Turkey & Turkish Culture

Gülin Kan: gulin.kan@innovationnorway.no
Overview

• Turkey is a vibrant amalgamation of two unique cultures, reflecting a diverse collection of ideas, beliefs and values emanating from the Ottoman Empire.

• Its culture is a fusion between European and Middle-Eastern customs. Turks are patriotic and proud of their ancestry and achievements.

• The rapid modernization of the country gives a distinct modern feel however it’s traditional culture still plays a prominent role amongst its people.

• Turkey is a fascinating market for foreign businesses and as such requires an understanding of its cultural design in order to secure your future business success.
Turkey: Big growing hub

• The republic was officially proclaimed on 29 October 1923 in Ankara, the country's capital

• Parliamentary democracy

• Grand National Assembly is the legislative body and the President and the Council of Ministers have executive power.

• **Population:** 77 million

• **Youngest population** in Europe
Turkey

- The biggest cities in Turkey: Istanbul, Ankara, İzmir, Bursa, Antalya

- GDP of Turkey is growing;
  - Average annual GDP growth rate btw 2003 – 2013 is 5.0%
  - 2003 – 2013 Euro Zone: 1.5% and Norway: 1.5% as well
  - 2003 – 2013 All Europe & Central Asia it is 3.3%
  
  (Source: World Bank, all data)

- Turkey movie:
Meetings

• Turks tend to juggle several activities and issues at the same time and continue multiple conversations simultaneously.
  
  o In a Turkish business environment, it is not uncommon for phone calls to be taken during scheduled meetings and people to enter the meeting room without invitation.

• Business meetings tend not to follow a linear system and are rarely structured. As a result, you should be prepared to exercise patience when conducting a meeting.
  
  o As a result, these meetings may seem ill-prepared, but do at times adhere to customary standards.
Meetings

- It is very common that you will be offered a drink at the very start of the meeting after the greetings and before talks start. This drink could be a Turkish tea, a Turkish coffee, an instant coffee (with or without milk) or a glass of water. It is more polite and easier to except it (even if you are not going to drink it) than trying to explain why you don’t want to drink anything.

- In some occasions, especially if the meetings are going well and if you have passed a stage, there could be invitations for dinners. If you have time it is polite and appropriate to except the invitation. Turks will want to do business with people they know at a personal level.
Working Practices

- It is important to schedule business appointments in advance and ensure that you avoid Turkish holidays (national and religious holidays).

- Try not to make appointments during holy month of Ramadan (the fasting period) and the vacation months, July and August, as these are the most common times for Turkish business people to take their annual holiday.

- Punctuality is taken seriously in all business contexts; therefore you should call ahead if you expect to be delayed. However due to the infrastructure of Istanbul, traffic can be a cause of delay, hence be prepared for that.
Working Relationship

- In Turkish business culture, the distinctions between the professional and personal domains of life are not clearly defined and may overlap.
  - Personal relationships play a significant role at all levels.
  - Asking questions one could consider intimate in Europe may not be so in Turkey
  - Questions about children may be welcome

- The value is placed on the family unit in Turkey, it is not uncommon for the most senior business person to be viewed as a father or mother figure who should consider the well-being of their employees family and social duties.

- Working after hours is considered normal in Turkey when needed, especially at occasions like foreign country visits such as you visiting Turkey.
It is respectful to address a Turkish professional by his or her occupational title alone, should they have one.

However, Turks are generally informal with names and when meeting someone for the first time tend to address people by ‘Mr’ (Bey) or ‘Miss/Mrs’ (Hanim) followed by their first name.

At the start of any business meeting or social gathering, it is customary to greet your Turkish counterparts with a handshake; failure to do so may be considered rude.

Shake hands firmly with everyone present using your right hand.
Business Practice (2)

- Engaging in small talk before beginning business discussions is important for establishing rapport in Turkey.

- It is a good idea to get to know your Turkish counterpart on a personal level, as business relationships are built on trust and mutual friendship and are a prerequisite for doing business.

- Turks prefer to do business with those they know and respect; therefore time spent establishing a personal relationship will be beneficial to future business dealings.
Beneficial Aspects

**Behavior**

- Maintain eye contact with your Turkish counterparts whilst speaking, as Turks take this as a sign of sincerity.

