



TRADE OPPORTUNITIES IN TURKEY FOR UKRAINIAN COMPANIES IN THE CHEMICAL SECTOR

With informational support of:



PART 1: OVERVIEW OF THE TURKISH ECONOMY

BASIC ECONOMIC & TRADE STATISTICS

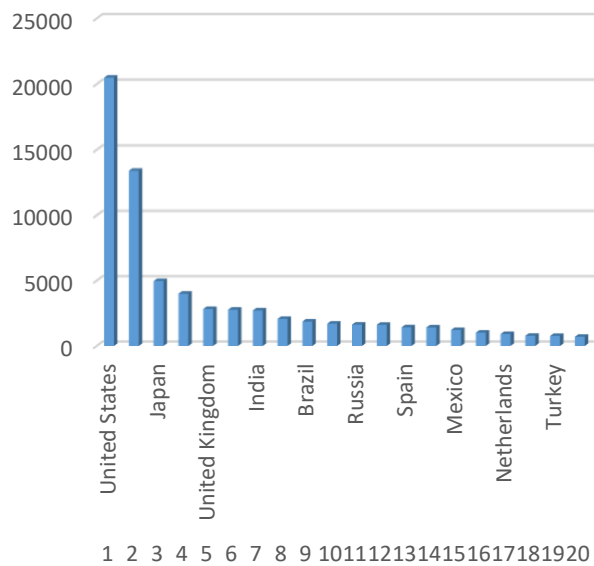


- **Population:** 83.4 million (September 2019)
- **Inflation:** 9.26% (September 2019)
- **GDP:** US\$ 766 current billion (2018)
- **GDP per capita:** US\$ 9,445 current (2018)
- **FDI Inflow:** US\$ 12,944 billion (2018)
- **Exports of Goods & Services:** US\$ 12.52 billion (August 2019)
- **Import of Goods & Services:** US\$ 15.02 billion (August 2019)
- **Life Expectancy at Birth:** 75.4 years

Turkey is the world's 19th largest economy with a GDP of approximately US\$ 766 billion. Since 2000, Turkey's growth in economic and social development has been remarkable, which resulted in higher levels of employment and income. GDP per capita has increased at a rapid rate from US\$ 4200 to US\$ 9445 from 2000 to 2018. According to the World Bank, Turkey is considered among upper-middle income countries. It is part of the G20 and OECD member countries and a candidate country to the European Union.

World GDP per country, 2018

GDP, US\$ billion (2018)



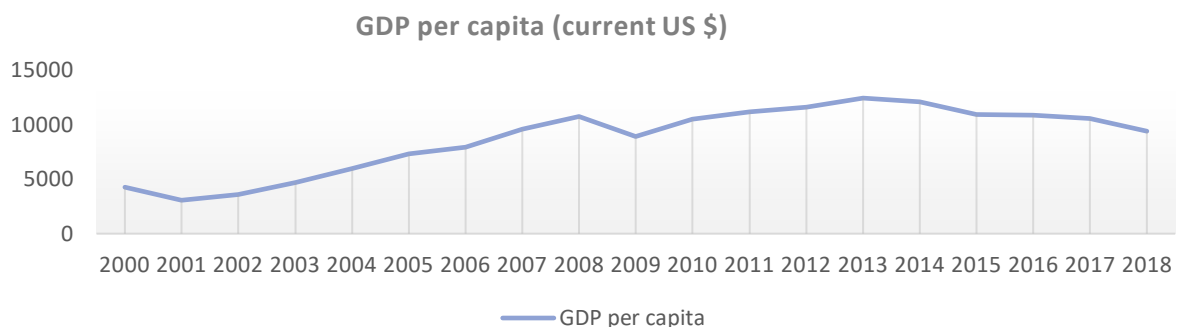
Number	Country Name	GDP, current US\$ billion (2018)
1	United States	20494
2	China	13407
3	Japan	4972
4	Germany	4000
5	United Kingdom	2829
6	France	2775
7	India	2717
8	Italy	2072
9	Brazil	1868
10	Canada	1711
11	Russia	1631
12	South Korea	1619
13	Spain	1426
14	Australia	1418
15	Mexico	1223
16	Indonesia	1022
17	Netherlands	913
18	Saudi Arabia	782
19	Turkey	769
20	Switzerland	704

Turkey's Economy

Turkey, with its US\$ 766.43 billion economy, is the 19th largest economy in the world. The economic growth of Turkey has risen significantly since the country recovered from the 2001 financial crisis. The growth has been led by private consumption and supported by a stable macroeconomic policy framework.

Restructuring of the banking sector, monetary discipline based on Central Bank independence and a floating exchange rate regime, tight fiscal policy, public administration reform, and the EU accession process with reform packages enacted by the Parliament all contributed to the economic growth of Turkey after the 2001 local crisis.

Turkey's GDP is predicted to move up to the 14th rank in the largest economies in the world and is expected to remain this rank until 2050. The country has a significant potential to capitalize on a growing, skilled labour force to sustain its long-term economic growth. The current GDP per capita is US\$ 9.445 and the graph below shows the change in the last two decades.



The World Bank has projected Turkey's:

- ▶ Economy to expand by 0.5% this year, 3 percentage points lower than the pre-coronavirus estimate.
- ▶ Growth will pick up steam in 2021-22 to hit 4%.
- ▶ Year-end inflation rate is forecasted at 11% in 2020, driven by declining energy prices, exchange rate pressures and monetary easing.

