

Turkish Textiles and Apparel Industry 29.11.2018

Turkey

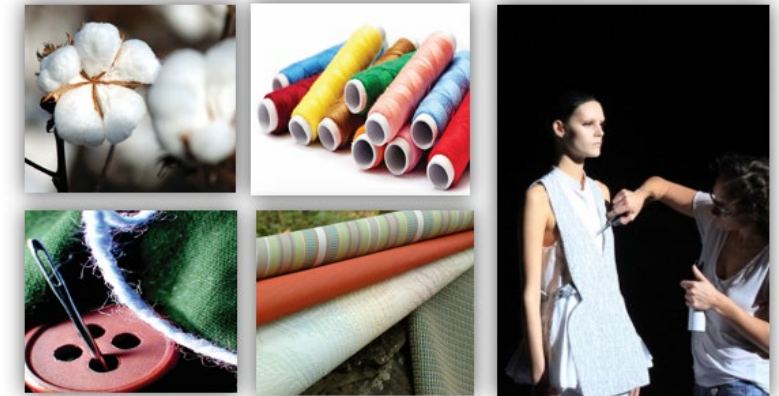
Discover
the potential

The Textile & Apparel Industries In View of the Turkish Economy

- The textiles & apparel industries are the leading industries in manufacturing and employment within the Turkish economy
- In the 1980s, the textiles & apparel industries became export oriented and established themselves as the fundamental industry on the way to economic development by;
 - Capital accumulation within the economy
 - Contribution to other industries
 - Being the first export industry of Turkey integrating to the world economy
 - Wide ranging employment in every segments of the society
 - Supporting the increase in income and welfare by providing employment possibilities
 - Creation of value added products and productivity



