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Turkey

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New Retail Law

Report Categories:

Retail Foods

Policy and Program Announcements

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Report Highlights:

Turkey published a new Retail Law in January 2015 which affects space allocations in shopping malls, an information system, and shelf fees. The sector will have one year to adjust to the new regulations.

General Information:

The long awaited Retail Law was passed and published in January 2015. The Law aims to facilitate the opening and operation of retail businesses, create an efficient and sustainable competitive environment, protect the consumer, achieve balanced growth of retail stores and organize the operational relationship of retail stores among each other, with the consumer and with suppliers. Accordingly, the new regulation foresees the changes below in the retail sector:

- 1. Shopping malls will have to reserve minimum 5% of their rental area for small businesses and craftsmen, minimum 0.2% for businesses old-fashioned, traditional handicrafts (at ¼ of regular rental fee), and minimum 0.5% for recreational areas for social and cultural events.
- 2. A Retail Information System (PERBIS) unit shall be formed under the Customs and Trade Ministry to carry out the opening, closure and operational procedures of retail stores, and to form a sector database.
- 3. Retailers will no longer be allowed to charge shelf fees or any other fees under the name of promotion or announcement from suppliers and producers.
- 4. Retailers will have to pay SME suppliers or producers of fast consumption goods that are perishable after 30 days of production, within 30 days of delivery (which used to go up to 90 days).
- 5. At least 1% of shelf space shall be reserved for local products (from the area where the retail store is located).

Other than these there were no provisions to limit working hours or regarding relocation of big supermarkets to city outskirts which were among the debated items during the drafting process of the law.

Current retail stores will have 1 year to adjust to the provisions of the new regulation.