Turkey Trade Balance 2019:

- ▶ In 2019, Turkey exported US\$ 180.4 billion imported US\$ 210.4 billion, resulting in a negative trade balance of US\$ 30 billion.
- ▶ Turkey is the 25th largest export economy in the world. It ranks in 18th place out of 121 countries in terms of imports.

Major Export items and Destinations

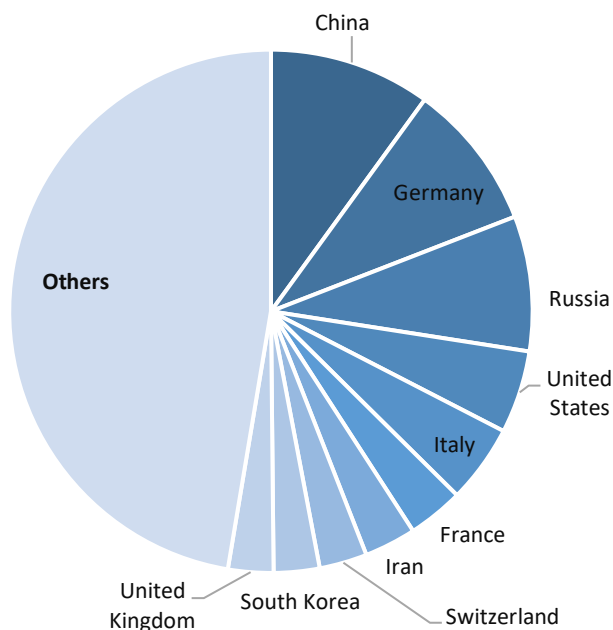
The top export destinations of Turkey are Germany (US\$ 17.4 billion), the United Kingdom (US\$ 10.1 billion), Italy (US\$ 9.4 billion), the United Arab Emirates (US\$ 9.2 billion) and Iraq (US\$ 9.1 billion).

The top exports of Turkey are motor vehicles & parts (US\$ 23.94 billion), industrial machinery (US\$ 13.82 billion), precious stones & metals (US\$ 10.87 billion), apparel (US\$ 8.84 billion) and iron & steel (US\$ 8.23 billion).

Major Import items and Destinations

Top 5 largest import origins of Turkey are China (US\$ 23.37 billion), Germany (US\$ 21.30 billion), Russia (US\$ 19.51 billion), United States (US\$ 11.95 billion), Italy (US\$ 11.30 billion),

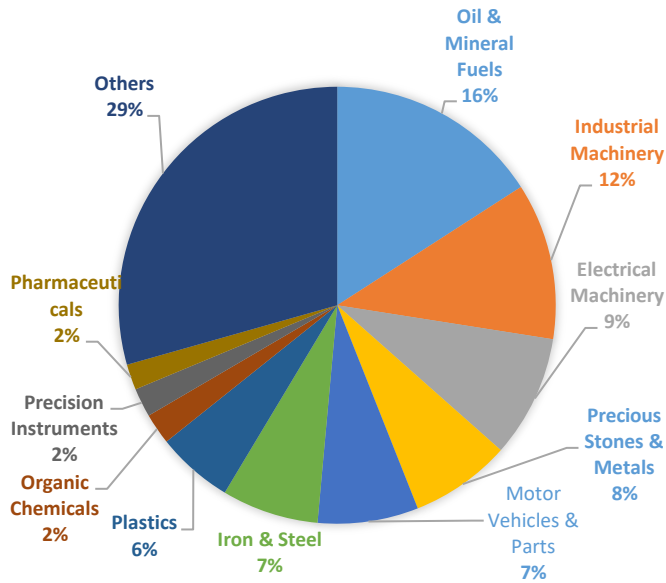
TOP 10 IMPORT COUNTRIES (%)



Top 5 Countries	Import US\$	Import (%)
China	23.37 bn	10
Germany	21.30 bn	9,11
Russia	19.51 bn	8,35
USA	11.95 bn	5,11
Italy	11.30 bn	4,84

Top 5 Turkey imports are: oil & mineral fuels (16%), industrial machinery (12%), electrical Machinery (9%), precious stone & metals (8%), motor vehicles & parts (7%),

TOP 10 IMPORT GOODS



Top 5 Import Goods Import US\$

Oil & Mineral Fuels	37,2 bn
Industrial Machinery	27,16 bn
Electrical Machinery	21,15 bn
Precious Stones & Metals	17,44 bn
Motor Vehicles & Parts	17,42 bn

The Turkish import regime highlights the liberalization of Turkish imports in line with its commitment to complete the Customs Union with the EU, its relationship with EFTA, and its obligations under the World Trade Organization (WTO). Turkey has placed special emphasis on its commitment to reduce customs duties in order to align itself with the Common Customs Tariff. Turkey has made some necessary modifications to its import regime, and on January 1, 1996 the Customs Union with the EU became effective.

