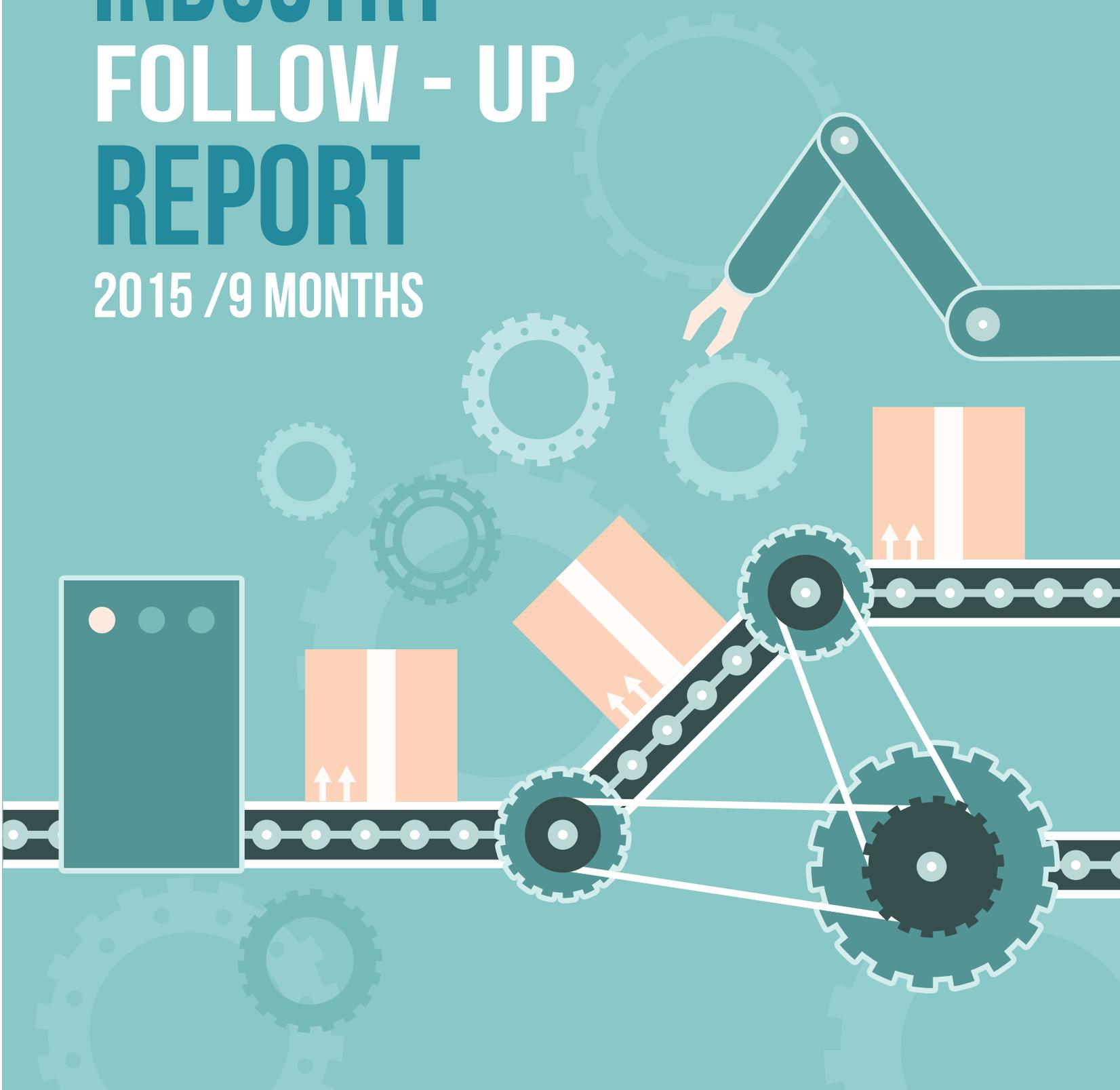


PAGEV TURKISH PLASTICS INDUSTRY FOLLOW - UP REPORT

2015 /9 MONTHS



EXECUTIVE SUMMARY

Turkish plastics industry, amongst the EU member states, ranks 2nd following Germany and 7th throughout the world with a share of 2.6%. On the other hand, the 20.3 billion dollar foreign trade volume share of the Turkish plastics industry within the world plastic foreign trade volume is at a level of 1.7%. While the Turkish plastics industry received a share of 1.6% within global plastic product export and 1% within import, it received a share of 4.3% within raw material import and 0.4% within export.

As against Turkey ranking 2nd, following Germany, amongst EU member states in 2014 with an 8 million 234 thousand tonnes of plastic product manufacture, she is far below the countries with a lesser manufacture capacity than herself, in export. The main reason for the aforementioned is due to the fact that Turkey's 3 \$/Kg unit export price of plastic product export is 32% lower than world average of 4.4 \$/Kg and that Turkey cannot sufficient added value in export. This situation demonstrates that the Turkish plastics export is concentrated on the manufacture and export of products which cannot provide sufficient added value.

It is expected that, Turkish plastics industry, will add value of USD billion of 13 and employment of 250.000 to Turkish economy in 2015 with its production of 8,4 million tones and production value of USD bilion of 32,2.

As of the end of 2015, with respect to 2014, the total production of plastics end products will reach to 8,4 mliilion tons and USD billion of 32,2 by increasing % 1,3 in unit base and decling with 11,4 % in value base. Imports will increase to 586 thousand tons and USD billion of 2,85 by increasing by 1,5 % on unit basis and decreased by 6,5 % on value basis, Exports will decrease to 1,55 million tons and USD billion of 4,3 by decreasing % 2,9 on unit base and + 14,4 on value base. Domestic consumption, including those used for indirect export, will display as 7,4 million tons and USD billion of 30,4 as staying as the same level of unit base and declining by 10,7 % in value vase. Foreign trade surplus will decrease to 968 thousand tons and USD billion of 1,45 by declining 5,4 % on unit basis and 23,6 % on value basis. In 2015, 19 % on unit basis and 13 % on value basis of domestic production will be exported and 8% on unit basis and 9% on value basis of domestic consumption, including those used for indirect export, will be met by imports. On the other hand, export-import coverage ratio, will realise as 265 % on unit basis and 151 % on value basis.

The 2023 export vision of the industry is to accrue at least 17 billion dollars of the 50 Billion dollar export target of the chemical industry. For such degree of export to be performed, in parallel with its growth, the industry must concentrate on manufacture and export of products with high added values, to increase its unit export prices to 4.5 \$/Kg, average of developed countries and make the best of the investment incentives apart from resolving the increasing number of problems.

In spite of industry's such level of contribution to the economy and exporter economies, the plastics industry investments cannot sufficiently benefit from incentives. The plastics industry, which cannot sufficiently benefit from incentives, is losing its chance to create positive contribution to the foreign trade deficit through the contributions of the new incentive system and is forced towards becoming an industry creating chronic foreign trade deficit.

The all associations operating in the industry must collaborate to prepare the strategic plan of the industry which should be accepted as the vision of the plastics industry by the public authorities

Works needed for Turkey to make the production center of advanced plastic facilitating Turkey's lives. To provide higher added value, the traditional production model should be converted to the production of advanced plastics.

One of the most important issues for the industry in nowadays is; 86% of the plastic raw material requirements to be met by imports. Plastics industry must ensure greater portion of its raw material needs from the Middle East and European countries. The industry, although can meet only 14% of domestic production needs, in order to protect domestic raw materials production, more affordable price of the raw material supply facilities, are deprived of putting taxes on imports. In this case, for the protection of domestic producers of raw materials, reduce the competitiveness of the industry in global markets. Domestic raw materials manufacturers, instead of putting taxes on imports of raw materials, must be protected by applying incentives to reduce production and investment costs. In case of plastic raw material production does not meet the requirements, the barriers on imports should be removed.

Turkish plastics industry is developing rapidly and having greater share of the global market. Negative developments in Turkish and the world economy, makes it difficult to compete with the standstill or even declining sales prices and narrow profit margins

The most important problem of the industry that it can not provide sufficient added value. There are mainly two ways to provide higher value-added production and exports. To produce inovative high value-added products or to increase profit margins by reducing costs without compromising quality. To enhance production and export opportunities in a competitive global market without compromising on quality, the industry must produce environmentally friendly at EU standards

The companies which can not compete with the change in prices due to increasing global competition, must issue the "Costs of the competition" to the forefront, to increase profitability.

To create a successful competition that makes the difference in cost, it is necessary to implement changes in the changing world beyond the known method of saving techniques.

Economic recovery has been the key matter of debate throughout the world in 2014. However, the issues regarding Syria and Ukraine has shaken the confidence in establishing the world economic balances. Notwithstanding the certain level of economic recovery in the USA and England in 2014, the risks concerning economic growth in the EU has increased and Japan, on the other hand, has entered recession within the last quarter of the year. Negativities has been experienced in economic outlook of many developed countries such as China, Russia and Brazil. The economies of developing countries, due to the slowdown, have lost their driving force characteristic within the world economy.

The OECD, in the interim report published on 16 September, noting the global growth that exhibits a weak outlook and the continuing deterioration in financial conditions, reduced the level of the global growth forecasts for 2015 from 3.1 % to 3 % level and for 2016 from 3.8 % to 3%.

In USA, due to the loss of momentum in non-agricultural employment increase and economic slowdown in global economies, comments has been made as the FED's first increase in the rate of interests will be postpone to 2016.

USA economy in the second quarter of the year grew by 3.9% on an annual basis. The growth rate, previously described as 3.7% has been revised upwards due to stronger trend in consumption expenditure. The second item which provide the greatest contribution to the growth, is the private investment spendings.

As described earlier, the euro- zone growth rate of 0.3 % in the 2nd quarter was revised to 0.4 %. While the growth in France, which is one of the region's major economies, offering a horizontal view in this period, Germany and Italy showed a positive performance. Spain Greece and Portugal which were before considered as the region's troubled economies, have positive effects on growth of EU Zone.

In September 2015, consumer inflation in Euro zone, recording a decrease of 0.1 % on an annual basis, has turned to negative again. This development has played a major role in the fall in energy prices. The loss of momentum in China's economy has experienced a negative impact on corporate profits.

In the euro zone, the industrial production growth was above expectations. During this period, the increase in capital and consumer durables production presented a positive outlook for the region's economic performance.

China has also begun to feel the effects of the economic activity lost momentum in corporate earnings. According to official data released by the Bureau of Statistics, profits of industrial companies in August compared to the same period of last year started to decline by 8.8 %.

