

Turkey

Capital: Ankara
Population: 75,627,384 (as of December 31, 2012)
GDP*: \$786 billion (2012) (Source: TUIK)
Currency: Turkish Lira
Language: Turkish



Summary

The plastics industry is one of the youngest and most rapidly developing manufacturing industries in Turkey. The Turkish plastics industry holds a 2.5% market share in the international plastics industry, ranking 8th worldwide, and holds the 3rd place, following Germany and Italy among EU countries.

Due to the global crisis, Turkish firms in the plastics industry are forced to find new foreign markets to substitute for the shrinkage in both the domestic and foreign markets, and they were successful. Diverse Turkish plastics market including raw materials, machinery and processed products will continue to be one of the major plastic centers in the region.

The industry currently employs more than 250,000 people. Nearly 14,000 companies work in the plastics industry, of which 99% are SMEs. 207 of these firms have foreign capital shares, and almost half are of EU origin. German companies lead with 19% of the total, followed by Italy with 12%, the Netherlands 10%, France 8%. American companies have a share of 4.3%.

Market Entry

Turkey's January 1, 1996 accession to the European Union's customs union has resulted in zero duties for imports from the EU countries and the same agreement has led to general reductions in duty rates assessed to non-EU third-country imports.

All plastic processing machinery is subject to a 1.7% customs duty, whereas customs duty for the majority of plastic processed products is 6.5%. Customs duty for plastic raw materials is also 6.5%. These duties are built on CIF prices on each item for imports from non-EU countries, including the United States, except some that have exemptions. With the same agreement, all technical specifications that are viable in the EU countries also apply in Turkey, including REACH, ISO, CE Marking, etc.

All products, both imported and locally manufactured, are subject to an additional 18 percent value-added tax (VAT). VAT is calculated based on the CIF value for imported products.

U.S. firms interested in entering the Turkish market should consider having a local distributor/representative. A local partner not only helps U.S. firms market their products, but also handles the import procedures and provides after sale services if machinery is involved.

Current Demand

The opportunities remain in the plastic raw materials market for products plastic raw materials and the breakdown of plastic consumption in Turkey is as follows:

PP: 28%; PE: 25%; PVC: 18%; PS: 6%; PET: 4%; ABS:1% ; Others: 18% (Source: PAGEV)

The major types of machinery used in the plastic processing industry are cutting, splitting, and shaping machines, injection machines, and extruders. They are the best prospects in Turkey's plastics production machinery market.

The table below breaks down the local production and import shares of Turkey's plastics raw materials supply:

Type of plastic raw material	Local Production (%)	Imports (%)
PP	6	94
PE	22	78
PVC	15	85
PS	9	91
PET	42	58
ABS	0	100
TOTAL	13	87

Source: PAGDER

Finally, in the processed plastic products market, the following products can be marketed effectively: plastic sheets, foils, strips, and films, packaging materials, self-adhesive sheets, foils, strips, and films and other flat sheets of plastic, tubes, hoses, pipes, and fittings, kitchenware and other households of plastics.

Main Competitors

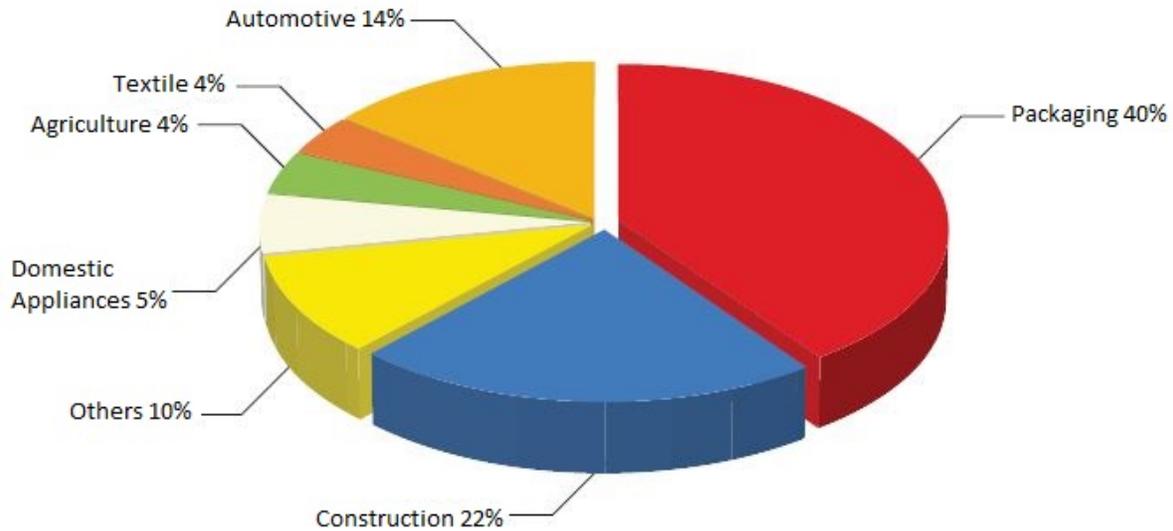
In Turkey, local production meets 13% of the total demand for plastic raw materials. Turkey has one major petrochemical production facility, Petkim, which supplies plastic materials to the plastic processing industry. It was state-owned, but was privatized recently.