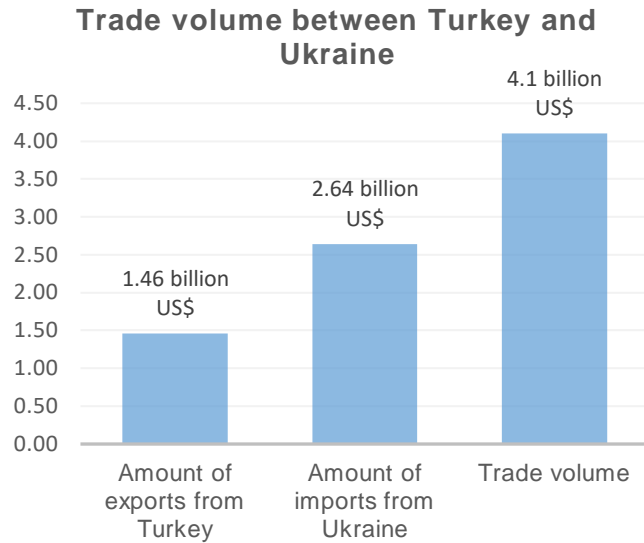
PART 2: TURKEY – UKRAINE TRADE



Turkey recognized the independence of Ukraine in December 1991 and the two countries established diplomatic relations in February 1992. Turkey was one of the first countries to officially recognize the independence of Ukraine. Ties between Turkey and Ukraine can be considered as a strategic partnership after the creation of the High-Level Strategic Council (HLSC) in 2011. Passport-free regime was announced in June 2017 to boost the economic and social ties between the two countries.

Trade volume between Turkey and Ukraine was US\$ 4.1 billion in 2018. The amount of exports from Turkey was US\$ 1.46 billion, the amount of imports from Ukraine was 2.64 billion. **Ukraine clearly has a comparative advantage in its trade relations with Turkey.**

There are around 600 Turkish companies operating in Ukraine mostly in **construction projects** with a number of investments equal to US\$ 2.1 billion. The total value of construction projects of Turkish companies in Ukraine amounts to approximately US\$ 5.5 billion.



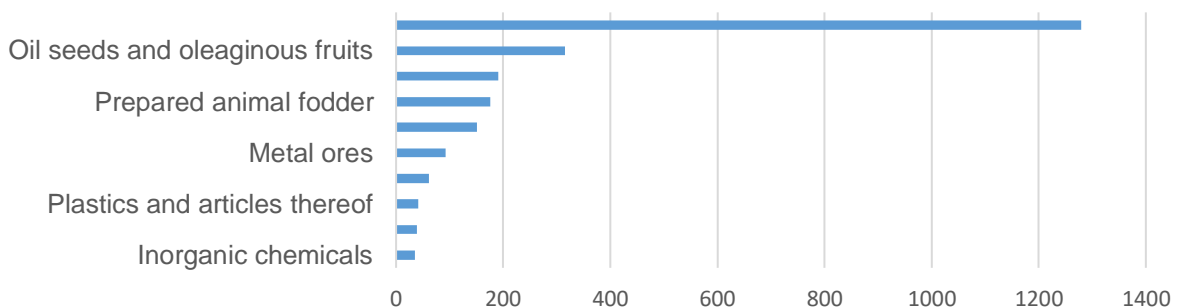
Tourism is an important part of relations between Turkey and Ukraine. There were 1.35 million Ukrainian tourists visiting Turkey in 2018. Turkey has an embassy in Kiev, a consulate in Odessa and honorary consulates in Simferopol and Kharkiv whereas Ukraine has an embassy in Ankara, a consulate in Istanbul and honorary consulates in Mersin, Izmir, Bursa, Canakkale and Dalaman.

Ukraine and Turkey have almost completed a **Free Trade Agreement (FTA)** in order to expand trade-economic and investment cooperation. Following the signing of the FTA, bilateral trade volume is expected to increase significantly.

Turkey's Imports from Ukraine

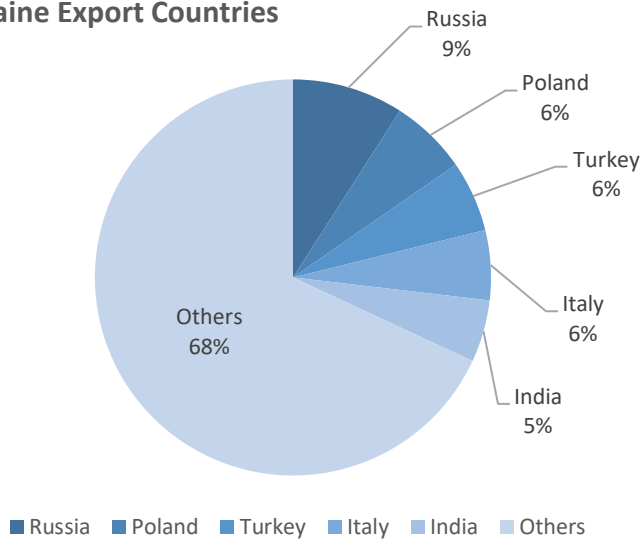
Almost 50% of Turkey imports from Ukraine is iron & steel. The rest are key agro food imports such as oil seed and oleaginous fruits, cereals, prepared animal fodder and animal or vegetable fats and oils, as shown in the graph below:

Turkey's imports from Ukraine (2018, million US\$)



Ukraine Export Destinations

Ukraine Export Countries



Top 5 Export Countries US\$

Russia	3,94 bn
Poland	2,72 bn
Turkey	2,51 bn
Italy	2,47 bn
India	2,20 bn

It is important to note that overall, **Turkey ranks 3rd among export partners of Ukraine**; just after Russia and Poland. The table below lists the top items exported from Ukraine to Turkey and the respective volume in terms of value.