The devaluation of the yuan in China, while led to sharp fluctuations in the global markets, the slowdown in China's economy would adversely affect the global economies.

The slowdown in the Chinese economy continues. China will gain competitive advantage in the global markets due to the depreciation of the yuan and will impact the balance of international exchanges.

Iran will stand by the fact that the embargo imposed on the country following the agreement among Western States has led to the continuation of the decline in oil prices.

The global growth forecasts for 2014 were announced mostly at the large downward revision UN World Economic Situation and Prospects 2015 is the latest report says the world economy will close 2014 with a growth rate of 2.6 percent. 3.1 percent for 2015 and 3.3 percent in 2016. The report identified the most remarkable predicted economic growth this year is pointing to the disproportionate growth between regions.

According to the report, Brazil, Indonesia, South Africa and Turkey, in the next year are faced with the risk of high current account deficit. Besides Ukraine, Syria, Libya and crises in countries such as Iraq will continue to be a risk factor for their regions.

In summary, it is expected that, unbalanced economic performance will continue and oil will be the decisive commodity in the global growth in 2015. Contraction of global demand realized in 2014, despite a decline in oil prices, will decrease slightly in 2015, will not cause an improvement in the situation of inter-regional growth disparities. This situation means more unemployment, high inflation and current account deficit in many countries.

Decline in oil prices, will be beneficial in terms of reducing the current account deficit for the energy-dependent countries such as Turkey. However, despite the reduction in energy imports, this development may put Turkey in a vicious circle, since the majority of Turkey's export markets are oil-exporting countries.

TURKISH ECONOMY

	2013	2014	2015 - Q1	2015 - Q2	2015 - Q3
GDP (USD Billion)	820	799	181	180,5	0
GDP Growth Rate (%)	4,2	2,9	2,5	3,8	0
PPI Annual %	7,4	8,17	6,81	7,14	7,95
WPI Annual %	6,97	6,36	5,62	6,21	6,92
Unemployment Rate %	9,1	10,4	10,0	10,2	10,4
USD / TL	2,132	2,329	2,7861	2,9205	3,0278
EURO / TL	2,937	2,8297	3,0533	3,2745	3,3971
Exports (USD Billion)	152,8	157,6	156	148,8	148,5
Imports (USD Billion)	251,7	242,2	229,1	227,4	223,9
Foreign Trade Balance (USD Billion)	98,9	84,6	73,1	78,6	75,4
Exports / Imports %	60,7	65,1	68,1	65,4	66,3
Budget Balance / GDP (%)	-1,2	-1,3	0	0	0
Total Debt Stocks TL Billion)	585,8	612,1	650,9	661,9	676,2

Source: Ministry of Economics

Sheet 1: Main Economic Indicators

While the Turkish economy downsized in 2009 by 4.9 %, it reached to high growth rates such as 9.2% and 8.8 % in 2010 and 2011, however the growth rate decreased to 2.2 % in 2012, while it increased to 4.2 % in 2013, once again it regressed to 2.9 % in 2014 and 3,1 % in the first half of 2015.

YEAR	QUARTER	Current Prices	Growth Rate	Current Prices	Growth Rate	Constant Prices	Growth Rate
		GDP Million TL	%	GDP USD Million	%	GDP Million TL	%
2014	Annual	1.747.362	11.5	799.001	-2.9	126.128	2.9
	I ^r	411.084	15.5	185.883	-6.7	29.469	5.1
	II ^r	427.781	10.5	202.184	-4.1	30.925	2.4
	III ^r	462.509	10.7	214.106	0.5	33.604	1.8
	IV ^r	445.989	9.7	196.828	-1.6	32.131	2.7
2015	6 Months	926.022	10.4	361.405	-6.9	62.295	3.1
	I ^r	444.288	8.1	180.954	-2.7	30.202	2.5
	II	481.735	12.6	180.452	-10.7	32.093	3.8

Sheet 2: GDP Results 2nd Quarter (April – June 2015) In Turkey

The manufacturing capacity utilization rate which was on average 73,9 % in 2013, rose to 74.4 % in 2014. Manufacturing industry capacity utilization in the 9 months of 2015 has amounted to 75,9 % by decreasing % 1,5 with respect to the same period of 2014.

Source: Turkey Statistics Department

The seasonally adjusted monthly basis, Real Sector Confidence Index fell 3.3 points in September decreased to 99.3 level. Thus, the index remained below 100 optimism limit. Production volume and the amount of export orders sub-indices for the next 3 months it has been evident for most of the deterioration in expectations pen.

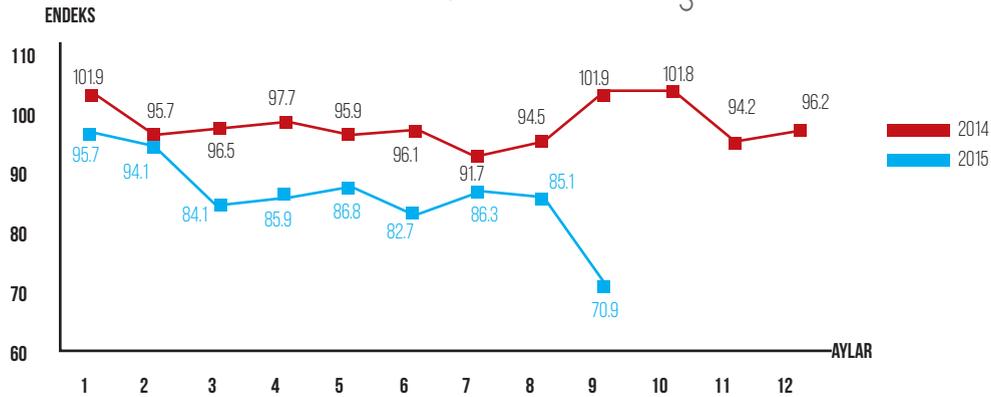
Turkey's growth rate is forecasted for 2015 is 3.1 by IMF and 3% by The World Bank.

The consumer confidence index fell to 58.52 in September, a decrease of 6.1 % compared to the previous month values.

	INDEX		% Increase Previous Month	
	8/2015	9/2015	8/2015	9/2015
Economic Confidence Index	85.14	70.89	-1.3	-16.7
Consumer Confidence Index	62.35	58.52	-3.6	-6.1
Real Sector Confidence Index	102.60	99.30	-0.2	-3.2
Service Sector Confidence Index	99.99	97.67	-0.6	-2.3
Retail Trade Sector Confidence Index	100.97	96.27	-2.6	-4.6
Construction Sector Confidence	82.10	80.37	-0.5	-2.1

Source: TUIK

Sheet 3: Economic Confidence Index , Sub Sectors and % Changes

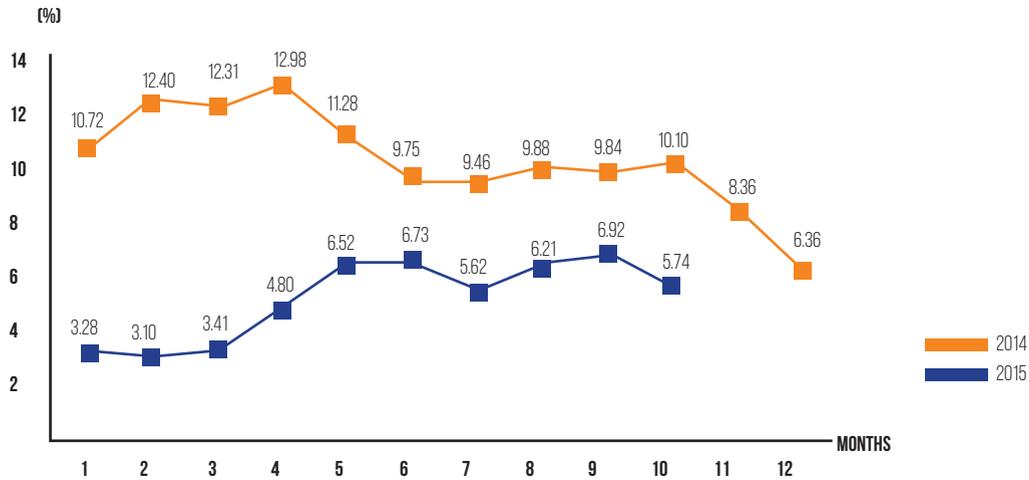


Source: TUIK

Form 1: Economic Confidence Index

The producer price index decreased 0.20 % compared to the previous month in October 2015, 7.59 % compared to December of the previous year, 5,74 % compared to the same month of the previous year and on according to the averages of twelve months showed 5.58 % increase .

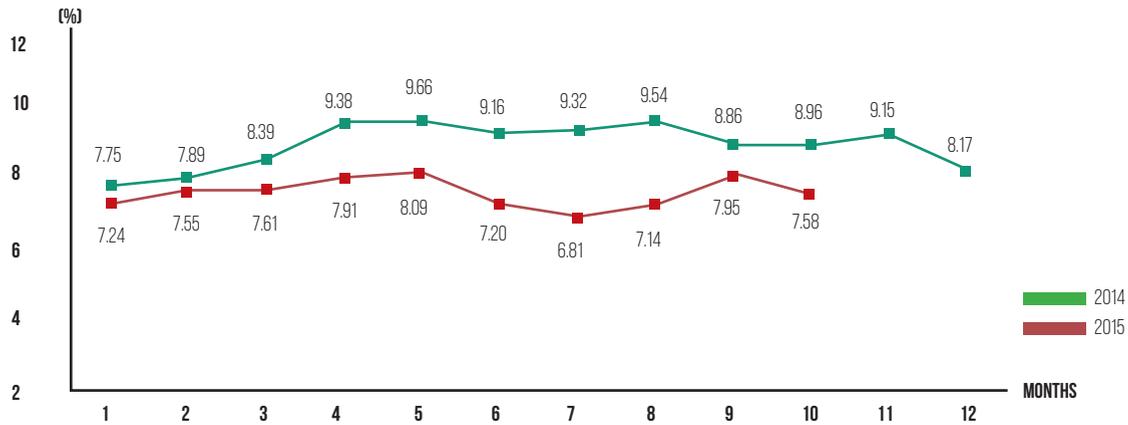
TURKISH ECONOMY



Form 2: Producer Price Index

Source: TUIK

CPI (2003 = 100) increased % 1,55 compared to the previous month in October of 2015 and on averages of twelve months by 7, 69 % increase was realized.