- Dress conservatively. You will be expected to wear a suit and tie. Women are advised to avoid too short skirts, low-cut blouses or shorts at least for the first meeting until they understand how conservative the counterpart is.

- It could be beneficial to talk about football to break the ice. Turks usually support one of these following teams, Fenerbahce, Besiktas or Galatasaray. Asking about their current fortunes will liven up any discussion.

- Mention positive views on Turkey (especially her food and culture such as kebabs, raki, Turkish Coffee, baklava, hospitality).
What to Refrain From (!)

Some important dont’s

• Don’t back away if your Turkish colleagues stand close to you during conversation. Turks do not require as much personal space as many other cultures and this may be construed as unfriendly.

• Don’t use deadlines or high pressure tactics during business negotiations with your Turkish colleagues as they will be counterproductive. Be patient during negotiations as decision making can be slow.

• Don’t offer gifts that are too lavish or personal and be sure to check that your Turkish counterparts drink before giving alcohol as gifts. The exchanging of gifts is not a predominant feature of Turkish business culture. However, if a gift is given it will be gratefully accepted.
Reaching Success in Business

• When negotiation, Turks can start at extremes to test your willingness and response. Be sure you are properly prepared about such facts and figures, negotiating a price where they get the impression of having been able to reduce it.

• As such concessions are made, be sure you present these as favours and made out of respect for your counterpart.

• Turks are oral and visual communicators, so any graphic or chart will come in handy to put your point across.

• Turks will want to do business with those they feel comfortable with and the ones they get a liking of.

Personal relations may play a vital role in business
Exploring the opportunities for Norwegian aquaculture equipment suppliers in the Turkish market
Overview of Turkish Aquaculture

- Area: 814,000 km²
- Coast Line: 8,333 km
- Marine Area: 24 million hectare
- Inland Water Area: 1 million hectare (lake, river, dam, reservoir)
- 33 rivers: 177,000 km length
History of Aquaculture in Turkey

Relatively short history in Turkey;

- 1960s: Modern aquaculture began (rainbow trout)
- 1970s: Common Carp farming initiated
- 1985: Gilthead Seabream & European Seabass.
- 1990s:
  - Mariculture trials with rainbow trout and Atlantic salmon in the Black Sea.
  - Kuruma prawn on the Mediterranean and Mussels in the Northern Aegean.
  - Atlantic salmon failed.
- 2000s: New species such as sharpsnout Seabream, common Seabream, common dentex and blue fin tuna fattening started.
## Aquaculture Potential of Turkey

<table>
<thead>
<tr>
<th>Resources</th>
<th>Number</th>
<th>Area (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Lakes</td>
<td>200</td>
<td>906 118</td>
</tr>
<tr>
<td>Dam Lakes</td>
<td>293</td>
<td>460 441</td>
</tr>
<tr>
<td>Man-made Lakes</td>
<td>1 000</td>
<td>28 000</td>
</tr>
<tr>
<td>Seas (Total Surface)</td>
<td>4</td>
<td>24 607 200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>26 001 759</strong></td>
</tr>
</tbody>
</table>

Source: Republic of Turkey Ministry of Food Agriculture and Livestock
### Total Fisheries Production in 2013

<table>
<thead>
<tr>
<th>Quantity / tons</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catch of sea fish:</td>
<td>295 167,9</td>
</tr>
<tr>
<td>Catch of other sea fish (crustaceans, molluscs):</td>
<td>43 879,0</td>
</tr>
<tr>
<td>Catch fresh-water products:</td>
<td>35 074,4</td>
</tr>
<tr>
<td>Aquaculture production:</td>
<td>233 393,9</td>
</tr>
<tr>
<td>• Inland: 123 018,8</td>
<td></td>
</tr>
<tr>
<td>• Marine water: 110 375,1</td>
<td></td>
</tr>
</tbody>
</table>

Source: Data on administrative register of Ministry of Food, Agriculture and Livestock
Catch vs Aquaculture Production (2013)

Aquaculture Production (2009-2013)