Ukraine Exports to Turkey

Key Ukrainian Exports to Turkey by Value - 2018	US\$ thousand
Iron and steel	1,279,793
Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal ...	314,924
Cereals	191,201
Residues and waste from the food industries; prepared animal fodder	176,047
Wood and articles of wood; wood charcoal	151,356
Ores, slag and ash	92,676
Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal ...	61,537
Plastics and articles thereof	41,179
Copper and articles thereof	38,310
Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, ...	34,994
Fertilisers	28,235
Salt; sulphur; earths and stone; plastering materials, lime and cement	28,111
Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	26,675
Articles of iron or steel	25,490
Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	24,026
Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere ...	17,775

PART 3: TURKEY'S CHEMICAL SECTOR

TURKEY'S CHEMICAL SECTOR OVERVIEW

Turkey is an attractive investment location for chemical companies thanks to its robust market growth fuelled by end-user markets and competitive production costs. Turkey is also a regional production, management, and export hub for leading brands in the chemicals industry such as BASF, Henkel, Bayer, Evonik, Linde, P&G, PPG, and Dow, which have been producing in locally for decades.

The growth in consumer industries in Turkey contributes significantly to the growth in chemicals. Turkey is the largest commercial vehicle producer in Europe, the 15th largest **automotive** manufacturer in the world, the 7th largest **agricultural** producer in the world, and the largest **textile** producer in Europe, accounting for 3 percent of global exports. Similarly, Turkey ranks 2nd in the world in terms of net petrochemical imports. (after China) and 2nd global poly propylene importer (following China). Below are the main chemical items (HS code from 27 to 40), imported to Turkey and the approximate import value.

HS CODE	PRODUCT	2018
27	Mineral Fuels/Oils	11.009.438
28	Inorganic Chemicals	1.388.778
29	Organic Chemical	4.715.576
30	Pharmaceutical Products	4.296.427
31	Fertilisers	1.250.915
32	Paints, Varnishes, Mastics	1.808.600
33	Perfumery, Cosmetics	1.101.900
34	Soap	779.414
35	Albuminoidal Substances	466.037
36	Gun Powder, Explosives	55.052
37	Photographic or Cinematographic Goods	156.804
38	Miscellaneous Chemical Products	2.049.324
39	Plastics and Articles Thereof	12.268.290
40	Rubber and Articles Thereof	1.645.539

TURKISH COSMETICS MARKET OVERVIEW



Many global cosmetics companies have manufacturing and sales operations in Turkey and many foreign investors manufacture in Turkey with licensing agreements, contract manufacturing and joint ventures. The main players in the industry are multinationals like **L’Oreal, Procter&Gamble, Unilever, Colgate & Palmolive, Avon, Oriflame** as well as local producers like **Evyap, Kopaş Kozmetik, Dalan, Erkul Kozmetik**

The Turkish cosmetics sector is estimated to be US\$ 2.500 bn in size. Turkish cosmetics market shows a significant growth by 10% annually, and imported products constitutes majority of cosmetics products sold in the market. Shaving products, depilatory products, shower gels, shampoos, soaps, lip and eye make-up products, deodorants, perfumes, colognes, wet wipes and diapers are the major products manufactured in Turkey.

There are 5.000 companies operating in Turkish cosmetics sector including manufacturers, exporters, importers and distributors. Approximately 170.000 cosmetic products, including 46.000 locally produced ones are distributed through 220.000 retail points like supermarkets, retail chains, discount stores, concept stores, pharmacies, perfumeries, cosmetics chains and department stores.

Based on the economic development in Turkey, both production and consumption of the cosmetic and personal care products are increasing rapidly. The hair care products hold the greatest share in the sector product range, and shampoos account for approximately 59% of hair care products. Other items are shaving products, depilatories, bath and shower products, soaps, lip and eye make-up materials, deodorants and antiperspirants, perfumes, eau de colognes, skincare and baby care products. The highest competition among all categories is in the shampoos, since, this market is relatively large and entrance is easier. Additionally, this segment is suitable for private label and bulk production.

Turkish Cosmetics Sector Trends:

- ▶ Approximately 3.250 companies manufacturing various cosmetics and personal care products are active in the industry.
- ▶ The hair care products has the biggest share in the industry and shampoos account for approximately 60% of hair care products
- ▶ There is a high competition in mid-range products

- ▶ Investment and marketing decisions mostly made for the **brands targeting middle income customers**
- ▶ In the last years, more than 50 new brands have entered the growing Turkish Cosmetics Market.
- ▶ Annual average growth rate for imported skin care products was 9,5% in the last 3 years.
- ▶ Cosmetics Chain stores like Gratis and Eve Shop, sell variety of offers distributed by other importers, but also directly import and represent brands from abroad.
- ▶ Body Shop, L'occitane, Yves Rocher are some of the successful mono-brand stores in Turkey.
- ▶ Lush – opened its mono-branded shop in 2005 in Turkey, but exited the market after couple of years, due to strong competition and low profitability.