Form 3: Consumer Price Index

In 2015 September, exports of \$ 107,3 billion versus 156,3 billion dollars of imports caused the export -import ratio rose to 68,6 %, and 49,0 billion dollars of foreign trade deficit.

The share of exports of European Union (EU -28) decreased to 47.2 % in September 2015,. Exports to the EU decreased by 7.7 % compared to the same month of 2014 was realized as USD billion of 5,5.

	YEAR	EXPORTS (FOB)		IMPORTS (CIF)		FOREIGN TRADE BALANCE	
		VALUE	CHANGE %	VALUE	CHANGE %	VALUE	CHANGE %
JAN.-SEPT.	2014	118.382		179.820		-61.438	
	2015	107.293	-9.4	156.315	-13.1	-49.021	-20.2
SEPT.	2014	13.583		20.596		-7.013	
	2015	11.659	-14.2	15.401	-25.2	-3.742	-46.6

Sheet 4: Foreign Trade By Months (September 2015)

While the share of high and medium high technology products within total export did not change in 2014 and 2015, the share of medium high technology products in export regressed and share of low technology products exhibited an increase. This situation demonstrates that the export of products with low added value displayed an increase in 2014 and in 2015

The share of manufactured goods in total imports is 81.8 %. September 2015 the share of high-tech manufactured goods in imports is 17.5 %, while the share of medium high-tech products is 43.1 %.

WORLD AND TURKISH ECONOMY EXPECTATIONS

Recently, due to the slowdown in China's economy, the risk perception with the effect of the view that global economic growth will be negatively affected has deteriorated significantly.

Throughout the world, the growth is expected to remain below the potential economic growth in 2015

The most significant factors, which will affect the development of Turkish economy in 2015 are forecasted to be originated from the increase in domestic demand rather than foreign demand and the increase in domestic demand, on the other hand, to be dependent on public expenditures and the increase in export on the recovery of the EU economy, the growth in Chinese economy and decline in prices. Apart from the aforementioned, the decline occurred in oil and energy prices is expected to have a positive effect on inflation and the 2015 year end inflation to draw close to Medium Term Program targets.

Despite its regression, current deficit remains to be one of the foremost issues of the Turkish economy and for to preserve the macro-financial stability, the current deficit must be held at controllable levels.

The political and economic risks demonstrates that growth will occur at lower levels. Turkey ranks top amongst the economies with fragility risk in 2015. The root cause of this is considered to be high current deficit, decelerated growth rate and political tensions.

Depreciation of the Turkish lira decrease the exports and increase the cost of imports of investment goods and investments which were already weak are affected more negatively.

Turkey is expected to face with the danger of low growth for many years.

High current deficit, inflation increase, deceleration in growth rate, increasing financial need and hot money outflow are considered to be amongst the risks which the Turkish economy will face in 2015. The previous crisis of Turkey were mostly within the financial sector. However, now the potential problem will occur in corporate sector. How the off-finance corporate sector, which exceedingly became indebted after 2007, will manage current debt stock and open positions is considered to be an important issue. The possible negative effects of all of these developments on the economy in 2015 can be summarised as follows;

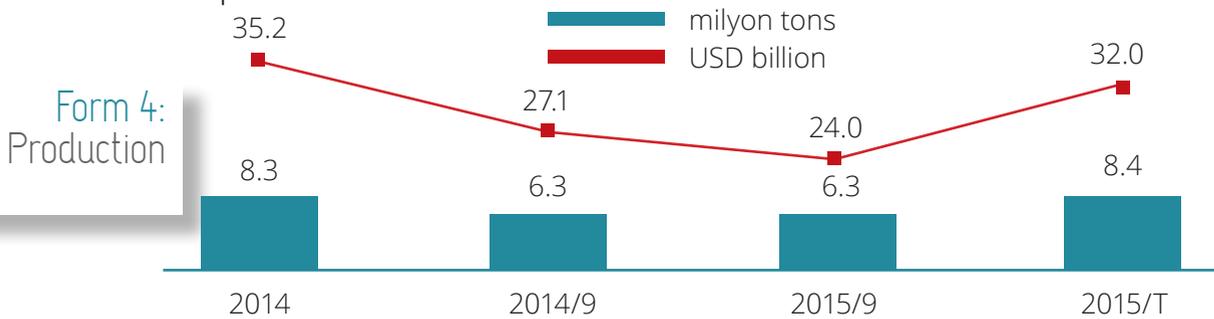
- Decrease in economy and sector growth rates,
- Increase in unemployment rate,
- Decrease in manufacture capacities by businesses in order to particularly avoid from personnel expenditures, in order to close the deficits arising from exchange differences and to execute redundancies and refraining from creating new employment fields for the aforementioned,
 - Imposing restrictions in manufacturing industry and foreign acquisitions in raw material,
 - Acceleration of hot money outflow.
 - The decline in foreign capital inflows due to the negative developments in Syria and Iraq, postponement of investment due to political uncertainty, Decline in tourism revenues due to negative developments in Syria and Iraq and the economic crisis in Russia and Ukraine.
- The effects of increasing unemployment rate due to the 2 millions of immigrants from Syria

DEVELOPMENTS IN TURKISH PLASTICS INDUSTRY

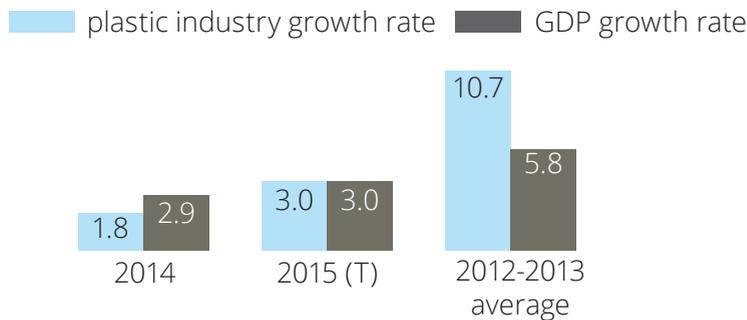
PLASTICS PRODUCT MANUFACTURING

Plastics product manufacture, which was 6,3 million tonnes and 24 billion dollars in the 9 month of 2015 stayed at the same level compared with the same period of 2014 on unit base and decreased by 11 % on value base.

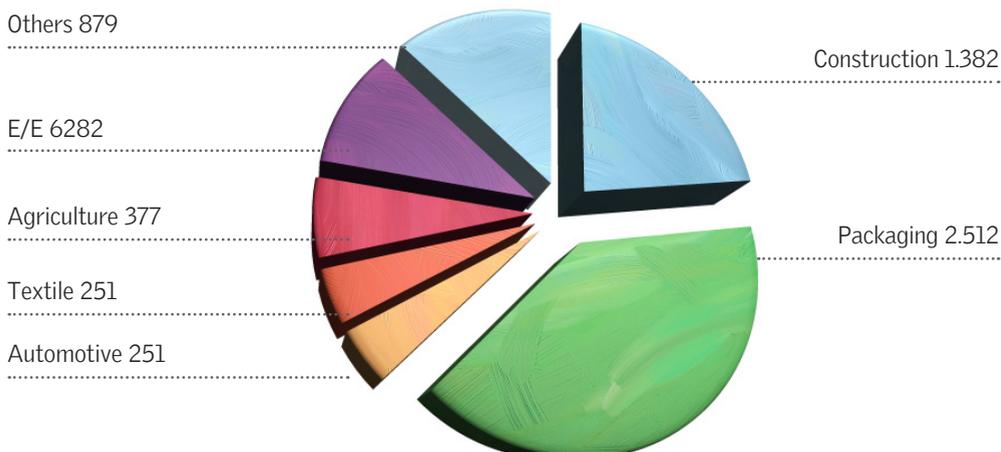
If it continues with the same trend, total production is expected to rise to 8.4 million tons and decline to USD billion of 32.2 in 2015, increasing % 1,2 on the basis of amount and decreasing by % 9,1 on the base of value with compared to 2014



The growth of plastics industry, which doubled the GDP growth rate between 2002 – 2012 period, dropped below the GDP growth rate in 2014. Considering the 9 monthly realization of the year, exceeding the growth rate of GDP growth for 2015 is estimated to be 3 %.

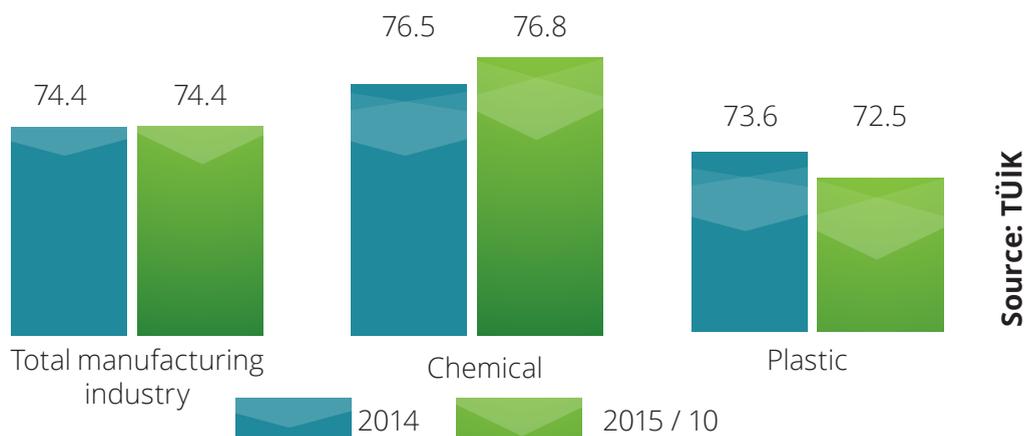


It is observed that plastic packaging materials led the way with 2,25 million tonnes and plastic construction materials following packaiging with 1,24 million tonnes within total plastic product manufacture of 6,3 million tonnes 9 months of 2015.



