## **BSEC-KAF-KOSGEB**

## WORKSHOP ON NETWORKING BETWEEN SMEs

Istanbul, 15-17 May 1997

## **Summary Proceedings**

- 1. The BSEC-KAF-KOSGEB Workshop titled "Networking Between SMEs" was held on 15-16 May 1997 in Istanbul. A study tour to Bursa took place on 17 May.
- 2. Mr. Mahmut Esat YALÇIN, Acting President of KOSGEB delivered the opening statement followed by addresses made by Dr. Wulf SCHÖNBOHM, Representative of KAF to Turkey and Ambassador Nurver NUREŞ, First Deputy Secretary General of the BSEC PERMIS.

They brought under focus the following:

- a) The SMEs constitute roughly 99 percent of manufacturing and trading enterprises in Greece and Turkey. As the process of transition develops, a similar composition is expected to emerge in the rest of the Participating States;
- b) Forming the backbone of economies, SMEs need to be considered as the essential component of development strategies;
- c) Networking between SMEs country-wide and its internationalisation is a cost/effective initiative for access to national and global information markets and wide business opportunities;
- d) Objective of this Workshop is to develop between the SMEs sustained and moving networking BSEC-wide in order to collectively share the benefits of BSEC information market place which will help stimulate development and progress;
- e) Maintain SMEs on the agenda in order to keep them under constant survey and inform PERMIS on the state and progress of such enterprises and networking between them.

- 3. The Workshop was chaired by Mr. Atilla SÖĞÜT, Director of the Marketing Department, KOSGEB.
- 4. The Workshop was attended by the following BSEC Participating States:

Republic of Albania Republic of Armenia Republic of Azerbaijan Republic of Bulgaria Georgia Hellenic Republic Republic of Moldova Romania Russian Federation Republic of Turkey Ukraine

The composition of delegations from the Participating States, including the guest speakers is attached as Annex I.

5. The guest speakers from KOSGEB, Turkish Union of Chambers and Commodity Exchanges including Istanbul Chamber of Commerce and Istanbul Chamber of Industry, Economic Development Foundation of Turkey, Export Promotion Center, Turkish Foundation of Small and Medium Enterprises, Foreign Economic Relations Board, along with representatives from various private establishments made presentations which dealt with networking between SMEs in general in Turkey. Addressing issues and progress in this respect, they explained at length the set up and operation of specific units constituting components of the networking system in Turkey and its internationalization outside. The private enterprise representatives, emphasizing the significance of access to information markets, explained their interaction with the overall networking in Turkey and their growing link and inter-change with global networking.

The presentations were followed by discussions; wide ranging questions were answered on networking and useful exchange of information took place.

- 6. In the conclusive session of the Workshop lively discussion took place. Although some priority issues differed from one Participating State to another, various observations and problems emerged mentioned hereunder which are shared practically by all:
  - The Workshop has created a human network of experts engaged in information technology which all find indispensable. Relationships were established both on organizational and personal levels which will be continued and expanded further;

- Transition into market economies coupled with far-reaching reforms and what they entail create a variety of impediments retarding the smooth and continuous progress of information technology systems;
- Information technology networks were realized only recently and therefore lack in general or in various specific areas experience, know-how and information. These shortcomings are further exacerbated by inadequate financial resources:
- Lack of human resources, specially technical personnel, poor communication infrastructure and inadequate management of information are other principal weaknesses of the existing information systems;
- Existing networks and available data bases need to be fully utilized instead of developing a new costly central data base;
- It is possible to put into the service of the participating countries national/international networks by way of establishing web-pages/e-mail on the internet.

Within this open architecture, all Participating States will undertake necessary initiatives to activate flow of information BSEC-wide;

- In the process of developing BSEC, use of web-pages need to be maximized by promoting partnerships, business opportunities, exchange of information on the national rules and regulations of particular concern, bartering and regular communication of specialized fair programs and provision of information on human resources which constitute the infrastructure for active cooperation;
- 7. Taking note of the above observations and issues, a number of Participating States having already developed information technology systems stated their readiness to assist various member countries who are faced with some difficulties in the field of SMEs.
- 8. The Participating States were informed by the Chair that this Workshop will be followed by two other Workshops until the end of 1997 related to issues confronted by SMEs. The necessary information on these Workshops will be provided in due course.

9.	The participating delegations thanked BSEC-KAF-KOSGEB for organizing
the	Workshop and for the excellent arrangements made ensuring its smooth conduct.