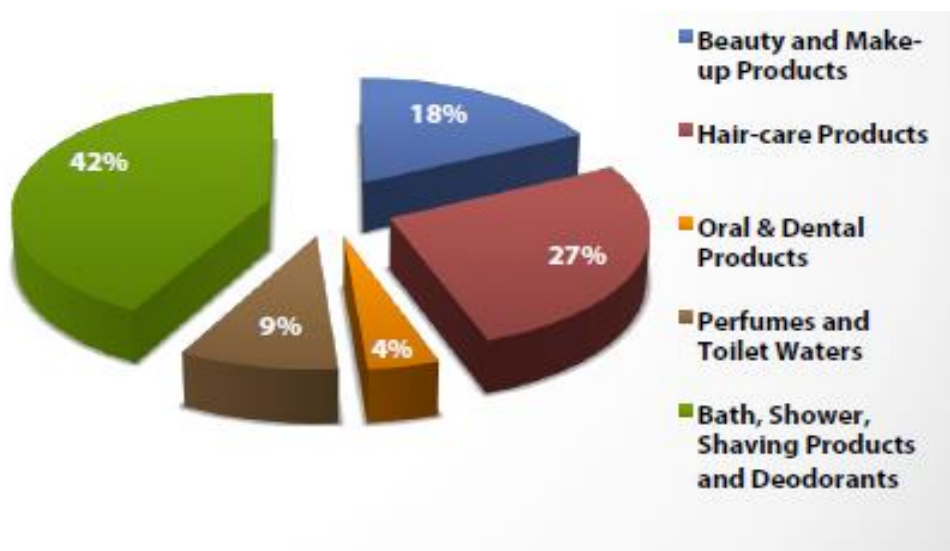
Certain Brands have established their own import and distribution offices in Turkey like those listed below, however, they only deal with the distributorship of their own brands.

- ▶ Splat Toothpaste brand from Russia
- ▶ Himalaya brand from Dubai, UAE.

Turkey Cosmetics Imports

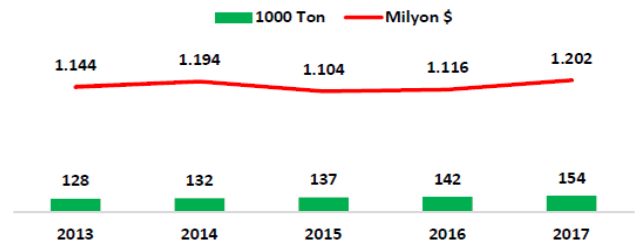
Turkey's cosmetics imports reached 1.1\$ Billion in 2019. **Raw materials and ingredients compose the biggest import proportion** followed by make-up products, skincare products and hair products. Supply of Cosmetics and Personal Care products in Turkey heavily relies on the imports despite the large local production capacities. Cost advantages of the imported products and the consumer attraction to the foreign brands especially in beauty and make-up products keep the increasing trend of imports.

Demand by Product Type, 2018



Turkey Imports of Cosmetics – Volume and Value

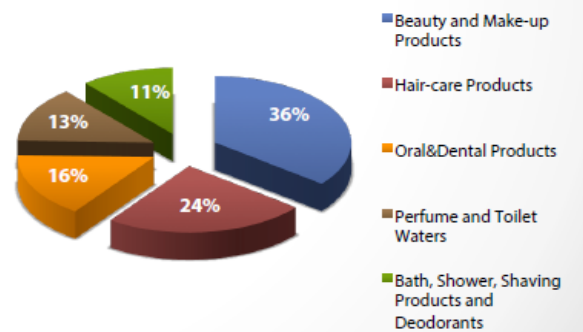
As seen from the graph below, cosmetics import value in Turkey varied between \$1.1bn and \$1.2 bn in the last 5 years.



Turkey Imports of Cosmetics by Category

The main cosmetic import groups are:

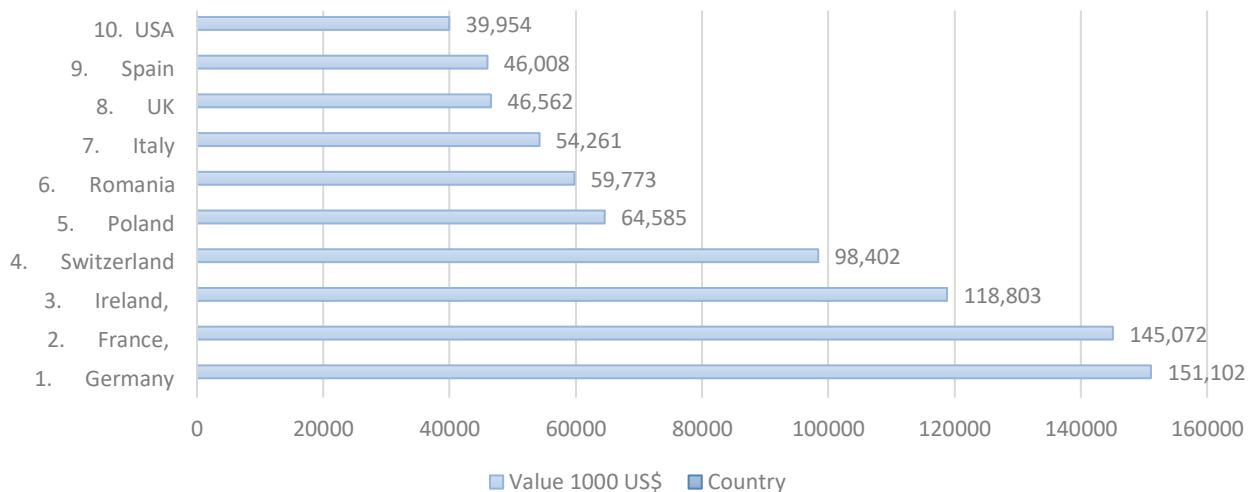
- **Beauty and make-up** products, with share of 36%.
- **Hair care** products with 24% share.



