



RAPID NEEDS ASSESSMENT:

The February 2023 Earthquake's Immediate Impact on Syrian SMEs in Türkiye

Executive Summary

On February 6, 2023, a series of devastating earthquakes in southern Türkiye killed more than 50,00 people in the country and Syria.¹ Among those impacted are approximately two million Syrian refugees living in the affected areas and previously displaced by the ongoing civil war in Syria.² Building Markets' previous research found that Syrians have brought their entrepreneurial skills and capital to Türkiye, starting the more than 2,500 small and medium-sized enterprises (SMEs) in our network, over 50% of which are located in earthquake-affected areas of southern Türkiye.

In the week immediately after the earthquake, Building Markets conducted a rapid needs assessment with 862 SMEs in its Türkiye network that operate in the areas of the country affected by the earthquake. The assessment aims to understand the earthquake's impact on SMEs, their business operations, and their most pressing needs. This study will help Building Markets and other stakeholders focused on earthquake response and recovery prioritize necessary support for SME owners, employees, and their families during the earthquake's immediate aftermath. It will also highlight the potential to which SMEs can be engaged in supporting humanitarian and recovery effects.

¹ Hubbard, Ben and Gulsin Harman. 2023. "New Earthquake Strikes Turkey, Rattling an Already Devastated Region." New York Times. February 27. <https://www.nytimes.com/2023/02/27/world/middleeast/turkey-earthquake.html> (accessed February 27, 2023).

² Abdulrahim, Raja. 2023. "Lives of Syrian Refugees in Turkey Shatter a Second, or Third, Time." New York Times. February 12. <https://www.nytimes.com/2023/02/12/world/middleeast/syria-turkey-earthquake-refugees.html> (accessed February 27, 2023).

Focusing on SME recovery is critical to:

1. Meet the immediate and urgent needs of business owners, their staff, and families so they do not fall into deeper vulnerability or risk.
2. Support them in the delivery of much-needed relief in areas that have been devastated by the earthquake.
3. Support livelihoods recovery for the business owners and their staff.
4. Ensure the markets in which these individual businesses operate can recover.



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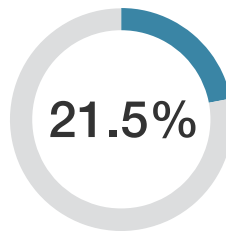
Key Findings

IMPACT OF THE EARTHQUAKE ON HOUSING

Nearly half of the respondents (45%) have had to relocate from their homes. Of those who have had to relocate, 70.2% are outside their original city, and 55.4% are in another province. Those who have had to relocate are primarily being hosted by friends or family (50.8%), while others are staying in a new rented house or flat (18.6%) or at a makeshift shelter, such as a mosque, car, or tent (15.8%). Some are staying in hotels, workplaces, or government aid centers. People are not returning home because they do not feel safe doing so (28.6%), their homes need significant repair (27.8%), or their home is completely destroyed (15.8%).



Current median household size is 6

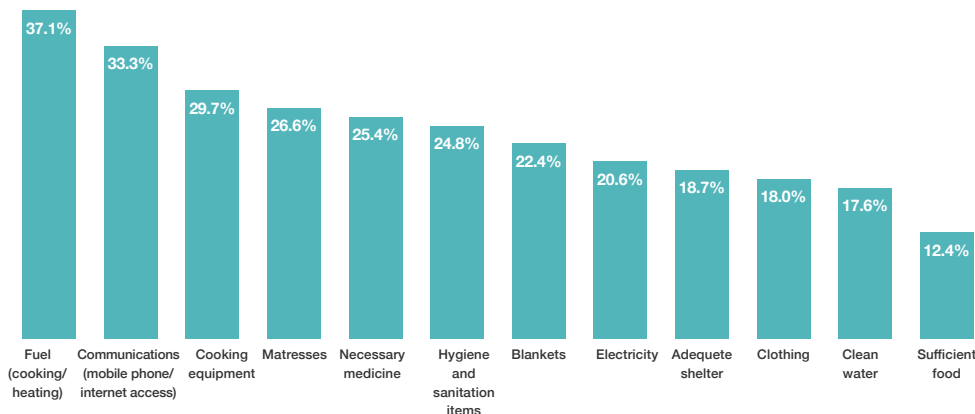


of households have more individuals living together than before the earthquake, generally family members staying with one another

