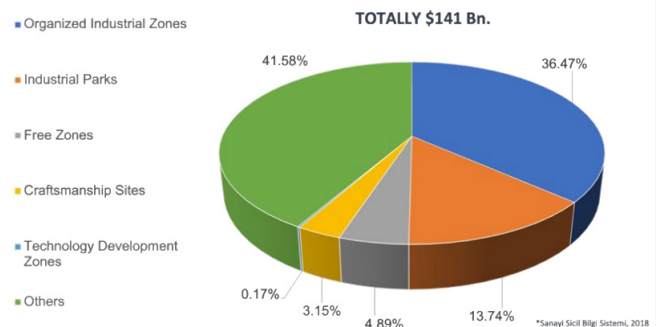
III. Technology Development Zones (Teknoparks): zones for support of R&D and high-technology investment. There are 84 TDZs, of which 63 are operational. Start-ups from the Netherlands may use campus facilities at attractive terms and conditions. The CCNT can facilitate by providing contacts.



Trade mission, Teknopark Istanbul, 2020



Location OIZ - Organized Industrial Zones, Turkey, 2020



Contribution OIZ to export of Turkey, 2018

Turkish Talent

The [European Commission](#) expresses a positive attitude and discerns a perspective in the Turkish IT savvy sector. The Netherlands is proud of Delft, Twente and Eindhoven universities; Turkey can by now boast 64 'Teknoparks' (plus 20 more under construction).

Turkey is transforming itself into a true Fintech hub with over 200 companies and an online payment market in the value of ca. €9 BN. The estimated average growth of the e-commerce sector is about 35% annually.

What is the cost of undertaking in Turkey?

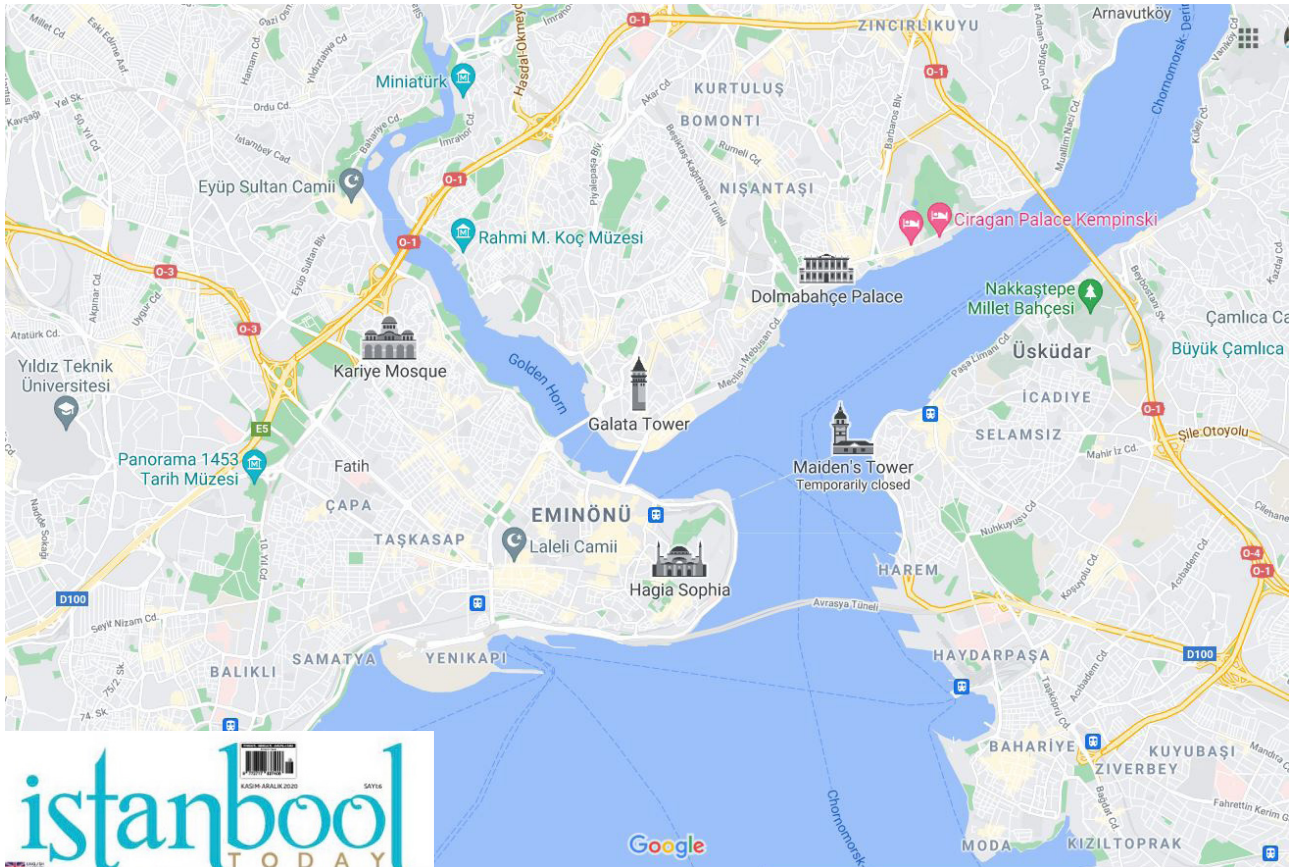
Before you incur costs to start undertaking in Turkey you have actually been saving (time). Entrepreneurs who want to operate in Turkey may set up business within 7 days. Compare this with Romania (20 days), Bulgaria (23 days) or Poland (37 days).