Turkey Imports of Cosmetics – by Country

The main countries Turkey imports cosmetics products are **Germany, France, Ireland, Switzerland and Poland**.

The graph below shows the value of imports of the top 10 countries. In addition, the first 10 countries import volume is equal to 80 % of the total cosmetics imports.



HOUSEHOLD CLEANING CHEMICALS

Household Cleaning market in Turkey is serviced by 750 companies manufacturing various cleaning materials. Besides local companies, most of the major multinational detergent companies have their own manufacturing and marketing facilities in Turkey. They are manufacturing through joint ventures and licensing agreements. Some of these are Procter & Gamble, Henkel, Colgate Palmolive, Unilever, and Benciser. The key domestic manufacturers with larger production capacity are Hacı Şakir, Evyap, Hayat Kimya, Dalan, Başer Kimya, Hes Kimya, Ev-Tem, Uzay, Büyükmihci Kimya and Saruhanlılar. As a result, competition is very strong in this segment.



The Turkish cleaning products industry complies with world standards in terms of quality. The number of firms which have ISO 9000 Quality System Certificates and ISO 14001 Certificates is rapidly increasing. Most of the raw materials required for the cleaning products industry, like fatty acids, oils, LAB, essence, etc. are met by domestic production. However, raw materials which are not produced in Turkey like tallow oil, palm oil and some other chemicals are imported. Major export destinations for household cleaning products are Iraq, Israel, Azerbaijan, Russia and Georgia.

FERTILISERS



Turkey ranks 10th in the world in terms of fertilizer consumption. Most of these are synthetic fertilizers, still demand for organic fertilizers is increasing. In last 10 years Turkey consumed an average of 5.3 million tons of fertilizers per year. There are seven private sector companies producing fertilizers in Turkey with total production capacity of 5.8 million

tonnes/year. Nitrogen Based, Phosphorus based and Potassium based fertilizers are the mostly consumed fertilizers in the market.

In 2017, 85 % of the total 6,3 mn ton consumption of chemical fertilisers has been imported. 74 % of this is related to a product with HS code 3102 – nitrogenous manure.

Gubretas / Tarkim has 27% market share in Turkish fertilizer sector. Other local competitors are Toros Tarim, Yildirm Group, Bagfas. Distribution of Fertilizers is mainly through importers and dealer networks.

CAR CARE CHEMICALS

Many small and medium size local players are active in this specific segment. Some of the local brands are Interwax, Luxor, Magic Dose, Modacar, Goldenwax and Be in a Good Mood. **Würth and Sonax** are the two international brands that have significant market share in the car care cleaning products in Turkey. Other top foreign brands active in the field for air fresheners are Glade, Air Wick, Febreze, Areon and Little Joe. There is strong competition in the market due to large number of local manufacturers as well as international brands.



COFFEE CLEANING CHEMICALS

DeLonghi, Puly Caff, Urnex and Diversey Suma Cafe are the international brands in this segment. Local competitors are Cleanmix, Neo Barista and Equinox, but they are with relatively small market share.

Main coffee machine brands in Turkey are **DeLonghi, Franke, WMF, La Marzocco and Gaggia**. Tchibo and Siemens Coffee machines are at more affordable price, preferred mainly by households.



- ▶ Kofis is the authorized partner of Franke; while Kaffesa is the dealer of La Marzocco. DeLonghi and WMF has Turkey offices/companies for their operations. Globally is the authorized distributor of Gaggia.
- ▶ 1 litre liquid coffee cleaner costs around USD 15.

COMPETITION

There is large number of strong local competitors in the market.

- ▶ **For colour cosmetics** – Flormar, Golden Rose
- ▶ **For skin care** – Evyap with the brands – Duru shampoo & Arko Cream, Hacı Sakir, Rebul, Eyup Sabri Tunceri, Urban Care

The main competition for Ukrainian cosmetic companies will be from local manufacturers, as well as international brands of multinationals. Still, besides the developed EU countries **Poland and Romania** are 5th and 6th in Turkey's imports of cosmetics to Turkey. Some of the brands available are Inglot and Ziaja.

- ▶ **For household cleaning** – Bingo (Hayat Kimya) ABC, Eczacibasi, Uzay, as well as international offers of P&G, Unilever and Henkel.
- ▶ **For fertilisers** – Local brands of Gübretas/Tarkim, Toros, Yildirim Group as well as international brands like Cifo, Everis, Compo.

DISTRIBUTION CHANNELS

Sales and marketing of most foreign products in Turkey is through foreign suppliers' representatives or distributors. Depending on the location of consumers/end-users, most distributors have a dealer network throughout the country.

Turkish retail market, the main channel through which cosmetic products reach to consumer, has been undergoing a major change in the last ten years. The share of chain stores in total retail business, which was less than 10% at the end of 1990's, 33% in 2007, 41% in 2010 increased to 60% in 2016.



There are two types of chain store structure; **mono brand** stores or **multi-brand cosmetic chains**. Major players in mono brand chain shops are; Flormar, M.A.C Cosmetics, NARS Cosmetics, Golden Rose, Yves Rocher, L'occitane, The Body Shop, Kiehl's. Out of these, Body Shop operates through 22, L'occitane through 36, Kiehl through 15 and Yves Rocher through 140 shops in Turkey.