Source: Data on administrative register of Ministry of Food, Agriculture and Livestock
## Catch of Sea Fish 2009-2013 (tons)

<table>
<thead>
<tr>
<th>Fish Type</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>380 636</td>
<td>399 656</td>
<td>432 246,0</td>
<td>315 636,5</td>
<td>295 167,9</td>
</tr>
<tr>
<td>Anchovy</td>
<td>204 699</td>
<td>229 023</td>
<td>228 491,4</td>
<td>163 981,9</td>
<td>179 615,2</td>
</tr>
<tr>
<td>Pilchard</td>
<td>30 091</td>
<td>27 639</td>
<td>34 708,6</td>
<td>28 248,0</td>
<td>23 919,0</td>
</tr>
<tr>
<td>Horse mackerel</td>
<td>20 373</td>
<td>14 392</td>
<td>18 072,7</td>
<td>24 625,3</td>
<td>21 817,8</td>
</tr>
<tr>
<td>Atlantic bonito</td>
<td>7 036</td>
<td>9 401</td>
<td>10 018,9</td>
<td>35 764,2</td>
<td>13 157,6</td>
</tr>
<tr>
<td>Sprat</td>
<td>53 385</td>
<td>57 023</td>
<td>87 140,8</td>
<td>12 091,7</td>
<td>9 764,0</td>
</tr>
<tr>
<td>Whiting</td>
<td>11 146</td>
<td>13 558</td>
<td>9 454,8</td>
<td>7 367,1</td>
<td>9 396,9</td>
</tr>
<tr>
<td>Scad</td>
<td>7 895</td>
<td>6 055</td>
<td>6 937,3</td>
<td>6 320,7</td>
<td>6 606,3</td>
</tr>
<tr>
<td>Blue fish</td>
<td>5 999</td>
<td>4 744</td>
<td>3 122,0</td>
<td>7 389,5</td>
<td>5 225,2</td>
</tr>
<tr>
<td>Chup mackerel</td>
<td>2 952</td>
<td>2 004</td>
<td>3 127,0</td>
<td>2 182,7</td>
<td>2 573,7</td>
</tr>
<tr>
<td>Grey mullet</td>
<td>2 987</td>
<td>3 119</td>
<td>2 513,8</td>
<td>4 010,4</td>
<td>2 504,9</td>
</tr>
<tr>
<td>Striped red</td>
<td>2 818</td>
<td>4 455</td>
<td>3 876,5</td>
<td>3 766,7</td>
<td>2 332,8</td>
</tr>
</tbody>
</table>

Source: Data on administrative register of Ministry of Food, Agriculture and Livestock
Total Aquaculture Production in 2013 (tons)

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>233 393,9</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Inland water</strong></td>
<td>123 018,8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Trout</td>
<td>122 873,3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Carp</td>
<td>145,5</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Marine water</strong></td>
<td>110 375,1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Trout</td>
<td>5 186,2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Sea bream</td>
<td>35 701,1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Sea bass</td>
<td>67 912,5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Other</td>
<td>1 575,3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Distribution of total aquaculture production, 2013

- Trout (inland): 52,6%
- Sea bream: 15,3%
- Sea bass: 29,1%
- Carp: 4,7%
- Other: 0,7%

Distribution of marine water products, 2013

- Sea bream: 61,5%
- Sea bass: 32,3%
- Trout (marine): 1,4%
- Other: 4,7%

Source: Data on administrative register of Ministry of Food, Agriculture and Livestock
The aquaculture companies are getting bigger and more industrialized

- **Turkey is the biggest producer of Sea bream and Sea bass** in the Mediterranean Basin according to Financial Times as of 2014*.

- Turkey has a **steady growth** of Sea bream and Sea bass production

- Sea bream & Sea bass are the two main species produced in large size industrialized Sea Farms in the Med. These are the farms that can invest in advanced Norwegian equipment.

- Some big players are counting for 85% of the production
  - Big players that are working from production all the way to the market
  - 80% export (mainly Europe) and 20% domestic consumption
  - Low margins on Sea bass and Sea Bream production
October 22, 2013 3:45 pm

Greece’s lead in fishing slips through the net
By Emiko Terazono

As if years of economic and financial turmoil were not enough, Greece has lost its crown as the world’s biggest producer of sea bass and bream — to Turkey.