HIGH-PRIORITY PERSONAL AND FAMILY NEEDS

Overall, people's basic needs are well covered by their families or the current earthquake response infrastructure, ranging from nearly 90% of respondents with access to sufficient food to a low of 62.9% of respondents with sufficient fuel for cooking and heating. However, when asked to prioritize what they need the most, respondents emphasized the importance of accessing sufficient food, clean water, medicine, and medical supplies.

PERCENT WITHOUT ACCESS TO BASIC NEEDS



SURVEY RESPONDENTS



862
survey respondents



96.3% Syrian
3.7% SMEs owned by host community members and who employ Syrian workers



94.4% male-owned



5.6% female-owned

BUSINESS SIZE



78.8%
Micro (1-9 employees)



18.8%
Small (10-49 employees)



2.4%
Medium (50-250 employees)

MAIN SECTORS



37%
wholesale and retail



34.1%
manufacturing



5.8%
accommodation and food services



49.9%
from Gaziantep, where Building Markets' southern Türkiye SME network is most concentrated, while respondents also came from Adana (5.5%), Hatay (16.2%), Mersin (16.8%) and Sanliurfa (11.6%).



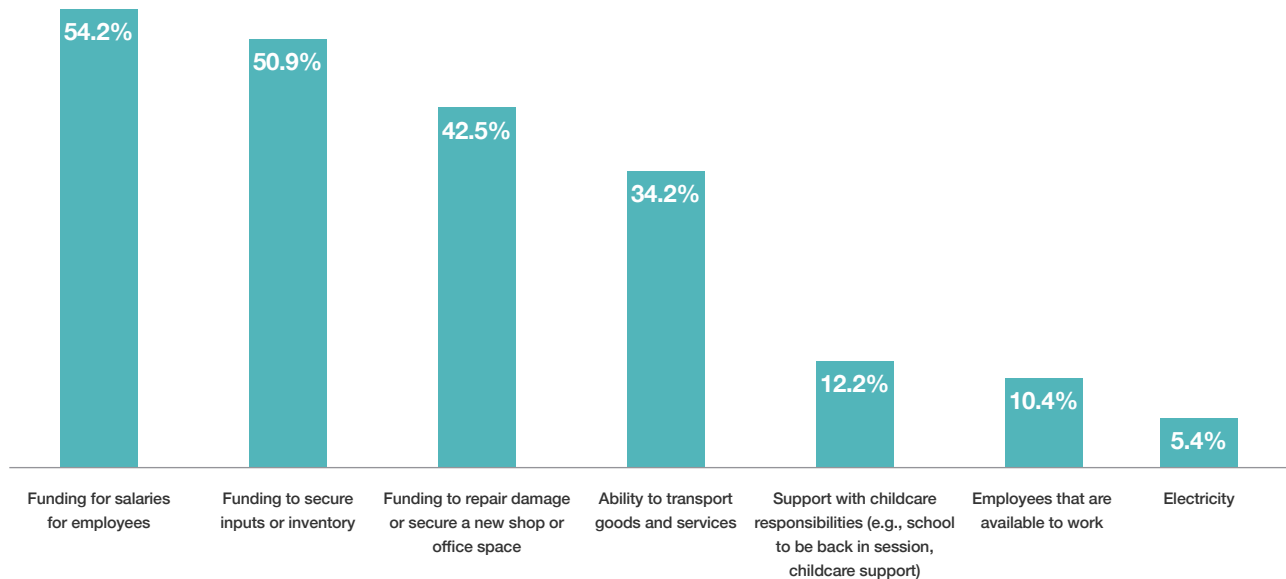
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IMPACT OF THE EARTHQUAKE ON BUSINESS OPERATIONS AND ASSETS

