

Role of SMEs in Earthquake Relief & Recovery

SME Snapshot, June 2023



**Building
Markets**



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Highlights

This edition of Building Markets' small and medium-sized enterprise (SME) Snapshot focuses on Syrian-owned businesses' willingness and ability to support earthquake relief and recovery efforts in the aftermath of a series of devastating earthquakes in southern Türkiye and Syria in early February 2023 that killed more than 56,000 people and left three million people displaced from their homes.^[1] The analysis is based on regularly updated surveys with over 2,500 SMEs in Türkiye, the vast majority (96.1%) owned by and employed by Syrians.

SME Snapshots are based on quantitative and qualitative data collected through business surveys conducted by the organization's team in Türkiye—one of the primary activities implemented as part of the organization's "Find, Build, Connect" model. These surveys regularly gather information on business characteristics and operations, including ownership, business size, import and export capacity, and challenges. Using this data, Building Markets can identify market trends, better understand the evolving needs of entrepreneurs in the local market, and share opportunities and recommendations with the growing network of SMEs and partners.

In addition to regularly collected survey data, this Snapshot is also informed by a [rapid needs assessment of over 800 SMEs operating in the earthquake-affected areas of the country](#), insights from Building Markets' technical advisory team who visited SMEs after the earthquake to better understand their needs and ability to contribute to the relief and recovery efforts, as well as interviews with SMEs that are providing good and services as an essential part of that recovery process.

Click [here](#) to learn more about our work in Türkiye and to read other research publications.

We sincerely thank all the businesses that participated in these surveys and interviews.

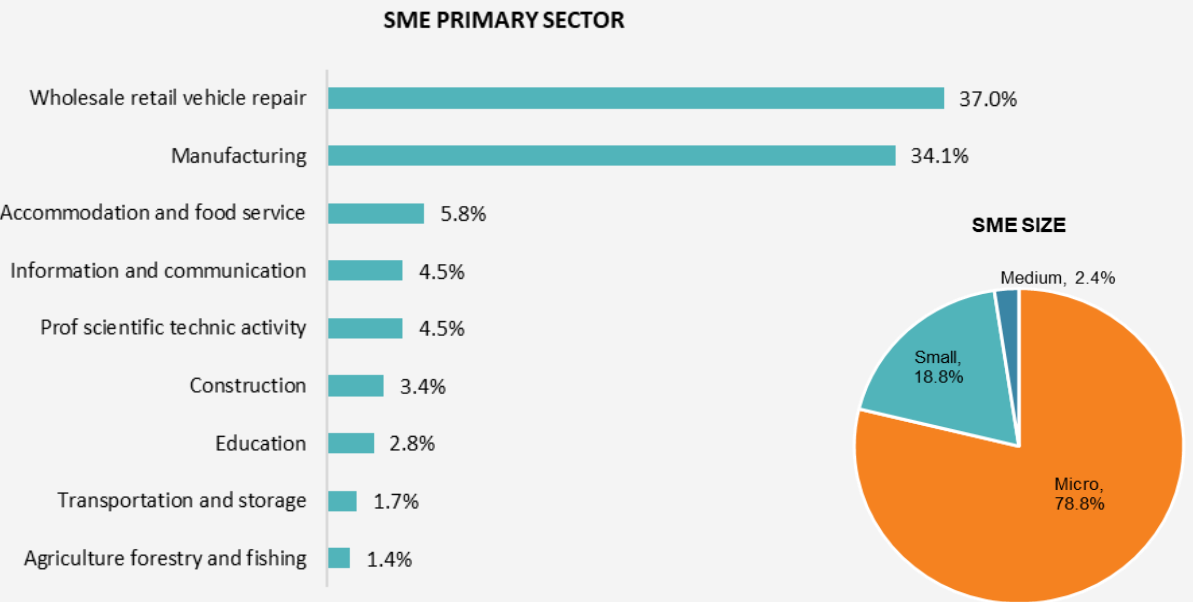
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¹ [2023 Turkey-Syria Earthquake - Center for Disaster Philanthropy](#)