A squeeze on bank financing and reduced demand among Mediterranean consumers, the leading buyers of the Mediterranean species, have hit Greece’s sea bass and bream industry, one of its most important agricultural exports.

Until last year Greece had been the leader of the €1.5bn industry in Europe, but according to the UN Food and Agriculture Organization, the country’s production of sea bass and bream is projected to fall 7 per cent to 94,000 tons in 2013. Turkey is likely to see its output rise more than 12 per cent to 108,000 tons.

Fish, mainly farmed sea bass and bream, is Greece’s second largest agricultural export after fruits and nuts, surpassing olive oil and cheese, according to the Hellenic Foreign Trade Board.

A sharp rise in overall sea bass and bream supplies has weighed on prices at a time when feed costs are rising, squeezing margins sharply. Many of the highly leveraged Greek producers have been hit, with companies suffering from tight credit and rising costs on feed, putting many firms in the red, said the FAO.

Ferrit Hadi, professor of fisheries at Turkey’s University of Mersin, said many farms in need of cash had been forced to harvest their cages and sell small fish. This in turn had had a negative impact on overall tonnages produced.

Nireus, a leading Greek sea bass and bream group, fell into the red last year, blaming “lower average sales prices of small size fish and due to the increased production cost”, while Dias, another company, filed for bankruptcy protection last month, ahead of a planned merger with competitor Selinda.

Greek companies are also suffering from the weakness in traditional European markets. Italy, which is the largest consumer of sea bass and bream, “continues to suffer from falling purchasing power among consumers”, with both import volume and volumes down for the first half of this year, Audun Lien at the FAO said.

In some markets, such as France, the increase in catches of wild cod from northern Europe at attractive prices may have created additional competition for sea bass and bream, though normally the species are not seen as direct competitors in the fish market. Lora Baraziti-Pelousinos, chief executive of family-owned Kefalonia Fisheries in Greece, said the country’s farmed sea bass and bream sector needed more professional managers for it to recover. “The industry needs to seriously consider the way these companies are managed,” she said.

On the other hand, the Turkish industry has been supported by a growing economy and government aquaculture subsidies. An industry-wide marketing effort to promote seafood to new markets has helped Turkish companies in the sector to diversify their export destinations to include northern Europe, Russia and the Middle East.

Turkish companies have also been pushing ahead with developing filleted fish products for export markets, which are easier to sell in supermarkets in countries that have not been big sea bass and bream consumers.
Turkey is Largest Aquaculture Producer in Mediterranean Basin with Steady Growth*

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Aquaculture Production (Sea Farms and Inland Farms Included)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
</tr>
<tr>
<td>Turkey</td>
<td>155.802</td>
</tr>
<tr>
<td>Greece</td>
<td>138.513</td>
</tr>
<tr>
<td>Italy</td>
<td>65.137</td>
</tr>
<tr>
<td>Spain</td>
<td>69.866</td>
</tr>
<tr>
<td>France</td>
<td>48.784</td>
</tr>
<tr>
<td>Cyprus (Greek part)</td>
<td>3.343</td>
</tr>
<tr>
<td>Norway</td>
<td>967.235</td>
</tr>
</tbody>
</table>

* Data on this page includes Sea Farms and Inland Farms. Inland aquaculture farms are not relevant for most of the Norwegian equipment producers due to different reasons such as but not limited to their size, production methods and financial capabilities.

