



Turkey: Domestic Goods Will be Favored in Public Tenders

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January 2015

Summary

The Public Procurement Authority in Turkey has recently made an announcement that there will be a price advantage of up to 15% for locally-manufactured medium and high technological industrial goods.

Public Tender Law

The main law that regulates government procurement is the Public Tender Law No. 4734 and Law No. 4964 - the amendment law to 4734. An independent Public Procurement Authority was established as stipulated in Law No. 4734, which approves public tenders. More information can be found at:

http://www.ihale.gov.tr/public_procurement_law-50-1.html

The Government of Turkey (GOT) considers price, quality, financial credit terms, and length of repayment period the most important factors in making purchasing decisions. Other factors that affect sourcing decisions are supplier reputation, product reputation, product quality and reliability, compliance with EU regulations and standards, references, qualifications of the local partner and previous experience in dealing with particular suppliers. The way proposals are prepared and adherence to administrative and technical terms and conditions are also important.

Advantages for Local Goods at Public Tenders

On August 16, 2014, Government of Turkey made a change at the Public Tender Law. Bidders offering locally produced goods would benefit from up to a 15% higher price, meaning, such bidders have the opportunity to win the tender, even if their offer is higher than other bidders by up to 15%. This is true for procurement of medium - high technological goods and services. GOT determines and announces a list of these products every January of the year, and the bidder has to prove with the Ministry of Science, Industry and Technology that its goods are locally produced. A calculation of the local content shall be done by the producer and approved by an expert, independent accountants, and certified public accountants. From the final product cost, import input cost will be deducted. This will be divided by the final good cost and multiplied by 100. If it is over 51%, then the good will be considered as "locally produced" to justify the price advantage at a public tender.

Medium technology products include automotive products like electrical vehicles, ambulances, some automotive parts like brakes, transmissions and part; product related to energy like solar panels, wind turbines; medical products like ultrasound units, anesthesia injectors, surgery implants. High technology products include aerospace products like aircraft, turbo jets; computer hardware like mobile computers, optical readers; electrical devices like TVs, video recorders: telecom products like cordless phones; medical goods like vaccines, radiologic films. Complete list for this year is at http://www1.ihale.gov.tr/duyurular2012/Orta_ve_Yuksekteknolojili_Sanayi_Urunleri_Listesi.pdf

For More Information

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