Turkish textile and apparel industries in figures



Turkey's position in the global market

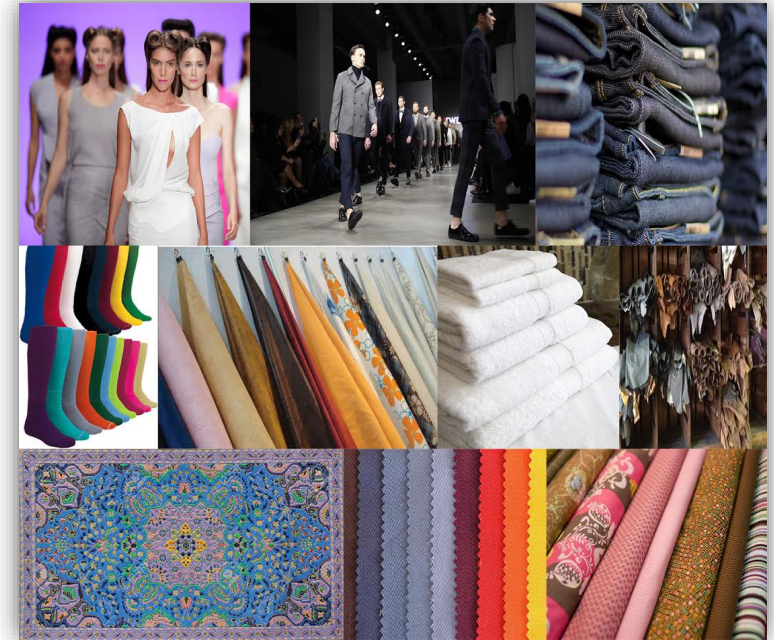
**Textile
Exports
(8 billion
\$ 2017)**

World's 7th biggest supplier

EU's 2nd biggest supplier after
China

Well-known producer of high-
quality organic cotton

Leading producer and exporter
in knitted and denim fabrics



Turkey's position in the global market

**Apparel
Exports
(17 Billion
\$ in 2017)**

World's **7th** biggest supplier

EU's **3rd** biggest supplier after China and Bangladesh

Leader in denim and knitted products

World's **3rd** biggest hosiery supplier after China and Italy

World's **3rd** biggest woven products supplier after China and Bangladesh

World's **3rd** biggest woven products supplier after China and Bangladesh

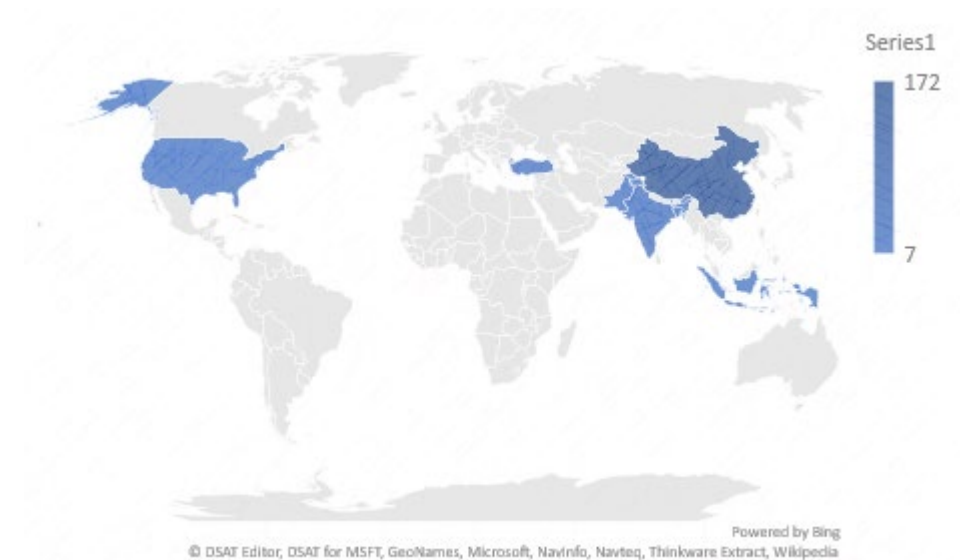


The global apparel trade in 2017

The apparel exports reached to 514,7 billion \$ in 2017 globally.

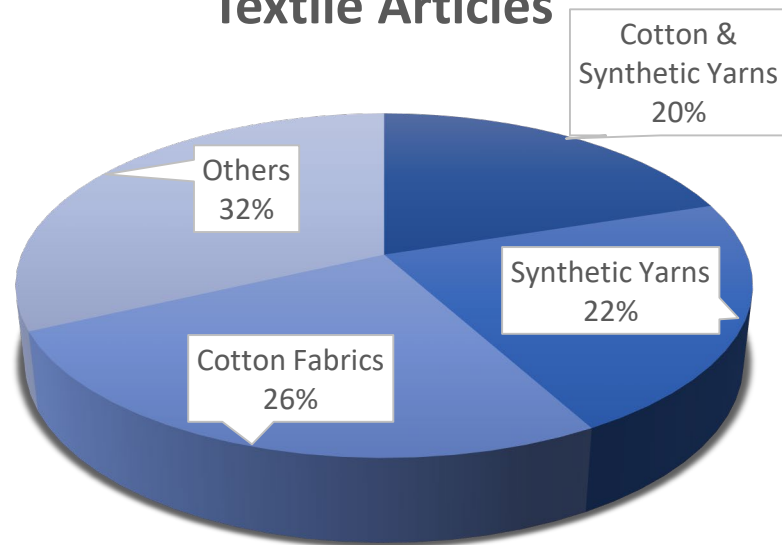
Turkey ranks as the **7th biggest** exporter with an export value of 17 billion Dollars and a share of 3.3 % in 2017.

Other leading apparel exporters are China, Bangladesh, Vietnam, Germany and Italy.