Spotlight: Role of Syrian-owned SMEs in Türkiye’s Earthquake Recovery Efforts

On February 6, 2023, two major earthquakes in southern Türkiye killed over 56,000 people, displaced three million, and destroyed tens of thousands of buildings in the country and in Syria. It has been called one of the worst disasters in the country’s history.^[2] Among those impacted are approximately two million Syrian refugees living in the affected areas and already previously displaced by the ongoing civil war in Syria.^[3]

As immediate rescue efforts come to an end, relief efforts to meet basic needs - such as food, water, shelter, and medicine - continue. At the same time, the move toward long-term recovery is just beginning and will continue for many years. Government, civil society, non-governmental organizations, philanthropy, and the private sector all have an important role to play in the recovery and rebuilding. The active participation of local small businesses in earthquake recovery efforts will both enable swift restoration of essential services and infrastructure and foster local economic revival, ensuring a quicker return to normalcy for affected communities



² [What Turkey Needs for Its Long Recovery | Yale Insights](#)
³ [Earthquake Shatters Rebuilt Lives of Syrian Refugees in Turkey - The New York Times](#)

As Building Markets' previous research has found, Syrians brought their entrepreneurial skills and capital to Türkiye, starting the more than 2,500 small and medium-sized enterprises (SMEs) in our network, over 1,400 of which are located in the areas most acutely affected by the earthquake. The entrepreneurs and their employees in our networks have suffered their own losses, psychologically and materially, from the disaster, but they show a unique willingness and ability to support the relief and recovery efforts.

These SMEs are predominantly small businesses with less than 50 employees and in various sectors that can support humanitarian efforts, from wholesale and retail to manufacturing, food services, transportation, and construction.

Local SMEs are well-positioned to support the relief efforts due to their proximity and market knowledge. Local SMEs live in and operate their businesses in the communities affected. When the earthquake struck, it took just three days for restaurants in our network to set up mobile kitchens in Hatay to provide essential food and water to the affected population. These businesses drew on the skills and knowledge that they use daily - from how to access necessary supplies to how to cater to people en masse. Their core business became an essential humanitarian service.

After the earthquake, more than 30 businesses in our network have already bid on contracts to provide support in the form of construction services, blankets, and earthquake-related recovery items needed in the field to support aid efforts. So far, five businesses in our network have won a total of 17 contracts as part of the supply chain in the earthquake region. The price tag for the earthquake response in Türkiye has been estimated to be \$150 billion, and when the aid dollars dedicated to this disaster recovery flow through local businesses, it creates positive multiplier effects on employment and local markets.

Local small businesses support communities. Each business in our network represents a leader, their staff, and their families. Our network of 2,500 businesses is, in reality, over 135,000 family members for whom success or failure matters.

For more information on including Syrian-owned SMEs in the relief and recovery efforts, see the recommendations provided at the end of this report.

Immediate Action: How Al Rwuad Participated in the Earthquake Response

[Al Rwuad](#), established in Gaziantep, Türkiye in 2018, has amassed years of experience working in Syria. Since its inception, the company has collaborated with both international and local organizations on over 400 projects. Their diverse portfolio includes constructing schools, hospitals, sewage networks, rehabilitation of camps, and supply of generators, electrical transformers, and solar panels. A noteworthy achievement of Al Rwuad is being the first to supply sewage vehicles to Syria, which has greatly improved sanitation in the country.



When the earthquake hit in February 2023, Mohamad Aljadou, the owner of Al Rwuad, was living in the area with his family. Despite the earthquake completely destroying his home, he survived the disaster with his family. Afterward, Mr. Mohamad relocated his family to another province. At the same time, his team and operations were also forced to relocate, adding another layer of difficulty to their already challenging situation. Despite these challenges, Mr. Mohamad immediately contacted his network of friends outside Türkiye to contribute to the response efforts. He equipped two cars with emergency materials, foodstuffs, and water and drove them to the earthquake zone to distribute to those in need. “Organizations need to prioritize speed when it comes to emergency relief efforts, especially at the local level,” Mr. Mohamad emphasized, and local businesses are well poised to respond quickly and to local needs.

