



Discussion paper - Turkey

International Competitiveness: Izmir Footwear Cluster

Key Facts

SBA 10 Sub-dimension : 10.

Country:

Turkey

Results & Impact:

- 185 projects supported between 2011 and 2016
- 2012-2016: Footwear cluster export increase of 56%, from USD22.2M , to USD34.6M
- Over 15% export increase to the EU market
- Foreign trade surplus
- Second project awarded
- Between 95% to 100% customer satisfaction

A. Policy Level

Turkey has demonstrated to fully appreciate how important MSMEs are for the national economy. In fact, Ministry of Economy, in cooperation with Ministry of Trade (Directorate General of Export), and in coordination and consultation with SME support agencies, Exporters Unions, Clusters Associations and Chambers, have developed a number of national strategies to support MSME internationalisation.

In particular, the SME Strategy and Action Plan, the Export Strategy, and the Industrial Strategy have proven to be effective policies and delivered positive impact to the economy. They encompass all aspects of MSME internationalisation support, from export promotion, to standards and certifications, to access to finance, to e-commerce, to business support services, etc..

B. Programme Level

KOSGEB (SME Development Agency of Turkey), in coordination with the Turkish Exporters Assembly, regional and local Chambers, regional exporters associations, technology parks, regional development agencies and industry clusters, are the main actors responsible programs' implementation.

They represent the main vehicles efficiently adopted by KOSGEB to cascade down to the SME base the various benefits prescribed by the policies.

Among the various programs, the UR-GE (Supporting the Development of International Competitiveness) represents an example of effective and well coordinated process to translate policies into programs and, in turn, smooth translation of programs into practical SME support actions.





The UR-GE Program aims at developing export capabilities of Turkish manufacturing sector. Main objectives of this initiative, which has been running since 2011, is to provide assistance to SMEs to strengthen their international competitiveness, as well as to increase their exports. One of the main strengths of the UR-GE Program is the adoption of an effective 3-stages approach, which includes the following:

1. Needs Analysis of the beneficiaries organisations, e.g. clusters, sector associations, etc..
2. Arrange capacity building activities according to findings and recommendations provided by Needs Analysis.
3. Implement targeted internationalisation initiatives and activities.

C. Action Level

Actions and initiatives were implemented to cascade down program's benefits onto MSMEs and the society, and the Izmir Footwear Cluster Support project represented one of those actions. It focuses on stimulating SMEs internationalisation via human capital development, i.e. training and coaching. The project was organised and implemented by Izmir Chamber of Commerce in partnership with the Istanbul Moda Academy and Zobu Consulting, as the selected private sector training and advisory services providers.

The Izmir Footwear Cluster is a very active cluster, and among those that obtained considerable benefits from the UR-GE Program. Main objectives of the Footwear Cluster Support project were the following:

1. Prepare and support the SMEs cluster members, SMEs operating in the shoe design and manufacturing sector, to develop effective international business.
2. Enhance product quality and stimulate New Product Development, specifically, to improve product design and quality, and to increase profit margins.

It has successfully completed the first project (2012-2015) and, thanks to the highly satisfactory results, the cluster has been awarded a second project. In particular, the first project resulted in a regional cluster's export increase equal to 56.05%, going from USD22.2M in 2012, to USD34.6M in 2016. Moreover, the outstanding impact of the project led the footwear sector in the region witnessing a foreign trade surplus despite Turkey was suffering from a foreign trade deficit in the footwear sector during the same period.

D. Key Success Factors

- Effective coordination and consultation among all actors from 'Policy level', via 'Program level', to 'Action level'.
- Beneficiaries' needs analysis conducted at program level to guide and inform implementation activities.
- Careful selection of private sector suppliers of training and advisory services, and effective public / private sector cooperation.
- Human capital development as key success factor in the form of capacity building via training and coaching.
- Training plans, including Training Needs Analysis (TNA) and evaluation reports, were shared with government agencies and policy makers for wider debate and knowledge dissemination.