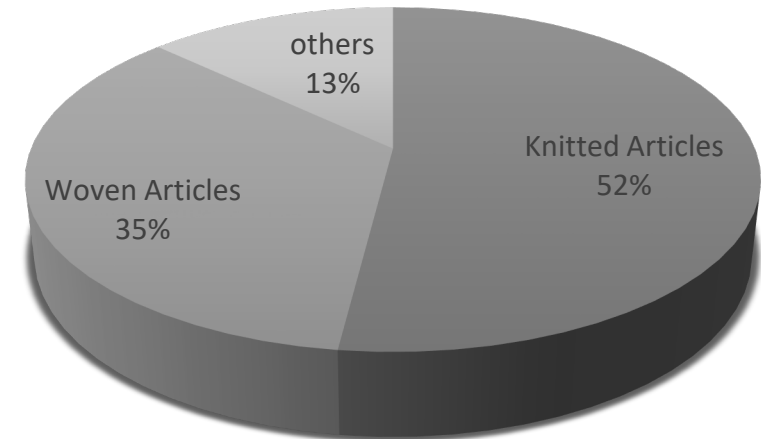


What does Turkish textile & apparel industries mainly consists of ?

Textile Articles



Apparel Articles



Turkey's Exports of Textile raw materials

Artcile	Weight 2016 Kg	Weight 2017 Kg	Change	Value 2016 (000) \$	Value 2016 (000) \$	Change
Woven fabric	200.139	217.152	8,50 %	2.498.227	2.461.368	-1,50%
Cotton woven fabrics	78.599	84.376	7,30 %	1.082.687	1.020.083	-5,80%
Synthetic Fabrics	113.345	124.890	10,2 %	1.327.819	1.354.347	2 %
Wool Woven Fabric	4.977	4.991	0,30%	62.701	60.089	-4,20%

Cotton woven fabrics in figures

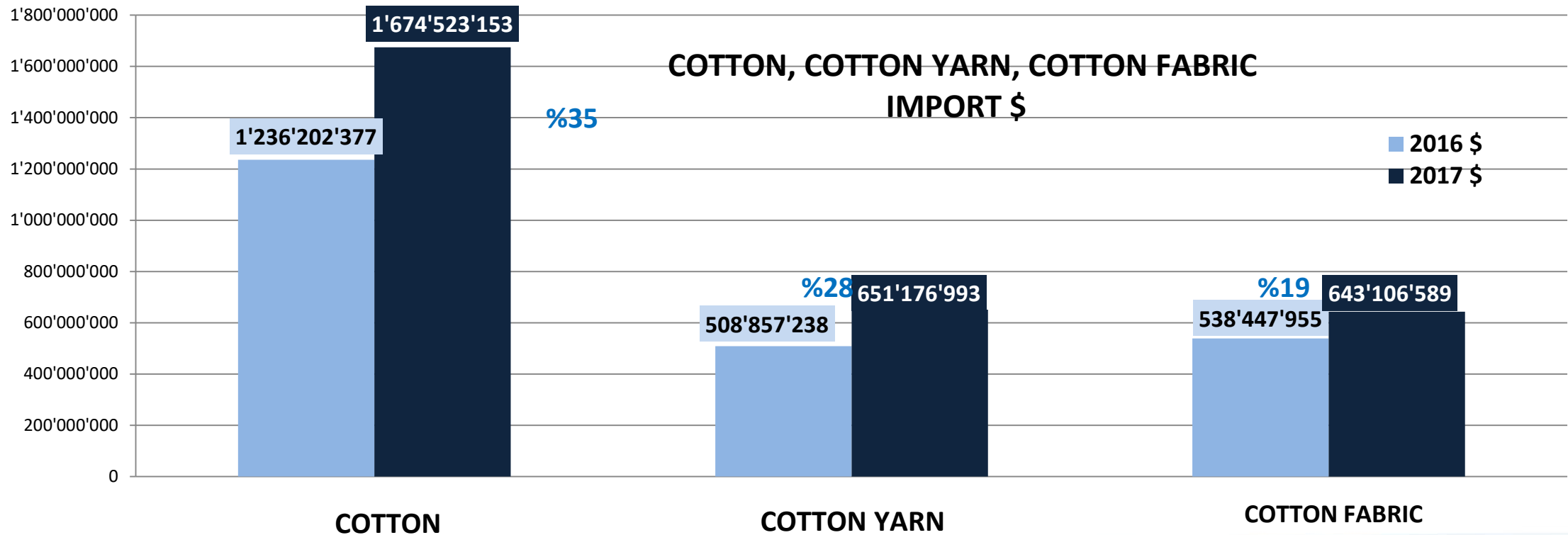
Cotton Woven Fabric Foreign Trade (000)		
	Export (\$)	Import (\$)
2016	1.082.687	538.448
2017	1.020.083	643.066