- Net minimum wage for employees is about 30% of its Dutch equivalent.
- Industrial electricity: depending on hour/time and voltage type. Apply to CCNT for details.
- Industrial water: € 1.44 per M³ incl. wastewater and 8% VAT. Costs in Organized Industrial Zones: € 0.8.
- Industrial gas usage < 300,000 Sm³ € 0.01 per kWh. € 0.12 per Sm³. Excl. VAT.
- Broadband internet: download speed (Mbps) up to 24 incl. VAT: € 11.32. Up to 100: € 17.88. Up to 1,000: € 104. Metro Ethernet and G.SHDSL: Apply to Turkish TTNET/Superonline for specifications.

Costs above are indicative and depend on various factors. CCNT facilitates starting a Turkish private limited company ' Limited Şirket' (Ltd) and the paperwork involved.



Personal Network

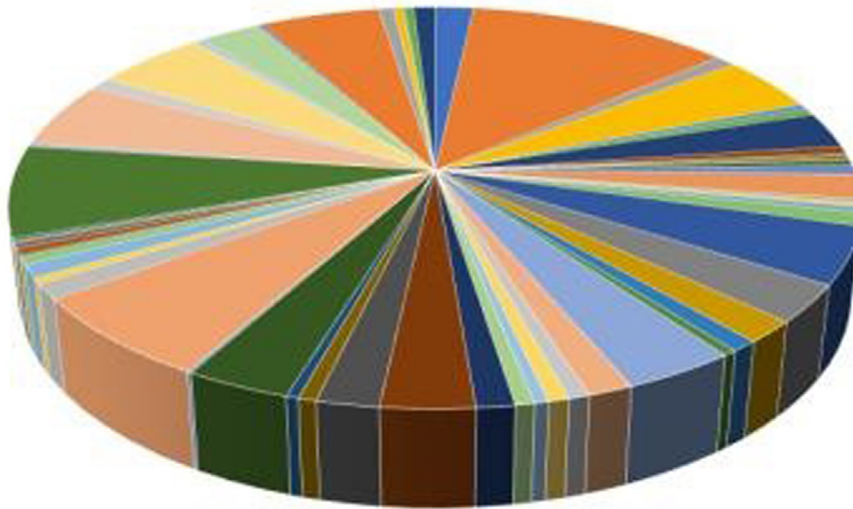


Do you wish to open doors at appropriate levels in Turkey? And communicating your story or innovation through Turkish business media over a wide area? Building relations takes time. This investment however has already been made by CCNT. **Contacts** have already been established with media, presidents of sectoral associations, knowledge institutes and start-up campuses. MoUs have been signed with CCNT partners in several regions. www.kvknederlandturkije.nl/partners.



Digital Network

The digital network of CCNT contains an impressive databank. It holds ca. 15,000 'fresh' Turkish and Dutch contact details of start-ups, small and medium-sized businesses, industries, regional Chambers and government bodies originating from many sectors. Consider including your company name in the database.



- | | | | | |
|---------------------------------------|---------------------------------|---------------------------------|------------------------------------|-------------------------------------|
| ■ Animal & Products Seafood Companies | ■ Apparel Companies | ■ Arts Entertainment Companies | ■ Automotive Companies | ■ Bulgur Companies |
| ■ Canned Companies | ■ Carpet Companies | ■ Casting Companies | ■ Cement Companies | ■ Ceramics Companies |
| ■ Citrus Companies | ■ Coffee Companies | ■ Confectionery Companies | ■ Construction Materials Companies | ■ Consumer Durables Companies |
| ■ Cosmetics Companies | ■ Defence & Aerospace Companies | ■ Dried Fruits & Nuts Companies | ■ Electromechanics Companies | ■ Flowers Companies |
| ■ Frozen Products Companies | ■ Fruits&Vegetables Companies | ■ Furniture Companies | ■ Glass Companies | ■ Grain Companies |
| ■ Greenhouse Systems Companies | ■ Hardware Companies | ■ Hazelnut Companies | ■ Healthcare Companies | ■ Home Textile Companies |
| ■ Horeca Equipment Companies | ■ Hvac R Companies | ■ Jewellery Companies | ■ Juice Companies | ■ Kitchenware & Houseware Companies |
| ■ Leather Companies | ■ Lubrican Companies | ■ Machinery Companies | ■ Metal Products Companies | ■ Minerals Companies |
| ■ Olive&Olive Oil Companies | ■ Packaging Companies | ■ Paints Companies | ■ Pasta Companies | ■ Plastics Companies |
| ■ Raki Companies | ■ Rubber Companies | ■ Service Companies | ■ Ships&Yachts Companies | ■ Software Companies |
| ■ Spices & Herbs Companies | ■ Steel Pipe Companies | ■ Steel Pipe Companies | ■ Stones Companies | ■ Tea Companies |
| ■ Textile Companies | ■ Tobacco Companies | ■ Towels Companies | ■ Toys Companies | ■ Wine Companies |
| ■ Wood Products Companies | | | | |

Cultural Do's and Don'ts

The Turkish 'bazaar' is reflected (symbolically) in the Turkish way of doing business. Contrary to their Dutch counterparts, dealings are intuitive, on-the-spot and less structured and well-planned. Turkish people generally are no long-term thinkers, but go for short-term opportunities and the lowest prices.