CAPACITY USAGE

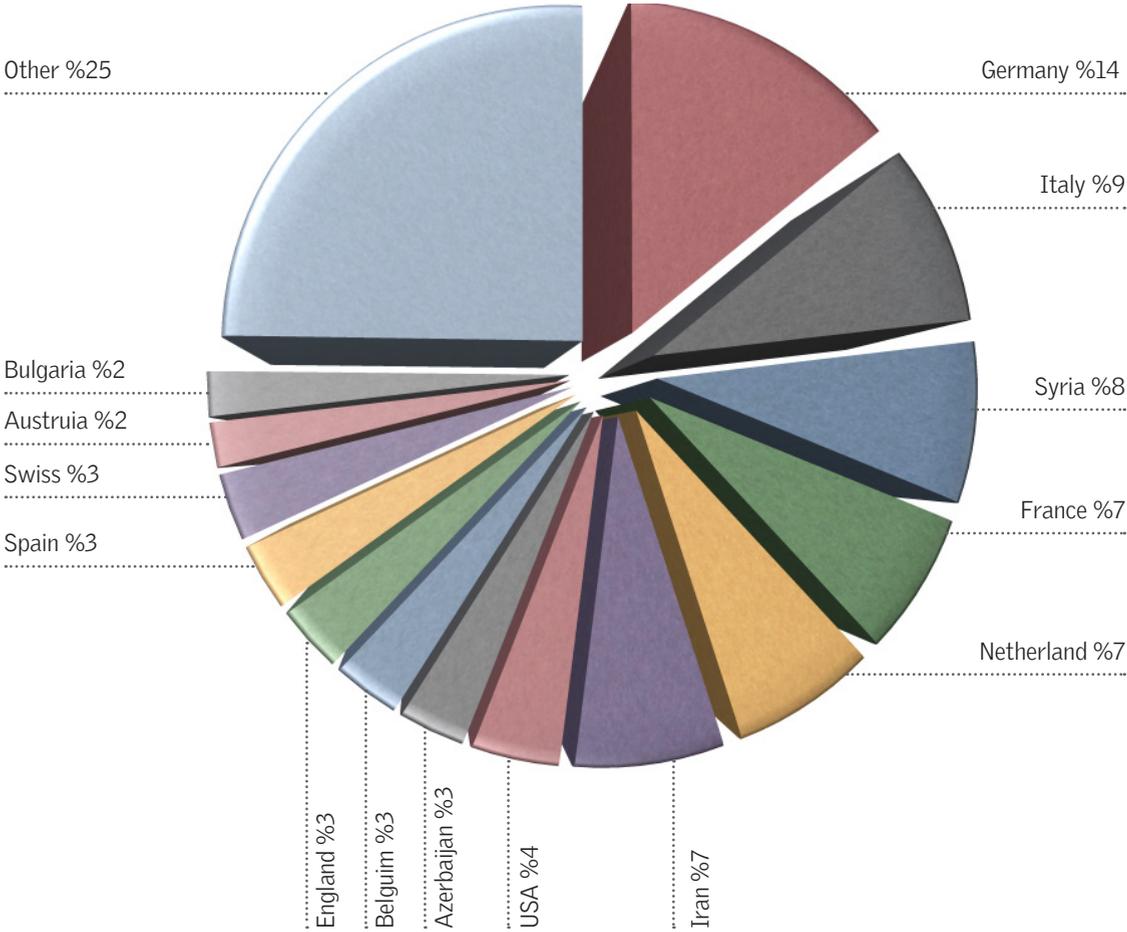
In the first 10 months of 2015, capacity utilization rate of the industry realised as 72,5 % decreasing by 1,9 points below the general manufacturing industry capacity utilization. This situation shows that there is a 27 % capacity surplus within the industry.



Form 7: Capacity Utilization Rates (%)

FOREIGN CAPITAL IN PLASTICS INDUSTRY

As of the 9th month of 2015, 311 companies have foreign capitals within the plastics industry, 64% of these are of European origin. 14% of total foreign capital companies are comprised by Germany, 9 by Italy and 8% by Syria. The companies of France, Netherlands and Iran origin receive a share of 7%, and of USA origin 4%.



Source: Ministry of Economy

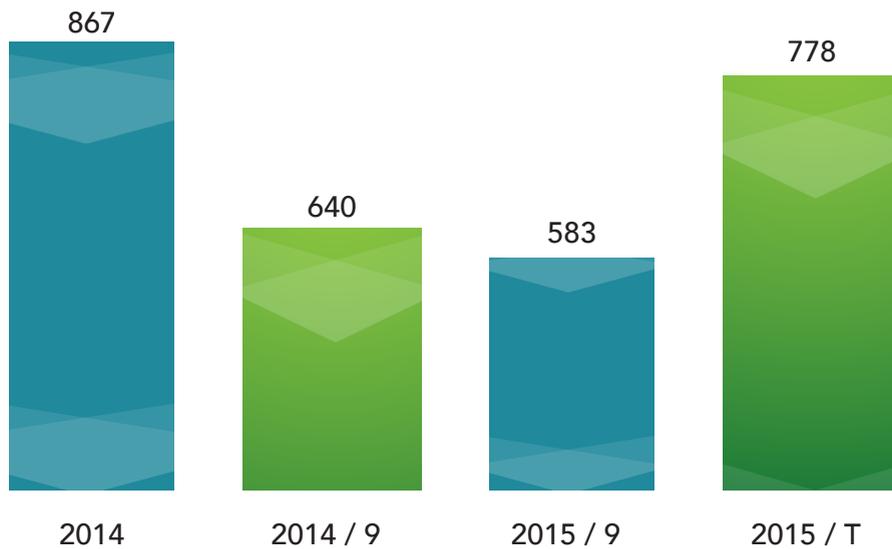
Form 8: Foreign joint venture companies in TPI

MACHINERY AND EQUIPMENT INVESTMENT OF PLASTICS INDUSTRY

The plastics industry made a machinery and equipment investment of around 8 billion dollars between 2003 – 2015 September and 79% of this investment was met by imported machines. It is observed that an annual average of 608 million dollars machinery and equipment investment has been made within the last 13 years.

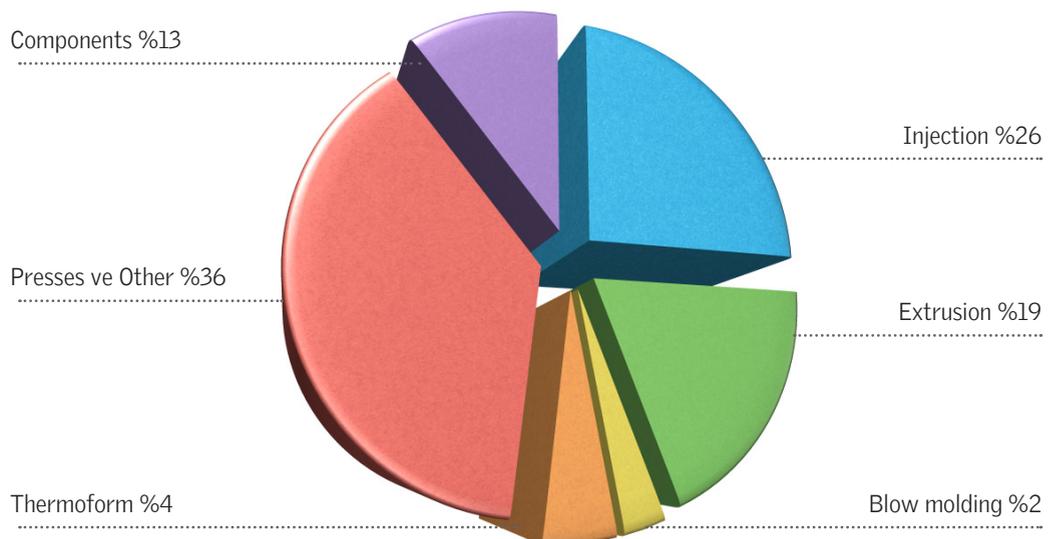
The total machinery and equipment investment of the industry realised as USD million of 583, in 9 months of 2015, decreasing by 92 %, when compared to the same period of 2014.

It is expected that, the sector's total machinery and equipment investment to be USD million of 778 by the end of 2015 decreasing by 10 % compared to 2014.



Form 9: Machine and accessorise investment of TPI (Million\$)

Of the 555 billion dollars investment within the 9 months of 2015, 39 % was comprised of presses and other machineries, 24 % of injection machines, 19% of extrusion machines and 13% of components and parts.



Form 10: Machine and accessorise investment by types (%)

PLASTICS PRODUCT IMPORTS

Plastic product import constantly displayed an increase till 2014. Plastic product import realised as 439 thousand tons and USD billion of 2,14 in the 9 months of 2015, by increasing 1,3 % in unit base and declined by % 8,7 compared with the same period of 2014.

At the end of 2015 imports is expected to rise to 586 thousand tons and decrease to USD billion of 2,85 In this case, imports will increase 2% in unit base and decrease by % 7,5 in value base compared to the peer period of 2014.



Form II: Plastic products imports

In the first nine months of 2015, compared to peers period of 2014, biggest import was realized in 3920 Custom Duties Numbers on unit base.

GTIP NO	PLASTIC PRODUCTS DEFINITIONS	2014 / 9	2015 / 9	2015 / T	2015 / 14 9 M INCREASE
3916	MONOFILAMENT, BAR, PROFILES FROM PLASTIC-CROSS SECTION OVER 1MM	7	9	12	22
3917	TUBES, PIPES, HOSES FROM PLASTIC; GASKET, ELBOW, UNION ETC	17	18	24	3
3918	FLOOR COVERINGS FROM PLASTIC – INCL. WALL AND CEILING COVERINGS	21	23	31	9
3919	ADHESIVE PLATE, SHEET, STRIP, SLIDE, ETC. FROM PLASTIC; FLAT	42	43	57	1
3920	OTHER PLATE, SHEET, PELLICULE AND SLIDES FROM PLASTIC	192	192	256	0
3921	OTHER PLATES, SHEETS, PELLICULES, FOILS AND SLIDES FROM PLASTIC	49	49	65	0
3922	BATHTUB, SHOWER, SINK, BIDET, WATER-CLOSET PAN AND HARDWARE FROM PLASTIC	3	4	5	16
3923	PLASTIC PRODUCTS FOR MOVING FURNITURE, TAP, CAP, CAPSULE	35	34	46	-1
3924	TABLE, KITCHEN AND OTHER HOUSEHOLD FURNITURE, TOILETRY FORM PLASTIC	10	9	12	-9
3925	CONSTRUCTION MATERIALS FROM PLASTIC	5	8	10	50
3926	OTHER GOODS FROM PLASTIC	52	52	69	-1
	Total IMPORTS	433	439	586	1

Source: Turkey Statistics Department

Sheet 5:Plastics Product Imports on HS Basis

PLASTIC PRODUCT IMPORTS

In the first nine months of 2015, compared to peers period of 2014, biggest import was realised in 3920 Custom Duties Numbers on value base.