cotton woven raw material manufacturing fabric (kg)		
2016	2017	Change
240.827.183	216.025.994	-10,30%

Import (\$) Markets 2017	
Country	
Pakistan	121.055.179
Egypt	105.275.591
China	98.295.742
Italy	71.432.423
Turkmenistan	59.347.359
India	23.545.595

Export (\$) Markets 2017	
Country	
Italy	112.044.603
Tunusia	76.533.760
Egypt	55.745.714
Spain	55.039.058
Romania	41.499.575

Cotton materials in Turkey (Import)



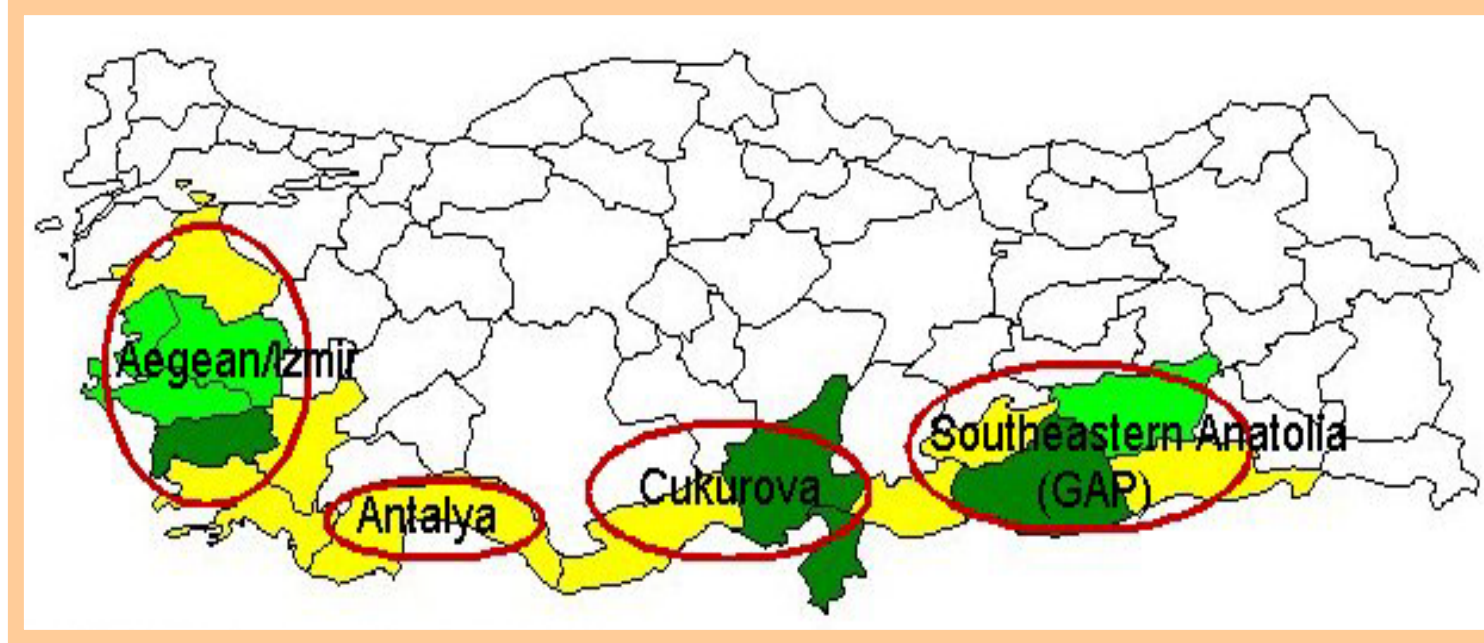
COTTON PRODUCTION

TABLE 3

COTTON PRODUCTION			
Crop Year	Harvested Area (ha)	Production (Tonnes)	Yield (kg/ha)
2005/06	546.880	863.700	1.580
2006/07	590.700	976.540	1.650
2007/08	530.253	867.716	1.640
2008/09	495.000	673.400	1.360
2009/10	420.000	638.250	1.520
2010/11	480.650	816.705	1.700
2011/12	542.000	954.600	1.760
2012/13	488.496	858.400	1.760
2013/14	450.890	877.500	1.950
2014/15	468.143	846.000	1.810
2015/16	434.013	738.000	1.700
2016/17	416.010	756.000	1.820
2017/18	501.853	882.000	1.760
2018/19*	525.000	988.000	1.881

*estimated

Cotton Production Regions in Turkey



Turkey's Export of Cotton Woven Based Apparel

ARTICLE	VALUE 2017 \$
OUTERWEAR	3.571.018.934
UNDERWEAR	41.167.012
PYJAMAS	195.862.563
SPORTS WEAR	23.910.082



Future Aspect : Sustainability

- Turkey is a member of

OECD

Euratex

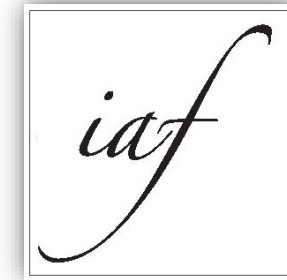
Ethical Trade Platform

IAF

ICAC



International Cotton Advisory Committee



- Turkey is engaged with CSR Bodies

- IndustriALL
- FLA (Fair Labor Association)
- FWF

COTTON VALUE CHAIN In TURKEY



History of Textiles at Anatolia

Woven textiles starts with Hittites
And Assyrians B.C.
1000

13. Century
Anatolia was one of the biggest silk
and carpet center

At 14. and 18.
Century Turkish
fabrics started to
compete with
Indian cotton
woven fabrics

With the fall of
Ottoman Empire
Textile industry