Be patient and put energy into maintaining an informal network in Turkey. A contract, after all, is of little significance without a healthy contact. Ensure you involve a Dutch jurist and Turkey expert and put everything on paper straight from the start.

Turkish people are very reliable: 'a man a man, a word a word'. (As a result) they don't like change. So secure your quality in Turkey, coach your people straight from the start or contract a Dutch-speaking agent for supervision and control per case.

Turkey is much more than just immigrant workers from the '70s; it is a proud population with a rich history. Already in the year 177 BC there was mention of Turks in Asia Minor while they settled there around 1071.

Your questions – our answers

During your 'customer journey' to Turkey you will pass various stages:

- Orientation stage: contact CCNT without any obligation involved, continued by a commercial path.
- Study stage: product and market research; business selection; translating & interpreting.
- Founding stage: administrative, tax, legal and recruitment services.
- Production stage: process and quality monitoring in Turkish company; reporting and so on.

Examples of queries from the Netherlands received by CCNT:

- "I am looking for administrative and tax assistance for my start-up company in Turkey"
- "We are searching for Turkish customers for our packing software for logistic applications"
- "Our supplier has a wrong interpretation of our contract; could you act as legal mediator?"
- "We want to grow blueberries in Turkey; do you know about investment options and partners?"

Examples of queries from Turkey:

- "We are looking for co-investors for building-projects in Antalya, Ankara, the Middle-East, EU"
- "Can you give us logistic options for distributing our domestic appliances to the Benelux?"

Services	
<ul style="list-style-type: none">➤ Market study, trends, statistics➤ Business development, innovation and product development➤ Administrative, accounting, tax and investment assistance and contacts➤ Subsidy scan➤ Training and coaching	<ul style="list-style-type: none">➤ Matchmaking and partner search➤ Trade missions; arranging flights, accommodation, visa etc.➤ juridical, interpreter and translation services➤ Turkish software developers for NL➤ Young Turkish talents and students

Turkish people have a limited command of English. Hence, make use of an interpreter, translation or mediation agency in case of miscommunication or conflict during a production process or in bureaucratic (red-tape) situations. Apply to CCNT who may refer you to affiliated service providers. A lawyer affiliated to CCNT in Rotterdam is authorized to act under Turkish law. www.kvknederlandturkije.nl/diensten

- » Payment protocol: in its coordinating and facilitating role, CCNT arranges for certain tasks to be performed by affiliated experts or trusted commercial service providers after the external applicant has given permission for its data to be passed on. Read the General Terms and Conditions at www.kvknederlandturkije.nl
- » Business model: CCNT is able to do what it does since it is not dependent on current politics. It does not receive subsidies from the Netherlands or the Turkish state. Nor does it work with paying members.
- » Donations: CCNT is a not-for-profit organization. Fixed costs are paid by the founder(s) who may also be donor(s), like other third parties. Negotiate your donorship conditions, or pay €150 by way of direct donorship and claim your five points.



Entrepreneurs need single point of contact

Board members with expertise originating from varying sectors



Ethem Emre, president and founder of CCNT (2013). Self-employed entrepreneur in various Dutch and Turkish industries. Expertise: juridical services; intercultural initiatives. Diversity and development of opportunities for young talents count heavily for Ethem Emre and CCNT.

Leyla de Mos, coordinator CCNT Istanbul office, board member. Expertise: bilateral trade relations and import & export implementation consultant.

Peter Wolters, vice-president. Expertise: transport, green logistics, eco-innovations, EU stakeholder representation, international R&D projects, columnist for Turkish transport media.

John van Wijk, board member and treasurer. Expertise: tax consulting, finance, accounting, international company structuring / Turkey.

Fred van der Weijde, board member. Expertise: IT, energy, product management, program & project management and international outsourcing / Turkey.

Herman van der Weide, board member. Expertise: consultancy for Dutch and Turkish healthcare sectors in public and private domain; vision and future developments.

Sources
- The Netherlands Embassy Ankara, Agriculture Network, Turkey (2021)
- Presidency of the Republic of Turkey Investment Office (2021)
- World Bank in coop. Ministry of Industry and Technology, Turkey (2020)

Sources
- Ministry of Agriculture and Forestry (2018)
- Ministry of Turkey Transport Maritime Affairs and Communication (2017)
- MKB Nederland in coop. TNT express (2012) en ABN AMRO (2005) - Trademap.org (2021)

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