GTIP NO	PLASTIC PRODUCTS DEFINITIONS	2014 / 9	2015 / 9	2015 / T	2015 / 14 9 M INCREASE
3916	MONOFILAMENT, BAR, PROFILES FROM PLASTIC-CROSS SECTION OVER 1MM	39	38	50	-4
3917	TUBES, PIPES, HOSES FROM PLASTIC; GASKET, ELBOW, UNION ETC	159	148	197	-7
3918	FLOOR COVERINGS FROM PLASTIC – INCL. WALL AND CEILING COVERINGS	56	53	70	-6
3919	ADHESIVE PLATE, SHEET, STRIP, SLIDE, ETC. FROM PLASTIC; FLAT	258	236	314	-9
3920	OTHER PLATE, SHEET, PELLICULE AND SLIDES FROM PLASTIC	774	689	918	-11
3921	OTHER PLATES, SHEETS, PELLICULES, FOILS AND SLIDES FROM PLASTIC	205	188	250	-8
3922	BATHTUB, SHOWER, SINK, BIDET, WATER-CLOSET PAN AND HARDWARE FROM PLASTIC	35	38	50	6
3923	PLASTIC PRODUCTS FOR MOVING FURNITURE, TAP, CAP, CAPSULE TABLE, KITCHEN AND OTHER HOUSEHOLD FURNITURE, TOILETRY	189	161	215	-15
3924	FORM PLASTIC	72	60	80	-17
3925	CONSTRUCTION MATERIALS FROM PLASTIC	30	37	49	23
3926	OTHER GOODS FROM PLASTIC	528	495	660	-6
	Total IMPORTS	2.345	2.141	2.854	-9

Source: Turkey Statistics
Department

Sheet 6: Plastics Product Imports on HS Basis
(millions \$)

PLASTIC PRODUCT IMPORT BY COUNTRIES

		2014						2015/9					
Country	1000 Ton	Milyon \$	Ton - %	\$ - %	Country	1000 Tons	Million \$	Ton - %	\$ - %				
China	161	666	28	22	China	122	488	28	23				
Germany	88	591	15	19	Germany	68	391	16	18				
Italy	43	253	7	8	Italy	34	172	8	8				
S.Korea	35	212	6	7	S.Korea	24	137	6	6				
France	24	177	4	6	France	19	120	4	6				
USA	12	118	2	4	USA	8	93	2	4				
England	13	115	2	4	England	10	78	2	4				
Belguim	17	87	3	3	Belguim	14	61	3	3				
Spain	9	61	2	2	Spain	9	44	2	2				
Japan	3	50	0	2	Netherlands	7	35	2	2				
10 C's	404	2.330	70	76	10 Countries	315	1087	72	76				
Other	171	756	30	24	Other	125	522	28	24				
TOTAL	575	3.086	100.0	100.0	TOTAL	439	2141	100.0	100.0				

Sheet 7: Major Import Partners in Plastics Products

Turkey imports plastic product from over 100 countries every year. Import, made from 10 countries in 2014, comprised 70 % on amount basis and 76 % on value basis of the total import. In the 9 months of 2015 the share of top 10 countries, increased to 72 % in terms of amount and stayed by 75% in terms of value.

While Germany led the way in plastic product import in the previous years, it is observed that China has become prominent since 2014 and Germany, Italy and South Korea has preserved position in being the countries with which import is conducted the most.

Source: Turkey Statistics Department

PLASTIC PRODUCT IMPORT BY COUNTRIES

The plastics industry (sum of products and raw materials) ranked 6th largest importers industry with a share of 5,3 % amongst 10 importers industries in 9 months of 2015.

The reason for such ranking of the industry, which created surplus in plastic product foreign trade, amongst largest importer industries originates from its dependency on plastic raw material import.

	\$	% PAY
1 Motor vehicles and parts	12,5	8,0
2 Iron and steel	8,7	5,6
3 Plastics and products	8,3	5,3
4 Mineral fuels and oils	7,5	4,8
5 Boilers and machines	6,8	4,4
6 Electrical machines and devices	6,3	4,0
7 Telecommunication	5,5	3,5
8 Non iron metals	5,4	3,5
9 Power generating machines	5,3	3,4
10 Machines having specialties for some industries	4,8	3,1
10 sectors total	71,2	45,6
Others	85,1	54,4
Total Country Imports	156,3	100,0

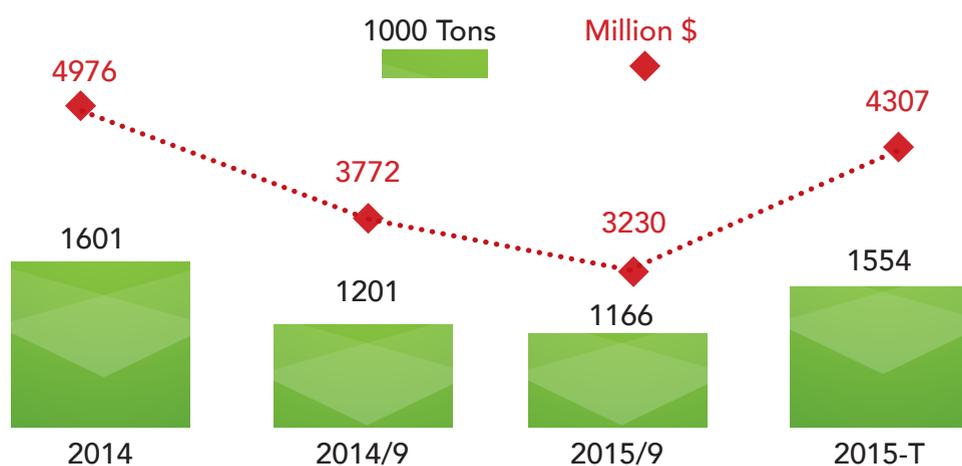
Source: Ministry of Economy

Sheet 8: 10 Importer Industries

PLASTIC PRODUCT EXPORT

Plastic product export comprises a large scale of Turkey's total plastic export both on amount and value basis. Plastic product export, which was 1.6 million tonnes and 4.9 billion dollars in 2014, ended with 1 million 166 thousand tons and 3,2 billion dollars with a decrease of 3 % on amount basis and 14 % on value basis in 9 months of 2015.

Plastics product exports at the end of 2015, compared to 2014, is expected to be 1,54 million tons and USD billion of 4,3 declining by 2,9 % in amount and 13 % in value base.



Form 12: Plastic products exports

HS Codes of 3917, 3920 and 3923 shared the biggest parts of total exports on unit base in the 9 months of 2015.

GTIP NO	PLASTIC PRODUCTS DEFINITIONS	2014 / 9	2015 / 9	2015 / T	2015 / 14 9 M INCREASE
3916	MONOFILAMENT, BAR, PROFILES FROM PLASTIC-CROSS SECTION OVER 1MM	147	115	153	-22
3917	TUBES, PIPES, HOSES FROM PLASTIC; GASKET, ELBOW, UNION ETC	267	221	295	-17
3918	FLOOR COVERINGS FROM PLASTIC - INCL. WALL AND CEILING COVERINGS	13	11	15	-15
3919	ADHESIVE PLATE, SHEET, STRIP, SLIDE, ETC. FROM PLASTIC; FLAT	15	14	19	-9
3920	OTHER PLATE, SHEET, PELLICULE AND SLIDES FROM PLASTIC	228	246	328	8
3921	OTHER PLATES, SHEETS, PELLICULES, FOILS AND SLIDES FROM PLASTIC	87	93	123	6
3922	BATHTUB, SHOWER, SINK, BIDET, WATER-CLOSET PAN AND HARDWARE FROM PLASTIC	19	18	24	-6
3923	PLASTIC PRODUCTS FOR MOVING FURNITURE, TAP, CAP, CAPSULE	208	241	321	16
3924	TABLE, KITCHEN AND OTHER HOUSEHOLD FURNITURE, TOILETRY FORM PLASTIC	79	81	108	3
3925	CONSTRUCTION MATERIALS FROM PLASTIC	86	76	101	-12
3926	OTHER GOODS FROM PLASTIC	51	50	67	-2
	Total IMPORTS	1.201	1.166	1.554	-3

Source: Turkey Statistics Department

Sheet 9: Plastic Product Export on HS Basis (1000 Tons)

PLASTIC PRODUCT EXPORT

HS Codes of 3917, 3920 and 3923 shared the biggest parts of total exports on value base in the 9 months of 2015.

GTIP NO	PLASTIC PRODUCTS DEFINITIONS	2014 / 9	2015 / 9	2015 / T	2015 / 14 9 M INCREASE
3916	MONOFILAMENT, BAR, PROFILES FROM PLASTIC-CROSS SECTION OVER 1MM	307	221	295	-28
3917	TUBES, PIPES, HOSES FROM PLASTIC; GASKET, ELBOW, UNION ETC	712	554	738	-22
3918	FLOOR COVERINGS FROM PLASTIC – INCL. WALL AND CEILING COVERINGS	30	22	29	-26
3919	ADHESIVE PLATE, SHEET, STRIP, SLIDE, ETC. FROM PLASTIC; FLAT	114	85	114	-25
3920	OTHER PLATE, SHEET, PELLICULE AND SLIDES FROM PLASTIC	739	674	899	-9
3921	OTHER PLATES, SHEETS, PELLICULES, FOILS AND SLIDES FROM PLASTIC	309	280	374	-9
3922	BATHTUB, SHOWER, SINK, BIDET, WATER-CLOSET PAN AND HARDWARE FROM PLASTIC	96	82	109	-15
3923	PLASTIC PRODUCTS FOR MOVING FURNITURE, TAP, CAP, CAPSULE	615	600	799	-3
3924	TABLE, KITCHEN AND OTHER HOUSEHOLD FURNITURE, TOILETRY FORM PLASTIC	296	256	342	-13
3925	CONSTRUCTION MATERIALS FROM PLASTIC	248	193	258	-22
3926	OTHER GOODS FROM PLASTIC	306	263	350	-14
	Total IMPORTS	3.772	3.230	4.307	-14

Source: Turkey Statistics
Department

Sheet 10: Plastic Product Exports on HS Basis
(USD Million)

SHARE OF PLASTIC EXPORT IN TOTAL NATIONAL EXPORT

The plastics industry (product + raw materials) became the 9th largest exporter in 9 months of 2015 with a share of 4,5 % within the total national export.