began to slow
down

First steps of
modern
manufacturing
started cotton
cotton spinning at
20. Century

History of Modern Manufacturing

At 1950 32 K people employed at Sumerbank raised to 74 k at 1960

At 1980 1/3 of total employment was in the textile sector

New republic built new plants at 1930. Textile Industry was the % 23 of Turkish Economy

Flagship manufacturer Sumerbank was the biggest at 1950 (state owned enterprise)

Economical model helped to power textiles sector at 70s

Turkey promoted Textile at 1980. Textile raised to %45 at all production of Turkey



Challenges of History At Last Years

- Attendance of China to WTO at 2001
- Removal of quotas in 2005
- At 2007 USA based economical crisis
- Incapable of finding alternative markets and deeper crisis
- Started to raise again at 2010.

Major issues facing the Turkish Cotton Industry

- Unfair competition created by the government measures implemented by various cotton producing countries
- High input costs, (labour, fuel, chemicals, fertilisers etc.,)
- High cost of hand picking (use of harvesting equipment has been expanding at a rapid pace, now reaching at almost 80% levels in relatively large cotton fields)
- High cost of finance,
- Better returns expected from alternative crops, especially from food crops, making market prices of cotton most often lower than the cost of production
- The likelihood of entering another period of world-wide recession and financial crisis, with its inevitable repercussions to the world cotton economy.



Main Topics Related to Cotton in Turkey

ORGANIC COTTON

- Impacts of Pesticides
- water and cotton
- Less chemical agriculture



The Better Cotton Initiative exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future, by developing Better Cotton as a sustainable mainstream commodity.