Although Al Rwuad has experience responding to various disasters, the earthquake response posed some challenges. For example, on the third day of the earthquake, a local organization contacted Al Rwuad to request the supply of blankets to Syria. However, the company faced a problem with the supplier, resulting in a financial loss. While this was a setback, Al Rwuad continued to play an active role in the earthquake response efforts by submitting tenders to study and rehabilitate the affected areas in Syria and Türkiye. Despite these challenges, Mr. Mohamad believes the response to earthquakes is similar to other natural disasters regarding basic needs and response strategies.

Building Markets was critical in supporting Al Rwuad by offering access to their extensive network of reliable suppliers and tender services and providing technical assistance to help Al Rwuad develop a new company profile better aligned with their strengths and capabilities.

Immediate Action: How AI Rwuad Participated in the Earthquake Response

"The Building Markets team worked closely with us to identify areas for improvement and developed a comprehensive plan for enhancing our company's visibility and competitiveness," Mr. Mohamad says. And AI Rwuad was able to present a more compelling case to potential clients and secure even more contracts. When the earthquake struck, Building Markets continued to support AI Rwuad and other companies in the area by sharing all available tenders and connecting them with organizations focused on relief and reconstruction for relevant opportunities.

Considering the earthquake's impact on AI Rwuad's overall business conduct, Mr. Mohamad is optimistic that their work will continue as before the disaster; however, he recognizes that many small businesses in the affected areas will require significant financial support to re-operate.

Despite the challenges, Mr. Mohamad remains optimistic that these small businesses can recover and return to full operation with the right support. This recovery will be critical not only for these individual businesses but for the broader economic health of the affected areas, which will depend on a robust and vibrant business sector to support its ongoing growth and development.

Adjusting Business Operations: How Elhamwi Company Started Serving the Humanitarian Sector

Samer Hejazi serves as the CEO and owner of [Elhamwi Company](#), a business established in Gaziantep, Türkiye in 2014. The company specializes in food products, restaurants, kitchen utensils, and cleaning materials.

In the aftermath of the earthquake, Mr. Samer shared that their operations were affected, just like other businesses in the region, but they quickly adjusted to meet local needs. Despite not having prior experience supplying food products to nonprofit organizations, he started providing goods and services to these organizations to support their relief efforts.



He expressed his enthusiasm after working with these organizations. He said, “after my first experience, I was very encouraged and started applying for tenders. [...] I have learned a lot [about working with the humanitarian sector] and have subsequently submitted applications for large tenders.”

Mr. Samer acknowledged the difficulties faced in serving a new sector, highlighting the importance of cooperation and guidance from close acquaintances to navigate the process successfully. As a result, he gained valuable insights and started participating in major tenders. Building a positive reputation in Gaziantep, organizations sought out Elhamwi Company for its reliability, punctuality, and trustworthiness, further enhancing their business relationships.

Given the earthquake's impact and the subsequent emergency situation, numerous aid organizations were actively involved in Türkiye. Building Markets, active in the country since 2017, has an established Business Directory with thousands of recommended and reliable suppliers. Mr. Samer explained that being a part of this list of businesses was crucial in establishing effective supply chains amidst the crisis. Emergency response organizations, some unfamiliar with the Turkish context, relied on Building Markets' extensive database, and Elhamwi Company greatly benefited from this partnership.

Involvement in Supply Chain: How STI Experts Helps Meet Rebuilding Needs

Ahmad Shaheer Kudsi is the owner of [STI Experts](#), a general trading company established in 2019 in Gaziantep. Previously, Mr. Ahmad worked as a procurement manager at an international NGO.

When he started his business, he focused on construction-related products and established relationships with construction companies in Syria, exporting goods from Türkiye. Leveraging his procurement background, he actively pursued tenders to supply construction materials. Recently, they have shifted their focus towards supplying hygiene kits, food kits, and latrine units for the earthquake response efforts in Türkiye.