	\$	% PAY
1 Main Iron Industry	14,6	13,6
2 Motor vehicles and their components, parts and acces.	13,4	12,5
3 Textiles	9,8	9,2
4 Wearing	9,5	8,9
5 Machines	8,8	8,2
6 Food and bevarages	7,3	6,8
7 Chemicals	5,5	5,1
8 Furnitures	4,9	4,6
9 Plastics	4,9	4,5
10 Metal products	4,8	4,5
10 Industries Total	83,7	78,0
Others	23,6	22,0
Total National Exports	107,3	100,0

Source: Ministry of Economy

Sheet II: Share of Main Exporter Industries Within Total National Exports - (%)

PLASTIC PRODUCT EXPORT BY COUNTRIES

2014		2015/9	
Country	1000 Ton	Milyon \$	Ton - %
Iraq	242	545	15
Germany	68	261	4
Russia	66	232	4
Azerbaijan	69	231	4
England	75	226	5
Libya	46	198	3
France	48	187	3
Iran	59	158	4
Romanie	50	155	3
Georgia	58	152	4
10 Countries	781	2,345	49
Other	821	2,631	51
TOTAL	1.601	4.976	100.0
Country	1000 Tons	Million \$	Ton - %
Iraq	170	351	15
Germany	57	187	5
England	55	162	5
France	39	131	3
Azerbaijan	42	118	4
Israel	42	109	4
Iran	31	109	3
Russia	31	100	3
Romania	39	100	3
Italy	33	95	3
10 Countries	539	1,463	46
Other	626	1,767	54
TOTAL	1166	3.230	100.0
Country	\$ - %	\$ - %	\$ - %
Iraq	11	11	11
Germany	5	5	6
England	5	5	5
France	5	5	4
Azerbaijan	5	5	4
Israel	4	4	4
Iran	4	4	3
Russia	3	3	3
Romania	3	3	3
Italy	3	3	3
10 Countries	47	47	45
Other	53	53	55
TOTAL	100.0	100.0	100.0

Sheet 12: Major Export Partners for Plastics Products

Turkey exports plastic products to approximately 150 countries. While the 10 leading countries received as share of 49 % on amount and 47 % on value basis in 2014, these shares declined to 46 % and 45 % in 9 months of 2015, respectively.

Iraq, Germany and Russian Fed. UK comprise the leading 3 export markets to which plastic product is exported in 9 months of 2015.

PLASTIC PRODUCTS FOREIGN TRADE PRICES

Unit import prices of plastic products has always cruised over unit export prices since 2000



Form 13: Unit foreign trade prices (\$/Kg)

In the 9 months of 2015, plastic product average import unit price decreased to 4,88 USD/ kg in by decreasing 10 % when compared to 2014 same period. On the other hand, average export unit price, decreased 2,77 USD/kg by % 11,8 decreasing when compared to 2014 same period. The average export unit price was 57 % lower than average import unit price in the first half of 2015.

GTIP NO	IMPORTS PRICE			EXPORT PRICE		
	2014/9	2015/9	% INCREASE	2014/9	2015/9	% INCREASE
3916	5,34	4,23	-21	2,09	1,92	-8
3917	9,21	8,29	-10	2,67	2,50	-6
3918	2,60	2,25	-13	2,31	2,00	-14
3919	6,16	5,55	-10	7,40	6,08	-18
3920	4,04	3,59	-11	3,23	2,74	-15
3921	4,22	3,85	-9	3,54	3,03	-14
3922	10,95	10,09	-8	4,95	4,48	-10
3923	5,47	4,70	-14	2,96	2,49	-16
3924	7,39	6,75	-9	3,76	3,18	-15
3925	5,95	4,87	-18	2,88	2,54	-12
3926	10,11	9,56	-5	5,96	5,22	-12
Avarage	5,42	4,88	-10	3,14	2,77	-12

Source: Turkey Statistics Department

Sheet 13: Unit foreign trade price in plastics products (\$/Kg)

PLASTIC PRODUCTS FOREIGN TRADE PRICES

Turkey, with 2,8 USD/KG unit export price in the 9 months of 2015, ranked 19th in average export prices of the first 20 exporter countries. This shows that Turkey's exports of plastic is not competitive enough and provide sufficient added value.

Countries	\$/Kg	Countries	\$/Kg
Japan	17.2	Italy	4.8
USA	8.9	Spain	4.4
Germany	6.4	Poland	4.4
England	6.4	Netherland	4.4
France	6.2	China	3.8
Australia	6.0	Thailand	3.4
S.Korea	5.5	Turkey (2015/9)	2.8
Czech.Rep.	5.3	Mexico	0.7
Belgium	5.2	20 Country ave.	4.4
Taiwan	4.9	Other Countries	4.3
Canada	4.9	World Av.	4.4

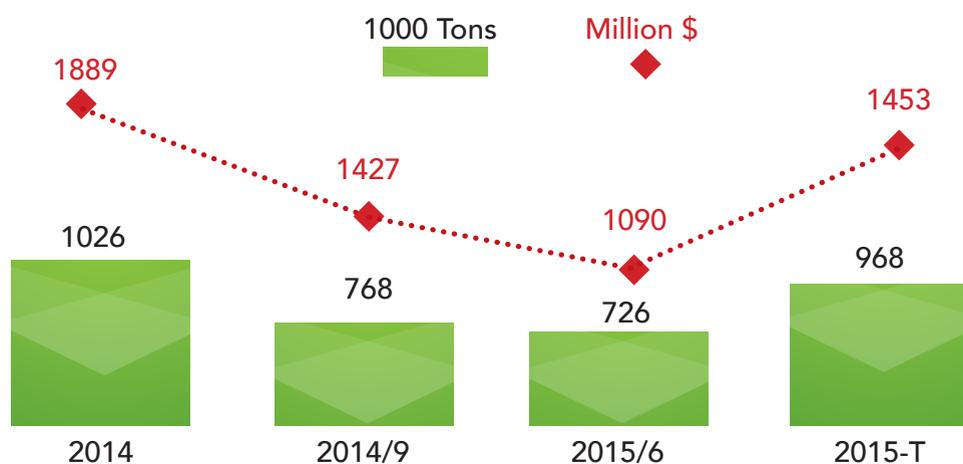
Source: ITC

Sheet 14: Export Unit Prices of 20 Countries
Shaping World Plastic Product Exports

FOREIGN TRADE SURPLUS IN PLASTICS PRODUCT

Turkey always gives foreign trade surplus in plastic products. Despite the decline of foreign trade surplus in the 9 months of 2015 compared to the same period of 2014, has given than 726 thousand tons and USD billion 1,1 by declining % 5,4 on unit base and % 5,4 on value base.

At the end of 2015 the trade surplus is expected to be 968 thousand tons and USD billion of 1.46 billion dropping below 2014 levels.



Form 14: Plastic products foreign trade surplus

PLASTIC PRODUCT DOMESTIC MARKET CONSUMPTION

Plastics products domestic market consumption, which was 7,3 million tonnes in 2014, realised as 5,6 million tonnes in the first half of 2015 by staying at the same level of peers period of 2014. Domestic consumption is expected to be 7,4 million tons at the end of 2015.



Form 15: Plastic products domestic consumption

Approximately 2 million tonnes of 5,6 million tonne plastic product were indirectly exported in the first half of 2015 through channels of exporter industries such as automotive, packaging, construction and electronics. The remaining 3,6 million tonne section, on the other hand, was directly consumed by consumers.

When indirect export parts included the plastic products consumption per capita in Turkey is expected to rise to 95 kg at the end of 2015.

This level of per capita consumption is lower than those of developed western societies however twice the world average. This situation shows that domestic market is profoundly below the saturation point and that potential demand towards plastic consumption in Turkey is quite high.

2015 GENERAL SUPPLY AND DEMAND EQUILIBRIUM EXPECTATIONS IN PLASTIC PRODUCTS

In the 9 months of 2015, with comparison to the same period of 2014, regarding plastic products;

- Production will increase to 8,4 million tons and USD billion of 32,2 increasing by 1.3 % on unit basis, decreasing by 11,4 % on value basis,
- Imports will increase to 586 thousand tons and decrease to USD billion of 2,85 by increasing % 1,5 on unit basis and decreasing by 8,7 % on value basis,
- Exports will be 1,55 million tons and USD billion of 4,3 by decreasing % 2,9 on unit base and % 14,4 on value base,
- Domestic consumption, including those used for indirect export, will display as 7,4 million tons and USD billion of 30,5 by staying at the same level of 2014 on unit base and decreasing by % 10,7 on value base.
- Foreign trade surplus will decrease to 968 thousand tons and USD billion of 1,45 decreasing by 5,4 % on unit basis and 23,6 % on value basis,
- 19 % on unit basis and 13 % on value basis of domestic production will be exported,
- 8 % on unit basis and 9% on value basis of domestic consumption, including those used for indirect export, will be met with imports,
- Export-import coverage ratio, on the other hand, will realise as 265 % on unit basis and 151 % on value basis.

2015 GENERAL SUPPLY AND DEMAND EQUILIBRIUM EXPECTATIONS IN PLASTIC PRODUCTS

	2014	2014/9	2015/9	2015 (T)	9 M % INCREASE (2015 / 2014)
Manufacturing	8.303	6.331	6.281	8.374	-1
Import	575	433	439	586	1
Export	1.601	1.201	1.166	1.554	-3
Domestic Consumption	7.277	5.564	5.554	7.406	0
Foreign Trade Surplus	1.026	768	726	968	-5
Export/Manufacturing (%)	19	19	19	19	
Imp./Dom.Consumption(%)	8	8	8	8	
Export / Import (%)	278	277	263	263	

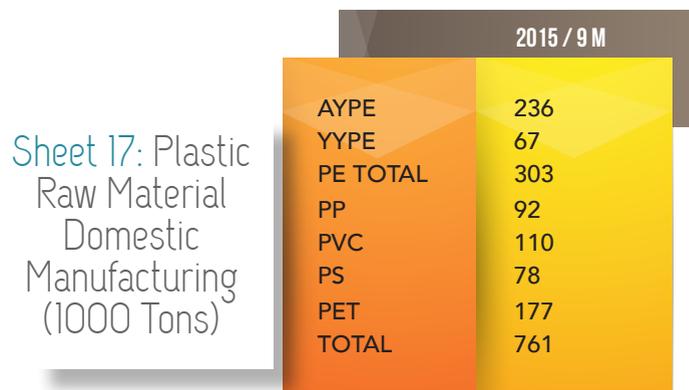
Sheet 15: General Supply and Demand Equilibrium in Plastic Products (1000 Tons)