Only 33% of SMEs surveyed said they could continue their business in the same capacity as before the earthquake. Forty-nine percent said they could continue operating their business in a limited capacity, while 16.9% of SMEs reported they cannot continue their business operations. SMEs reported damage to business assets, such as workspaces, storage facilities, and inventory. They also face business continuity challenges, including their suppliers being unreachable or not operating, and difficulties transporting goods, domestically and for export, due to infrastructure disruptions.

SUPPORT NEEDED TO RESUME BUSINESS OPERATIONS



SMEs READY AND ABLE TO SUPPORT HUMANITARIAN RESPONSE

Nearly half of the SMEs surveyed (46.5%) said that their business provides goods and services that can be used in the humanitarian response and are eager to help in any capacity possible. Some can deliver logistics support to the relief effort, others can provide translation services for humanitarian aid, and others manufacture or sell medical equipment and hygiene products. SMEs work across the food industry, manufacturing food products or running restaurants; they also provide construction, electrical, and engineering services. These businesses stand ready to support earthquake-affected areas.

“My company and home were not affected by the earthquake, and my company can provide food baskets to those in need.”

FOOD MANUFACTURER, GAZIANTEP



Next Steps

Supporting SME recovery is critical. Small businesses are not only well positioned to support urgent needs, given their ability to provide goods and services quickly to the local community, but they can be a critical part of long-term recovery, including rebuilding infrastructure, getting people back to work, and making sure communities have what they need to live healthy lives.

- 1. Immediately prioritize urgent basic needs:** While many small business owners surveyed have access to sufficient food, access to food remains the highest priority for those who do not. At the same time, over 100 food businesses in the Building Markets' southern Türkiye network stand ready to meet urgent needs. Efforts can prioritize funding local food service providers to meet the needs of those without adequate access to nutrition or providing cash to business owners and their employees to ensure they can meet their family's basic needs.
- 2. Provide cash grants to support SMEs to be fully operational:** Two-thirds of businesses cannot operate at the same capacity as before the earthquake, hindering their ability to support the relief effort or secure the livelihoods of their staff. SMEs are clear that they need immediate funding to get up and running again, including grants for employee salaries, to secure inventory, or to repair damage to offices, shops, or equipment. Providing cash grants will catalyze recovery and prevent further risk of economic decline for these individuals and communities.
- 3. Provide workspace for businesses:** Even though many business owners are optimistic about their ability to start again in the next month, there is a current gap in available workspaces for businesses. Many SMEs' workspaces are damaged or lack adequate utilities to continue their operations. Organizations could provide safe and accessible spaces for businesses to work in an interim capacity.
- 4. Ensure that procurement efforts focus on local business engagement:** Businesses are ready to engage in several areas that would support the humanitarian response in Türkiye and possibly Syria. Local businesses not only have needed expertise but can respond urgently to support the relief and recovery efforts. International donors and relief organizations can prioritize local procurement to meet their requirements and as an integral part of local economic recovery, creating jobs and generating revenue for local businesses.



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Building Markets is a non-profit organization that unleashes the transformational power of small businesses to address pressing social challenges by driving job creation and inclusive growth. Founded in 2004, the organization finds, builds, and connects competitive local SMEs to supply chains and investment. Utilizing this model, Building Markets has supported more than 27,500 SMEs, assisted those businesses in winning \$1.39 billion in contracts and \$22 million in loans and investments, and helped create over 74,500 jobs across diverse markets like Jordan, Myanmar, Afghanistan, Liberia, and Haiti. Building Markets has supported Syrian-owned and employing businesses in Türkiye since 2016, creating a nationwide network of over 2,500 SMEs.

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