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## **ANALYSIS OF PROSPECTS FOR THE RUSSIAN COMPANY'S ENTRY INTO THE FOREIGN MARKET**

### **АНАЛИЗ ПЕРСПЕКТИВ ВЫХОДА РОССИЙСКОЙ КОМПАНИИ НА ЗАРУБЕЖНЫЙ РЫНОК**

*В работе представлен анализ турецкого рынка, который выполнен с целью рассмотрения выхода России на данный рынок. Были рассмотрены политические, культурные и другие особенности, которые могут повлиять на экспорт российской продукции. Сделан вывод о том, что выход на Турецкий рынок может оказаться для России очень сложным.*

Russian arms manufacturers are working to expand their sales market and may consider entering the foreign market. In this article, we explore the possibility of a Russian company entering the Turkish market.

The Turkish defense and security industry has been transforming over the past years. Today, it has one of the most innovative and fastest developing sectors in the world. Turkish companies operating in the sector are experienced and put a strong emphasis on the quality of their products, making them competitive at international level and well considered in international projects. Today, thanks in part to many of the indigenous projects it has developed, the Turkish defense industry is quite mature in terms of capabilities, quality, and proficiency; it both meets the needs of the Turkish Armed Forces and is a known player in the fiercely competitive international defense market. Indeed, the industry's exports increased from USD 600 million in 2007 to USD 2,2 billion in 2018 [1]. From the product catalogue freely available of the official website of the Turkish Presidency of Defense Industries, it can be easily deduced that Turkey is currently employing sophisticated and forefront technologies. Moreover, the product portfolio is very wide and includes a specific product and underlying technology for each foreseen scenario. The solutions offered for example to the Turkish Armed Forces are cost-efficient and comply with NATO standards.

The conducted marketing analysis showed that an import license will be required and the procedure may result to be thorny if other political variables come into place: indeed, there is the risk that the company may be denied the license in virtue of (sealed) reasons of national security. Corruption is an issue in the country and more powerful companies may be prone to bribe the competent authorities. Furthermore, Turkey is a member of the NATO, whereas Russia is not; this may negatively affect the attempts to obtain the import license. Finally, an important concern is also linked

to the recent policies of the Ministry of Defence that aim to achieve independence in defence industry procurement from foreign products. However, the market is also rich of opportunities, like the great number of possible applicative fields under investigation and the increasing demand for security and defence. The Turkish market is often complex and requires adaptability, persistence and patience. Exporters may face many challenges, such as inconsistent or contradictory policies. The difficulties associated with the public procurement process, including price preference for Turkish companies and burdensome documentation, and unpredictable and complex national legal framework, suggest that Russian company should carefully plan its moves if it wants to have a chance to succeed in the Turkish market.

### **R e f e r e n c e s**

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