	2014	2014/9	2015/9	2015 (T)	9 AY % ARTIS (2015 / 2014)
Manufacturing	35.169	27.089	24.001	32.001	-11
Import	3.086	2.345	2.141	2.854	-9
Export	4.976	3.772	3.230	4.307	-14
Domestic Consumption	33.280	25.662	22.911	30.548	-11
Foreign Trade Surplus	1.889	1.427	1.090	1.453	-24
Export/Manufacturing (%)	14	14	13	13	
Imp./Dom.Consumption(%)	9	9	9	9	
Export / Import (%)	161	161	151	151	

Sheet 16: General Supply and Demand Equilibrium in Plastic Products (USD Million)

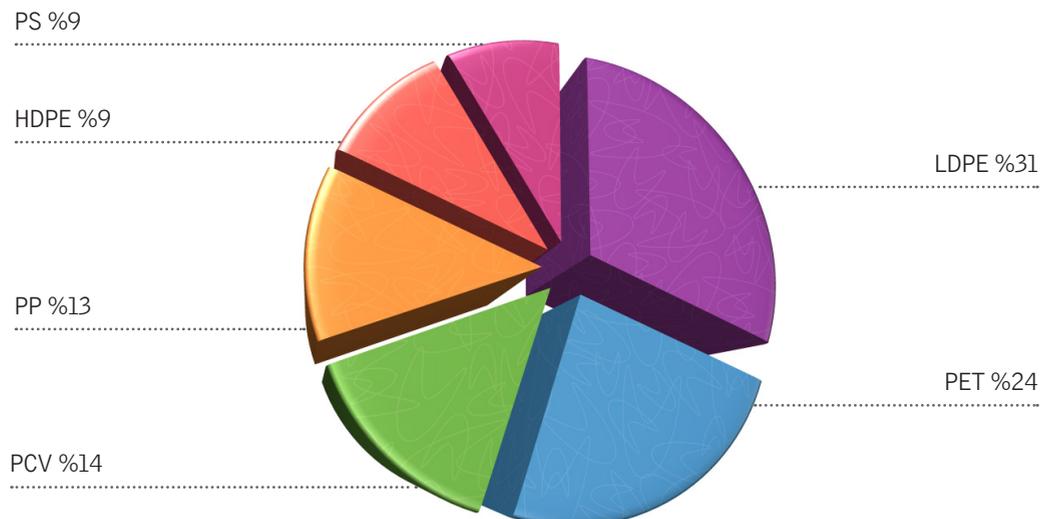
PLASTIC RAW MATERIAL MANUFACTURING:

It is presumed that plastic raw material manufacturing, in 9 months of 2015 ended with approximately 761 thousand tonnes.



Source: PETKİM and other Producers

31% of the total plastic raw materials produced in 9 months of 2015 in Turkey is LDPE. On the other hand 24 % of the production is PET, 14 % PVC, 9 % PS, % 9 HDPE.

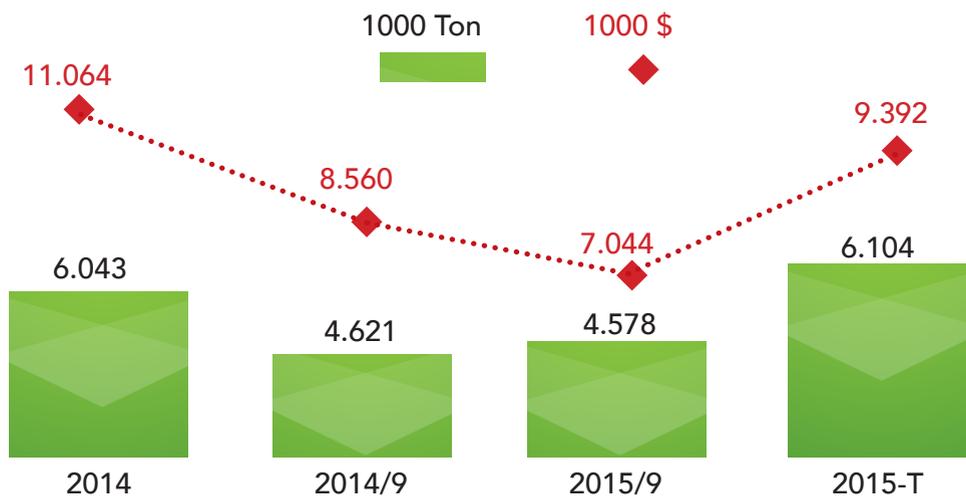


Form 16: Plastic raw materials by products

PLASTIC RAW MATERIALS IMPORT

In the 9 months of 2015, 4,6 million tons of plastics raw materials was imported with a value of USD billion of 7,04. Imports increased by % 0,7 on unit base while decreased by % 17 on value base.

By the end of 2015 plastics raw materials imports are expected to be 6.1 million tons and USD billion of 9,4 increasing by 1 % in unit base and decreasing by 18 % compared to the same period of 2014.



Form 17: Plastic raw materials import

In the 9 months of 2015 the raw materials in the 3901 and 3902 HS group shared the biggest part of the total imports on unit base.

PLASTIC RAW MATERIALS IMPORT

GTIP NO	PLASTIC PRODUCTS DEFINITIONS	2014/9	2015/9	2015/T	2015/ 14 9 M INCREASE
3901	ETHYLENE POLYMERS (INITIAL FORMS)	1.143	1.158	1.543	1
3902	PROPYLENE AND POLYMERS OF OTHER OLEFINS (INITIAL FORMS)	1.449	1.390	1.853	-4
3903	STYRENE POLYMERS (INITIAL FORMS)	379	381	508	1
3904	OTHER OLEFIN POLYMERS WITH VINYL CHLORIDE/HALOGENOUS	677	617	823	-9
3905	VINYL ACETAT/POLYMERS OF OTHER VINYL ESTERS (INITIAL FORMS)	28	33	44	17
3906	ACRYLIC POLYMERS (INITIAL FORMS)	143	152	203	6
3907	POLYACETALS, OTHER POLYETHERS, EPOXIDE-ALKYD RESINS (INITIAL FORMS)	421	464	618	10
3908	POLYAMIDES (INITIAL FORMS)	71	65	87	-8
3909	AMINO RESINS, PHENOLIC RESINS, POLYURETHANES (INITIAL FORMS)	153	161	214	5
3910	SILICONES (INITIAL FORMS)	22	22	30	1
3911	PETROLEUM RESINS, COUMARONE, INDENE/COUMARONE-INDENE RESIN, POLYTERPENES	21	21	29	1
3912	CELLULOSE AND CHEMICAL DERIVATIVES (INITIAL FORM)	28	30	40	6
3913	NATURAL POLYMERS, MODIFIED NATURAL POLYMERS, DERIVATIVES (IN. F)	3	2	3	-20
3914	POLYMER BASED ION EXCHANGERS (INITIAL FORM)	4	5	6	6
3915	WASTES, RESIDUALS AND SCRAPS FROM PLASTIC	78	77	103	-1
PLASTIC RAW MATERIAL TOTAL		4.621	4.578	6.104	-1

Source: Turkey Statistics
Department

Sheet 18: Plastic Raw Material Imports on HS Basis
(1000 Tonnes)

GTIP NO	PLASTIC PRODUCTS DEFINITIONS	2014 / 9	2015 / 9	2015 / T	2015/ 14 9 M INCREASE
3901	ETHYLENE POLYMERS (INITIAL FORMS)	2.014	1.767	2.356	-12
3902	PROPYLENE AND POLYMERS OF OTHER OLEFINS (INITIAL FORMS)	2.562	1.979	2.639	-23
3903	STYRENE POLYMERS (INITIAL FORMS)	782	610	813	-22
3904	OTHER OLEFIN POLYMERS WITH VINYL CHLORIDE/HALOGENOUS	783	613	817	-22
3905	VINYL ACETAT/POLYMERS OF OTHER VINYL ESTERS (INITIAL FORMS)	83	77	103	-7
3906	ACRYLIC POLYMERS (INITIAL FORMS)	337	290	386	-14
3907	POLYACETALS, OTHER POLYETHERS, EPOXIDE-ALKYD RESINS (INITIAL FORMS)	989	885	1.179	-11
3908	POLYAMIDES (INITIAL FORMS)	228	162	452	-29
3909	AMINO RESINS, PHENOLIC RESINS, POLYURETHANES (INITIAL FORMS)	407	339	111	-17
3910	SILICONES (INITIAL FORMS)	100	83	90	-16
3911	PETROLEUM RESINS, COUMARONE, INDENE/COUMARONE-INDENE RESIN, POLYTERPENES	77	68	155	-12
3912	CELLULOSE AND CHEMICAL DERIVATIVES (INITIAL FORM)	129	116	155	-10
3913	NATURAL POLYMERS, MODIFIED NATURAL POLYMERS, DERIVATIVES (IN. F)	22	18	24	-18
3914	POLYMER BASED ION EXCHANGERS (INITIAL FORM)	12	11	15	-4
3915	WASTES, RESIDUALS AND SCRAPS FROM PLASTIC	35	26	34	-27
PLASTIC RAW MATERIAL TOTAL		8.560	7.044	9.392	-18

Source: Turkey Statistics
Department

Sheet 19: Plastic Raw Material Imports on HS Basis
(USD Million)

The dependency of Turkish plastics industry on plastic raw material supply is still continuing as 86% in 2015.

PLASTIC RAW MATERIAL IMPORT BY COUNTRIES

Turkey imports plastics raw materials from over 100 countries. 10 countries comprised approximately 66% on amount basis and 68% on value basis of total imports in 2014. In 2015 9 months period, the share of the first 10 import partners decreased to % 64 on unit base where as 66 % on value base.

S. Arabia, S. Korea and Germany ranked as the top 3 country in total plastic raw material imports and these 3 countries received a total share of 35 % on unit base and % 34 on value base within our total national plastic raw material import in the first half of 2015.