GMO Free Cotton»
as a Trademark Labeling for non
gmo turkish cotton
Aiming to seperate Turkish cotton
from gmo cotton



Strengths of the Turkish Textile & Apparel Industries

- ✓ Self sufficient resources of **high-quality cotton**
- ✓ Powerful Textile **Infrastructure**
- ✓ Turkey – EU **Customs Union**
- ✓ Relatively Cheap, Flexible and Qualified **Labor**
- ✓ Well trained **human resources**
- ✓ **Proximity** to the European markets
- ✓ Modern **infrastructure**
- ✓ **Liberal** Foreign Exchange Regulations
- ✓ **Secure trading environment** for all foreign investors and traders
- ✓ **High-quality fashion articles** in **compatible prices** with **short-term deliveries**



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the potential

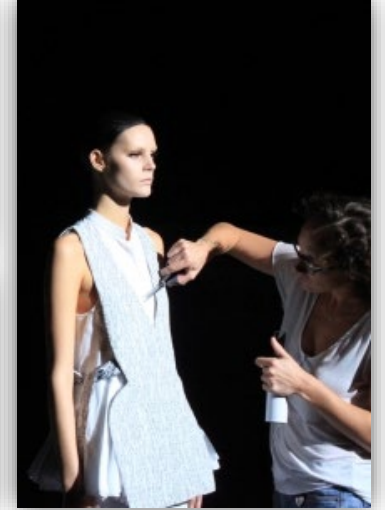
TURKEY – A RELIABLE SUPPLIER

A competitive industry in fast fashion

- ✓ Investment in modern technology
- ✓ Traditional accumulation of know-how,
- ✓ Skills, human power
- ✓ Design capacity

A dynamic industry with competitive features

- ✓ Availability of raw materials
- ✓ Modern technology
- ✓ Advanced Textile Finishing Industry
- ✓ Product development and quality control
- ✓ Concern About Quality, Environment and Health
- ✓ Qualified and Educated Human Sources
- ✓ Product Diversification
- ✓ Fast Fashion with Full package
- ✓ Flexibility of production in small orders
- ✓ Creativity – Young Designers
- ✓ Compliance with the EU's Technical Regulation & Social Standards
- ✓ Easy access to world markets



DESIGN AND PROMOTION ACTIVITIES

Coordination and organization of design activities for supporting the design capacity of the industry

- ✓ Young Designers Contest
- ✓ Fashion seminars and conferences
- ✓ Participation in international fairs
- ✓ Organizing trade missions



PARTICIPATION IN INTERNATIONAL FAIRS

- ✓ Who's Next, Premiere Vision – France, Paris
- ✓ Ispo Munich, Mfs – Germany, Munich
- ✓ Kiev Fashion Show – Ukraine, Kiev
- ✓ Pure London, London Textile – United Kingdom, London
- ✓ Wwd Magic Las Vegas, Techtexile Chicago – Usa
- ✓ Cpm – Russia, Moscow
- ✓ Fashion And Style Kazan – Russia, Kazan
- ✓ Central Asia Fashion – Kazakhstan, Almaty
- ✓ Chpe Shanghai – China, Shanghai



TURKISH TRADE CENTERS

- ✓ Turkish Trade Centers (TTC) are in operation in many cities/countries with an aim to introduce 'Turkish' brands all over the world.
- ✓ Turkish Apparel Center (TAC) is a Turkish Trade Center for Turkish apparel goods.
- ✓ TAC offers a reliable business platform for establishing partnerships in apparel business.

TAC
Turkish Apparel Center



Turkish Textile & Apparel Investments Globally

- ✓ Apparel production investments in many countries, specifically in;
 - ✓ Egypt
 - ✓ Balkan Countries
 - ✓ Russia
 - ✓ Turkic Republics (Uzbekistan, Turkmenistan, Kazakhstan, etc.)
 - ✓ Ethiopia
 - ✓ Georgia, etc.
- ✓ Apparel sales stores and sales points in many countries, but specifically in EU countries, USA, Russia etc.
- ✓ Brands