The top supplier countries of plastic raw materials include: Saudi Arabia, Germany, Belgium, the Netherlands, Italy, United States, and, and these countries supply 47% of Turkish imports in plastic raw materials.

The plastics production machinery market is dominated by injection machinery (23%), followed by cutting, splitting and shaping machinery (28%) and extrusion machinery (19%). Currently, there are around 810 plastic machinery producers, with only 209 of these able to manufacture more than one product; 29% of these produce molds, 16% produce plastic processing machinery, 12% manufacture auxiliary equipment and 12% produce packaging machinery. Other machinery producers work in plastic pre-operation and recycling, measurement, finishing and welding machinery sectors and produce parts and accessories. The top supplier countries of plastics production machinery include: Germany, Italy, China, Taiwan, Austria, Japan, Switzerland, U.S.A., France, and South Korea. The first three countries, Germany, Italy, and China supplied 61% of Turkish plastic machinery imports. With a 66% share, European countries have the largest share in Turkish machinery imports. Asian suppliers follow with a 29-30% share.

The annual processing capacity in Turkey is 6.3 million tons per year with over 5000 plastic processing firms manufacturing hundreds of different products in Turkey. A breakdown of the consumption of plastic raw materials by industry is shown below:

■ Consumption by Industries 2012



Source: TUIK

As can be seen from the above graph, the packaging industry leads all other industries in plastic consumption. There is an increasing trend to package goods to comply with EU standards. Processed plastic materials consumption in Turkey is estimated at three million metric tons.

Market Issues and Obstacles

Currently, there are no significant trade barriers against U.S. imports. Turkey's imports are regulated by an annual import regime published by the Undersecretary for Treasury and Foreign Trade (UTFT). The Import Regime sets forth import rules and regulations for the year, customs duties and surcharges on imported products, and lists of "investment" capital equipment machinery, the importation of which is encouraged by the government since it adds value for Turkish exports.

Turkey's accession to the European Union's customs union in January 1996 resulted in zero duties for imports from EU countries and the same agreement led to general reductions in duty rates assessed to non-EU third-country imports. All plastic processing machinery is subject to a 1.7 percent customs duty, and almost all plastics raw materials have a 6.5 percent import duty based on CIF (Cost, Insurance, and Freight) value for imports from non-EU countries, including the United States.

Trade Events

Name of Event: Plast Eurasia Istanbul 2013

Date: December 5 – December 8, 2013

Location: Istanbul TUYAP

Website: <http://www.plasteurasia.com>

Description: the 23rd International Istanbul Plastics Industry Fair, major event in the industry bringing business people from Euroasia countries.

Name of Event: Putech Euroasia 2013

Date: November 14 – 16, 2013

Location: Istanbul Expo Center

Website: <http://www.putecheurasia.com/index.php>

Description: polyurethanes industry firms, every two years, and the first in 2009

Name of Event: Middle East Manufacturing Machines and Related Industries Fair 2013

Date: March 28- March 31, 2013

Location: Tuyap Diyarbakir Exposition Center

Website: <http://www.ortadoquuretimmakinelertifuari.com/>

Description: 4th Metal Processing Machinery, Electric, Electronic, Automation, Hydraulic - Pneumatic Systems, Plastic Manufacturing Machinery and Plastic Raw Materials, Mould and Loading, Warehouse, Handling Fair

Available Market Research

Turkey - Country Commercial Guide 2012

Turkey – The Plastics Market

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