		2014					2015/9				
Country	1000 Ton	Milyon \$	Ton - %	\$ - %	Country	1000 Ton	Milyon \$	Ton - %	\$ - %		
S. Arabia	1.022	1.705	17	15	S. Arabia	710	988	16	14		
S.Korea	586	1.129	10	10	S.Korea	430	715	9	10		
Germany	399	1.021	7	9	Germany	310	673	7	10		
Belguim	386	744	6	7	Belguim	290	465	6	7		
Italy	242	543	4	5	Iran	256	342	6	5		
France	315	525	5	5	Italy	179	335	7	5		
Iran	305	505	5	5	Netherland	166	305	4	3		
Spain	277	499	5	5	France	212	303	2	3		
Netherland	206	471	3	4	Spain	185	294	3	3		
USA	269	414	4	4	USA	175	248	2	3		
10 Countries	4.007	7.555	66	68	10 Countries	2.914	4.668	64	66		
Other	2.036	3.510	34	32	Other	1.664	2.376	36	34		
TOTAL	6.043	11.064	100.0	100.0	TOTAL	4.578	7.044	100.0	100.0		

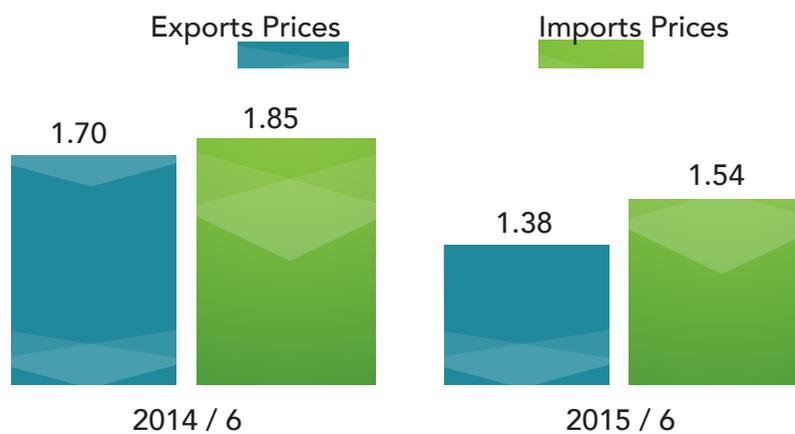
Sheet 20: Main Import Partners for Plastics Raw Materials

Source: Turkey Statistics Department

PLASTIC RAW MATERIAL FOREIGN TRADE UNIT PRICES

Plastic raw material average unit import price in 9 months of 2015 was 1.54 USD/Kg and displayed a decrease of 17 % according to the same period of 2014 averages.

In the same period, plastic raw material average unit export price was 1.38 USD/Kg and displayed a decrease by 19 % according to the same period of 2014.



Form 18: Plastiraw materials unit foreign trade prices

PLASTIC RAW MATERIAL FOREIGN TRADE UNIT PRICES

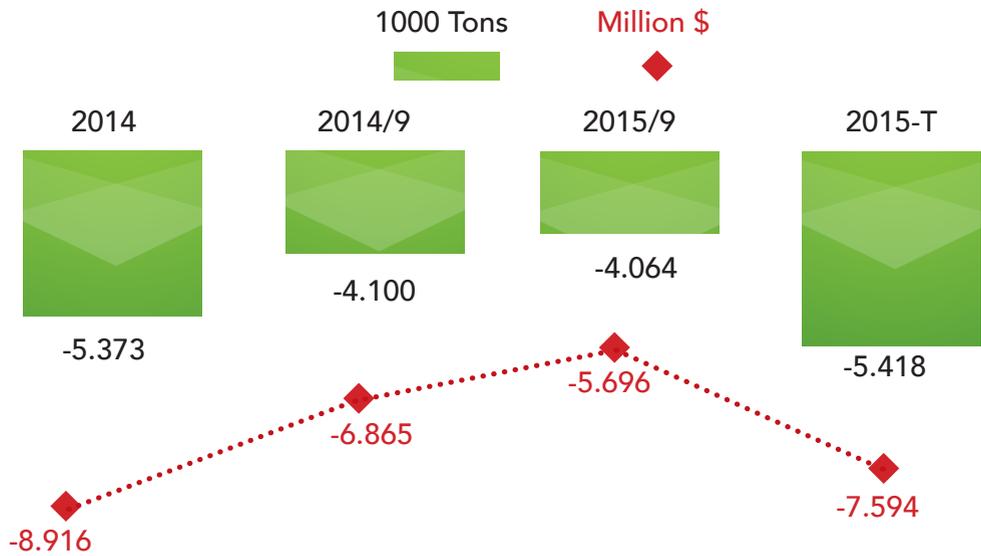
Turkey's plastic raw material unit prices are approximately 12 % higher than export prices. In other words, while Turkey is importing plastic raw materials with high added values, she exports with low ones.

GTİP NO	EXPORTS PRICES			IMPORTS PRICES		
	2014/9	2015/9	% ARTIŞ	2014/9	2015/9	% ARTIŞ
3901	1.76	1.53	-13	1.58	1.52	-4
3902	1.77	1.42	-19	1.63	1.38	-15
3903	2.07	1.60	-23	1.72	1.34	-22
3904	1.16	0.99	-14	1.29	1.15	-11
3905	2.94	2.34	-20	1.14	0.92	-19
3906	2.35	1.90	-19	1.54	1.21	-22
3907	2.35	1.91	-19	2.13	1.68	-21
3908	3.20	2.49	-22	2.60	2.01	-23
3909	2.65	2.11	-20	1.53	1.20	-22
3910	4.50	3.74	-17	3.54	3.09	-13
3911	3.62	3.15	-13	5.13	3.92	-24
3912	4.62	3.96	-15	1.33	1.18	-11
3913	7.59	7.75	2	7.36	5.52	-25
3914	2.74	2.49	-9	2.36	3.48	47
3915	0.45	0.33	-27	0.91	0.91	0
ORT:	1.85	1.54	-17	1.70	1.38	-19

Sheet 21: Plastic Raw Materials Export and Import Average Unit Prices (USD / KG)

PLASTICS RAW MATERIALS FOREIGN TRADE DEFICIT

Turkey is a country that always gives foreign trade deficit in plastic raw materials trade. Foreign trade deficit for plastics raw materials in the 9 months of 2015 stood at 4,1 million tons and USD billion 5,7. At the end of 2015 foreign trade deficit is estimated to be 5.42 million tons and USD billion of 7,6.



Form 19: Plastic raw material foreign trade deficit

PLASTIC RAW MATERIAL GENERAL SUPPLY AND DEMAND EQUILIBRIUM EXPECTATIONS FOR 2015

Regarding realizations in the 9 months of 2015, the expectations for 2015 are as follows;

- Domestic manufacturing will preserve the 2014 levels,
- Import will increase to 6,1 million tons by increasing % 1
- Exports will increase 686 thousand tons increasing by % 2,4
- Domestic consumption will increase to 6,4 million tonnes with an increase of 1 %,
- Foreign trade deficit will increase to 5,4 million tonnes by increasing % 1,
- The share of exports within domestic manufacturing will be 68 %,
- The share of imports within total supply will be 86 %,
- The export-import coverage ratio will be 11%.

	2014	2014/9	2015/9	2015 (T)	9 M % INCREASE
Manufacturing	1.014	761	761	1.014	0.0
Import	6.043	4.621	4.578	6.104	-1
Export	670	521	514	686	-1
Domestic Consumption	6.387	4.861	4.824	6.432	-1
Foreign Trade Deficit / Surplus	-5.373	-4.100	-4.064	-5.418	-1
Export / Manufacturing (%)	66	69	68	68	
Import / Domestic Consumption(%)	86	86	86	86	
Export / Import (%)	11	11	11	11	

Sheet 22: Supply and Demand Equilibrium in Plastic Raw Materials (1.000 Tonnes)

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CONCLUSION

Turkish plastics industry grows rapidly and share more in global plastics industry.

The 2023 export vision of the industry is to accrue at least 17 billion dollars of the 50 Billion dollar export target of the chemical industry. In order for to increase the current export prices plastics industry export, which is less than 6 billion dollars, to 17 Billion dollars, the industry must export 6 million tonnes of product and escalate total manufacturing to 28 million tonnes by 2023 with an annual growth of 14% in order to meet domestic demand.

On the other hand, it is known that the aforementioned export target is also possible through export of 3.8 million tonnes of product by increasing the unit export prices to 4.5 \$/Kg. In this case, manufacturing must reach to a level of 18 million tonnes by 2023 with an annual growth of 9%.

Under current circumstances, attainment of 17 billion dollars of export seems extremely difficult. However, the realisation of export on such levels, in parallel with its growth, the industry must take measures which will increase its unit export prices, which cruises around 3\$/Kg to 4.5 \$/Kg, average of developed countries alongside with making the best of the investment incentives.

Negative developments in Turkish and the world economy, makes it difficult to compete with the standstill or even declining sales prices and narrow profit margins.

The most important problem of the industry that it can't provide sufficient added value. There are mainly two ways to provide higher value-added production and exports. To produce innovative high value-added products or to increase profit margins by reducing costs without compromising quality. To enhance production and export opportunities in a competitive global market without compromising on quality, the industry must produce environmentally friendly at EU standards.

The companies which can't compete with the change in prices due to increasing global competition, must issue the "Costs of the Competition" to the forefront, to increase profitability.

To create a successful competition that makes the difference in cost, it is necessary to implement changes in the changing world beyond the known method of saving techniques.

In order to adopt to changes, R & D and P & D should be given first priority and also customer satisfaction must be focused on creating a value chain.

Ascending face of global competition, the only way to develop a competitive advantage is to manage the present and future costs and establish a new cost management system.

For this purpose;

Collaboration of civil society organizations in all sectors of the plastics industry for the preparation of the strategic plan to be approved as the strategy plan of the industry by government authorities.

Incentive opportunities must be increased as the plastics industry is in need of technological and R&D investments.

Strategic investments must be included within the plastics industry, regardless of the foreign trade data and minimum investment amount must be specified as 5 million USD.

Plastics industry must ensure greater portion of its raw material needs from the Middle East and European countries. Sector, although met with only 14% of domestic production needs, in order to protect domestic production, more affordable price of the raw material supply facilities, are deprived of putting taxes on imports. In this case, for the protection of domestic producers of raw materials, reducing the competitive global market and export opportunities in the sector. Domestic producers, instead of putting taxes on imports of raw materials must be protected by applying incentives to reduce production and investment costs.

The barriers to imports should be removed for plastic raw material production which does not meet the requirements.

Exports are declining. According to the new conditions, the incentive mechanism for exports must be revised.

Plastics industry regardless of the external trade data should be incorporated into strategic investment and the minimum investment amount shall be determined as of 5 million dollars.

The local base of operations in the production of plastic products due to a more rational, the plastics industry should be supported in at least one city in each region.

For the provision of qualified staff in the industry, the necessary measures should be taken.

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