Cosmetics Chain Store	Website	Number of Stores
Gratis	www.gratis.com	605
Watsons	www.watsons.com.tr	345
Rossmann	www.rossmann.com.tr	114
Eve Shop	www.eveshop.com.tr	103
Sephora	www.sephora.com.tr	44
L'occitane	www.loccitane.com.tr	36



Some of the multi brand chain shops are **Gratis, Watsons, Rosemann, Eve Shop and Sephora**. They are selling both through physical stores and online shops. In the table below, the website and number physical stores for each brand is provided.

Far Eastern Brands:

In addition to these, a few Japanese and Korean chain stores like Minisu, Missha, Mumuso and Yoyoso are active in the Turkish market. They sell through physical stores as well as online sites.

1. **Minisu** – www.minisu.com.tr
2. **Missha** www.missha.com.tr
3. **Mumuso** www.mumuso.com.tr
4. **Yoyoso** <https://www.yoyoso.com.tr/>

E-commerce & Online Sales

E-commerce has increased tremendously in the last five years and online sales through sites like Trendyol, Hepsiburada and N11. According to Tubisad, the growth of online sales in the last 5 years is approximately 35 %. As such, this channel is becoming increasingly important. Still, it is not possible to sell directly from abroad on these channels; it is essential that there is a company established in Turkey (local representative / importer/ distributor) which will address sales in the online channels. The relevant websites are as follows:

1. **Trendyol** www.trendyol.com
2. **Hepsiburada** www.hepsiburada.com
3. **N11** www.n11.com
4. **Gitti Gidiyor** www.gittigidiyor.com
5. **Amazon** <https://www.amazon.com.tr/>



hepsiburada



Supermarkets & Discount Stores

International brands dominate the beauty and personal care market in Turkey, with around 75% market share – the leading companies are Procter & Gamble, Avon, L'Oréal, Unilever, Beiersdorf and Colgate-Palmolive – and local Turkish companies are finding it increasingly difficult to compete. The growing presence of multinational cosmetics brands in Turkey also represents an opportunity, as a number of European brands and retailers are using Turkey as a production base. Most of the international brands mentioned above sell through the supermarket /hypermarket chains, as they can meet the requirements of the retailers. As such, the shelves of Turkish supermarkets as listed below, clearly reflect huge penetration by foreign brands.

- **Migros** <https://www.migros.com.tr/> : 2.153 Stores
- **BİM** <https://www.bim.com.tr/> : 7.438 Stores
- **Carrefoursa** <https://www.carrefoursa.com.tr/> : 690 stores
- **Metro Grossmarket** <https://www.metro-tr.com> : 36 Stores
- **A 101** <https://www.a101.com.tr/> : 9.000 Stores
- **Şok** <https://www.sokmarket.com.tr> : 7.003 Stores
- **Macrocenters** <https://www.macrocenter.com.tr/> : 60 supermarket chains

TURKEY'S IMPORT REGIME

Import Documentation

Turkish import documentation procedures require that a commercial invoice and bill of lading or airway bill accompany all commercial shipments. Depending on the type of product, importers may be required to submit a Certificate of Origin.

Commercial Invoice

The commercial invoice must be submitted in triplicate, including the original copy and must contain a complete description, quantity, unit cost, HS code, delivery method of the goods and country of origin as well as all required payment terms and L/C if this is the payment method.

Certificate of Origin

The certificate of origin is to be prepared in duplicate. No corrections are permitted on this document, and it should be in English. A Certificate of Origin is usually prepared by the exporter or the freight forwarder and notarized and attested to by a local Chamber of Commerce. The Turkish Embassy or Consulate in Ukraine must certify the Certificate of Origin and one copy of the document should be provided to the customs authorities when the goods are cleared.

Bill of Lading

The original bill of lading should be submitted along with three copies.

Proforma Invoice

The pro forma invoice must not be more than six months old at the time of application. It must indicate freight and insurance charges separately, and bear the importer's name as well as the description, unit price, quantity and delivery/payment method of specified goods.

Rules & Regulations in the Chemicals sector

The main motivation behind the chemical sector regulations in Turkey is further integration with the EU markets via ensuring alignment with relevant EU laws and regulations. Until recently, Turkey was a candidate country for EU membership and takes part in the EU Customs Union. As such, laws and regulations regarding cosmetics, chemicals and fertilizers are in line with the EU laws and regulations in most of the cases.

- ▶ **Cosmetics Sector - Law No. 5324** is the law regulating principles for manufacturing, import packaging, control and all measures related to the cosmetics sector. Application is submitted to the Ministry of Health, Medicine and Medical Devices Institution (TITCK) www.titck.gov.tr which is responsible for the inspection and approval of both domestic and imported cosmetics to Turkey. The regulations clearly draw a framework for allowed and prohibited substances in cosmetic products, advertisement standards and inspection procedures. As such, a notification should be made to the Ministry of Health before the launch/import of a new product. Following that, the importer has to prepare "**Product Information File**" and apply to the Institution for approval. Import Approval and Control Certificate are other documents which have to be prepared by the importer

of the cosmetic product in Turkey. The first import permission application for a new product may take 2-3 months to process, but the following ones related to the same product are obtained in approximately 10 working days.