Source: Federation of European Aquaculture Producers (FEAP)
Turkey is a Very Big Seabass & Seabream Producer in Mediterranean Basin with Steady Growth *

Seabass & Seabream Production (Sea farms)

<table>
<thead>
<tr>
<th>Country</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>74.916</td>
<td>78.953</td>
<td>79.200</td>
<td>96.255</td>
<td>93.300</td>
</tr>
<tr>
<td>Greece</td>
<td>135.000</td>
<td>119.000</td>
<td>103.000</td>
<td>113.500</td>
<td>123.000</td>
</tr>
<tr>
<td>Italy</td>
<td>19.400</td>
<td>19.400</td>
<td>18.400</td>
<td>15.900</td>
<td>15.200</td>
</tr>
<tr>
<td>Spain</td>
<td>37.530</td>
<td>32.855</td>
<td>31.300</td>
<td>33.700</td>
<td>31.500</td>
</tr>
<tr>
<td>France</td>
<td>4.852</td>
<td>4.156</td>
<td>4.500</td>
<td>3.600</td>
<td>3.447</td>
</tr>
<tr>
<td>Croatia</td>
<td>5.000</td>
<td>5.200</td>
<td>4.578</td>
<td>4.480</td>
<td>5.480</td>
</tr>
<tr>
<td>Cyprus (Greek part)</td>
<td>3.275</td>
<td>4.036</td>
<td>4.565</td>
<td>4.217</td>
<td>6.065</td>
</tr>
</tbody>
</table>

Source: Federation of European Aquaculture Producers (FEAP)

* Seabass & Seabream are the two largest species produced in Mediterranean Sea farms (not inland farms), all the above countries produce few other species in sea farms but they are not considerable in amount to compare. There is a common belief in the industry that Greek data is quite manipulated due to economic crisis in the country, lower numbers would drop farm values considerably and would affect borrowing capability of the farm and the sales value.
The Turkish supplier industry is mainly focused on basic equipment

• Production of basic equipment in Turkey
  • Good availability of cheap labor
  • High competitiveness on price

• International companies are delivering specialized products such as but not limited to:
  • Feed – Skretting, BioMar
  • Feeding systems – Akva Group (Akvasmart)
  • Vaccines – Pharmaq
  • Nets – Egersund Nets, Morenot Nets
  • Net paints – Netkem
  • Mooring – Cipax
  • Brackets – Akva Group (Polarcirkel)

• Assembly takes place in Turkey (including foreign & local parts)
Ready for further growth.....?

• Low focus on sustainability

• Regulations have moved the farms to more offshore areas

• Increased use of barges
  • Big companies with offshore cages are all using barges to manage them

• Low market prices are holding back investments in more sophisticated equipment and technology
Turkey is a good starting point

• Turkey is the biggest aquaculture producer in Med

Representing gains and pains for the whole Mediterranean

• Aquaculture is a prioritized sector

• Government incentives:
  • Improvement of aquaculture production
  • Food safety and security
  • Marketing, Market access and Trade
  • Increasing of domestic fish consumption
  • Increasing of processing technologies and ad-value products
Innovation Norway would like to support a project to explore the opportunities

- A project in Turkey might be a starting point for the entire Mediterranean market
  - Solving pains and gains in Turkey opens up for possibilities in other Mediterranean markets
  - An equipment once adapted to Sea bass/bream farms and proven to work in Turkey, can be sold to all Mediterranean Basin farms
- Understanding the pains and gains for potential customers and developing targeted value propositions
- Long-term project with focus on short term possibilities
FRAM Aquaculture TURKEY: Focus on competence and opportunities

- **Kick-off meeting**
  - **Duration:** 1-day
  - **Purpose:** Knowledge sharing
  - **Content:**
    - Presentation of the participants
    - Turkey
      - Culture and business culture
      - Aquaculture industry
    - Workshop
      - Sales pitching

- **Study tour**
  - **Duration:** 4-days
  - **Purpose:** Knowledge transfer
  - **Content:**
    - Visit companies in selected cities in Turkey

- **Network meeting**
  - **Duration:** 1-day
  - **Purpose:** Create sales pitches
  - **Content:**
    - Workshop
      - Value propositions for the Turkish market

- **Market visit**
  - **Duration:** 4-days
  - **Purpose:** Test sales pitches and visit potential partners
  - **Content:**
    - TBD

Open for all Akvarena members
FRAM Aquaculture TURKEY:

**Project manager:**
Segel Consulting - Leif Magne Klubbenes
Phone: +47 91336737
leif.magne@segel.no

**Innovation Norway contact information:**
Çağlar Erdoğan – Senior Market Adviser
Phone: +90 212 284 43 62
caglar.erdogan@innovationnorway.no