During the earthquake, Mr. Ahmad was displaced and had to leave Gaziantep for a month and a half due to safety concerns. After the earthquake, he took the initial steps to participate in the response. He examined tenders published within his network and on international organizations' websites. At this point, he realized the effective use of social media for his business. Building Markets supported his business in the early days of the earthquake disaster. Through a WhatsApp group, Building Markets posted about NGOs needing suppliers, which allowed Mr. Ahmad to contact the relevant person and establish successful partnerships. He collaborated with two NGOs to supply hygiene kits for the earthquake response.

Mr. Ahmad faced some challenges during this process. Despite his strong English skills, his limited proficiency in Turkish made things a bit more complicated. In addition, some of the tenders he wanted to apply for exceeded his financial capacity. Therefore, he expressed the need to find financing for such projects and suggested organizations can facilitate coordination between small businesses lacking sufficient financial capacity and financial institutions.

Regarding the earthquake's impact on STI Experts' overall business conduct, Mr. Ahmad believes it will have a positive effect. He predicts that as a supplier of products in high demand, there will be increased business opportunities locally and in Syria. The rebuilding of destroyed buildings will require procuring necessary materials from Türkiye, and Mr. Ahmad expects to actively participate in this process. However, he recognizes that many small businesses in the affected areas will require significant financial support to resume operations. Despite the difficulties encountered, Mr. Ahmad remains optimistic about the reactivation of the supply chain and the continuity of small businesses in line with these demands.



Recommendations

As the global community pledges billions of dollars in relief and recovery efforts, they can prioritize local economic development in the following ways:

1 Donors and humanitarian response organizations can prioritize ensuring businesses have access to immediate and sufficient funding to get up and running again. Two-thirds of businesses in the Building Markets network reported that they need funding to fully resume operations. Access to funding, for example, through cash grants, can lead to swifter business recovery and ensure they can become fully operational to support the earthquake recovery. Providing additional targeted support, such as technical assistance and capacity-building programs, will enable these businesses to contribute effectively to the reconstruction and create employment opportunities for Syrian and host communities.

2 Government and aid organizations should actively involve and prioritize local businesses as they procure goods and services to support recovery efforts. Local businesses can respond to procurement requirements quickly and efficiently, and incorporating these businesses into the relief and recovery effort can generate revenue and create jobs locally, boosting economic recovery in Türkiye. Simplifying procurement procedures, ensuring transparency, and providing guidance to SMEs on participating in the bidding process will help them secure contracts and contribute effectively to the recovery. When organizations choose to flow aid dollars through local businesses, they can make double the impact.

3 Stakeholders can continue to raise awareness and advocate for the role of local businesses in earthquake recovery. Peer organizations and other stakeholders can focus on raising awareness with the government, aid organizations, and the public about the importance of integrating local SMEs into the recovery process. They can advocate for policies and initiatives that promote the engagement of small businesses in disaster recovery, emphasizing the positive economic and social outcomes that result from supporting local entrepreneurs and their communities.

By implementing these recommendations, the relief and recovery efforts can harness small businesses' resilience, entrepreneurial spirit, and local knowledge, facilitating a swift and sustainable recovery for the affected communities.

How We Work:

Founded in 2004 and headquartered in New York City, Building Markets creates jobs and encourages economic growth by finding, building, and connecting competitive local SMEs to supply chains and investment. Through its model, the organization has supported more than 27,500 SMEs, assisted those businesses in winning \$1.4 billion in contracts, loans, and investments, and helped create over 75,000 full-time equivalent jobs.

In Türkiye, Building Markets has built a unique network of over 2,500 Syrian-owned SMEs. Verified businesses access services that increase their visibility, improve their performance, and connect them to new opportunities. Since 2017, our programs in Türkiye have led to SMEs winning over \$41 million in new contracts and capital.

Are you a small business operating in Türkiye?

INCREASE VISIBILITY



Get verified and create a Unique profile on our Business directory

ACCESS TRAINING



Enroll in online and in-person courses that target your company's growth

CONNECT TO OPPORTUNITIES



Locate tenders in your sector and win new contracts and capital

Interested in Learning More?
Contact our supply chain and finance experts:

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