- ▶ **Household Cleaning Products** - For imports of detergents, a separate Technical dossier should be prepared and submitted to the Ministry of Trade. Turkish language Labelling and Turkish language security information note to be prepared (from 2018 onwards)
- ▶ **Fertilizers:** Regulation No 2015/1 specifies the conditions for import of fertilizers. Permissions should be taken from the Ministry of Agriculture and Forestry.

Customs

A Customs Agent, appointed by the importer/distributor in Turkey is in charge of clearing the goods from the Customs. A number of well-known Customs Agents in Turkey are as follows:

- Unsped <https://ugm.com.tr/>
- BLN Gümrük <https://www.blngumruk.com>
- Hitit Gümrük <http://www.hititgumruk.com/>

Logistics

A typical transport between Ukraine-Turkey is sea transport and there are regular lines between Port of Odessa and Istanbul, on weekly basis. For instance:

- **Admiral Container Lines** <https://www.acolines.com/> is servicing regularly ports between Odessa and Istanbul (Ambarli, Gebze, Gemlik) as well as Mersin. We will advise to approach Ms. Güldem Ülken guldem.ulken@marticontainer.com.tr for further details.

Logistics Prices for containers:

- **LI Evyap (Port) // FO Odessa (Port)**
 - Usd 368 /20'DC – Non imco
 - Usd 436 /40'DC – Non imco
 - Usd 436 /40'HC – Non imco
- **LI Mardaş (Port) // FO Odessa (Port)**
 - Usd 343 /20'DC – Non imco
 - Usd 386 /40'DC – Non imco
 - Usd 386 /40'HC – Non imco

Price List

When preparing price list for the Turkish market, it is advised to:

- Quote in USD or EUR
- Specify the code of the product with picture if possible
- Write a description of the product
- Method of Payment should be included – L/C, Cash against documents, etc
- Delivery Terms should be specified – FOB, Ex-work, CIF, etc

- Additional Discount for larger volumes should be specified, if possible
- If min. quantity applies, it should be specified
- Price offer validity period should be included

Trade Exhibitions & Sectoral Associations

Turkey is a hub of international trade between Europe and Asia. Participation in trade exhibitions might be beneficial to extend business networks both in Turkey and around the world. Turkish suppliers, importers, and distributors are likely to participate in international fairs and exhibitions organized in Turkey. Participating in these would also provide a deeper insight about the Turkish chemicals industry.

Following fairs are the most popular in the industry.

- ▶ Beauty Eurasia, <https://www.beautyeurasia.com> June 2021
- ▶ Growtech, <https://www.growtech.com.tr> November 2020
- ▶ ChemShow Eurasia <http://www.chemshoweurasia.com/> March 2021

Relevant Sectoral Associations are as below:

- ▶ Turkey Chemical Manufacturers Assoc. <http://www.tksd.org.tr/>
- ▶ Turkey Fertilizers Manufacturers, Importers and Exporters Assoc. <https://guid.org.tr/uyelerimiz/>
- ▶ Cosmetics and Cleaning Products Industrialists Assoc. <http://www.ktsd.org.tr/sayfa-1-anasayfa>

PART 4 : IMPACT OF COVID-19 ON TURKISH ECONOMY



Turkey, Covid-19 situation in Numbers, 14/07/2020

- Total Cases – 214,993
- Recovered – 196,720
- Total Deaths – 5,402
- Tests - more than 4 mil

Turkey Covid-19 Situation

- Case numbers are mostly intense in highly populated cities such as Istanbul, Ankara and İzmir.
- Manufacturing plants and shopping malls opened on 11th of May.
- Travel restrictions between cities lifted on 1st of June.

- International travel with certain countries resumed on 15th of June
- According to the government guidelines returning to normal in the working life and social life started on 1st of June with restrictions.
- Public gatherings and activities are allowed with restriction

Expected Trends as a result of Covid-19

- ▶ The post-Covid world will be defined by **islandization**, instead of **globalisation**.
- ▶ Global Value Chains are expected to become shorter and more localised due to the long-term impact of Coronavirus
- ▶ Value Chains are expected to move closer to the Customer
- ▶ As such, it is expected that Turkish companies will source from nearer markets like **Ukraine** instead of **China!!**
- ▶ According to EBRD President Mr. Suma Chakrabarti, Turkey could emerge stronger from the coronavirus crisis.
- ▶ In the new normal, companies from all over the world will be putting considerable emphasis on resilience and diversification.
- ▶ Post-Covid will be a new world of increased regionalisation of economic activity, shortening supply chains and geopolitical uncertainty to an extent.

How to adapt and tackle the effects of Covid-19

No one can predict what's next in the global pandemic and when it will end. But, to roar into the recovery companies must stay prepared. As such, it is crucial to:

- ▶ Go Virtual

Meetings: Video conferencing has become more important than ever, particularly during the coronavirus pandemic. There are countless collaboration tools available for remote workers including Google Hangouts, Microsoft Teams, Skype, Zoom

- ▶ Build the company brand with strategic content (specifically in the digital sphere – LinkedIn, Website, Social Media)

Marketing budget spend right now is never going to be as efficient as it is today, during a downturn, since there are fewer dollars competing for the audience's attention.

- ▶ Develop Partnerships and stay active

As a result, to adapt to the new normal, after Covid-19, it is important to accept the new situation and focus on what can be done; not on what is not possible. Reviewing the business, going virtual and embracing digital economy are key steps in the way forward. Companies should remain open to new ideas and identify new business opportunities. COVID-19 is not the first challenge that humanity has faced, and it certainly will not be the last.