

# OPPORTUNITIES FOR SRI LANKAN PASTA PRODUCTS IN TURKEY

---



---

**Prepared by:**  
Embassy of Sri Lanka, Turkey  
July 2017

## CONTENTS

1. SUMMARY.....	3
2. MARKET DESCRIPTION.....	3
3. POSITION OF SRI LANKAN PASTA PRODUCTS IN TURKEY.....	4
4. ACTIVITIES OF COMPETITON.....	5
5. CONCLUSIONS AND RECOMMENDATIONS.....	5

## 1. SUMMARY

Turkey is one of the leading producers, exporters and consumers of Pasta Products (made domestically produced Durum Wheat) in the world. Pasta Products have been a favorite of Turkish people for decades especially after the domestic production started to boom after 1960's. Even today, pasta products are heavily advertised, promoted and consumed in Turkey and for many reasons, the consumption of pasta products will remain high in the time to come.

Because of Turkey's prominent position as a producer and exporter, it's thought that Sri Lankan exporters of Pasta products will have very limited opportunities in the Turkish market, because of the heavy competition between domestic producers and consumer preferences towards consuming Pasta products made from "Durum Wheat"

## 2. MARKET DESCRIPTION

The per capita consumption of pasta in Turkey was 1.2kg in 1962, 3.9kg in 1978 and 4.3kg in early 90s. In 2000's the consumption rose to 5.8kg per person in 2006, 6kg in 2007 and 6.1kg per person in 2012. According to researchers in 2010's, the consumption of Pasta in Turkey has become 6.6kg in 2013 and 7.5kg in 2014 per person.

The production of Turkish Pasta Industry was 33,000 tons /year in 1962. The production capacity had exceeded 1 million tons in year 2003. Currently, the total pasta production of Turkey is estimated to be close to 1.5 million tons. Although there has been a gradual increase for the last 50 years, the production volume of pasta products depends on domestic Wheat production, and over the years this situation prompted Turkey to import its wheat needs mostly from neighboring countries surrounding Black Sea, most notably from Russia and Ukraine.

As can be observed from above, Turkey's demand and production for Pasta products has been correspondingly increasing. Turkey is also one of the leading exporters of Pasta products in the world behind Italy and China. Turkey's exports represent 5% of world exports for Pasta products and its ranking in world exports is 3rd.

Turkey's imports of Pasta product is quite low (it's ranking in world imports is 102). Turkey imports branded high end products mostly from Italy and other EU countries, imports "Noodles" and Instant Noodles from China and Indonesia. As of year 2015, Turkey had no imports of Products from Sri Lanka. Sri Lanka has been importing a small amount from Turkey.

Turkish consumers prefer Pasta Products made from "Durum Wheat" and consumption of Rice Based Pasta does not exist among Turkish people. Rice based Pasta Products can be found only in a handful of gourmet –boutique supermarkets in neighborhoods with foreign-expat population.

Dominant trade channel structure for most food products in Turkey is; Factory to distributor to retail stores /supermarkets/grocery stores etc. And finally to the end users/customers.

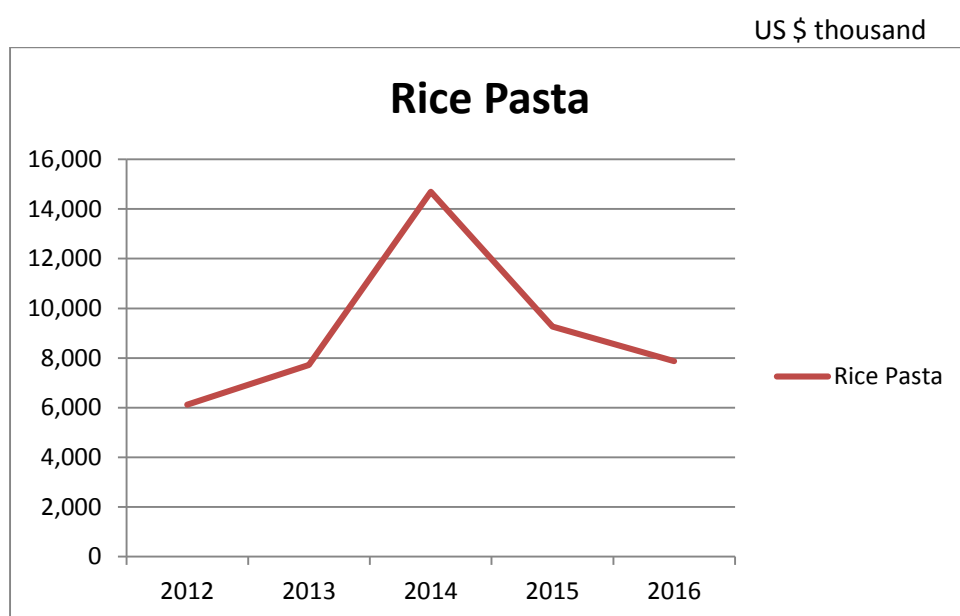
Retail prices of T.A.S (Brand of Varafood Company /Thailand) Rice Based Pasta Products are; 3,00 USD/400 gram pack in Turkey (Rice Sticks and Rice Vermicelli) This price is 8-10 times higher than the average of regular domestic pasta brands of Turkey. Retail Price of Barilla/Italy products starts from 0,50 USD/500 gr pack.

Prices of Gluten –free pasta products start from 1, 50 USD/400 gram packs.

Import tariffs applied by Turkey on HS 1902 varies from 7.1% to 18.9%, 7.1% tries and other tax applied to products of EU countries and other tariffs of 12.2%, 15.7% and 18.9%. Only exceptions are Malaysia and Bosnia Herzegovina, the countries which have FTA's with Turkey. Import tariff applied by Turkey on Sri Lankan pasta products appears to be 10%.

There are no FTA/PTA concessions/regulations or apparent NTB's between Turkey and Sri Lanka for Pasta products.

Figure: Rice Pasta (HS 1902) demand of Turkey (2012-2016)



Source: Trade map

### 3. POSITION OF SRI LANKAN PASTA PRODUCTS IN TURKEY

There is no current record of Pasta products exports from Sri Lanka to Turkey.

When competitor countries are observed, only one brand from Thailand has been seen in the market. The mentioned brand has a variety of products in Turkey such as tropical drinks, canned food and coconut products. Therefore, It's thought that Thailand may have the edge in exports because of their price levels, shipping costs (because of the larger overall trade volume between two countries), and most importantly, Thailand's perception as a "one stop supplier" for mentioned variety of products.

Table: Sri Lanka exports of Rice Pasta to Turkey (2014 only)

HS Code	Description	Quantity (Kg)
H.190230	Pasta	49

Source: Sri Lanka Export Development Board

## 4. ACTIVITIES OF COMPETITON

When competitor countries are observed, only one brand from Thailand has been in the market. The mentioned brand has a variety of products in Turkey such as tropical drinks, canned food and coconut products. Therefore, It's thought that Thailand may have the edge in exports because of their price levels, shipping costs (because of the larger overall trade volume between two countries), and most importantly, Thailand's perception as a "one stop supplier "for mentioned variety of products.

It's thought that Thai products have no apparent advantages in quality, packaging, labeling, duty free access etc.

There are no known special market tools applied by the competitors.

Table: Top 10 rice pasta exporters to Turkey (2012-2016)

Exporters	US\$ thousand				
	2012	2013	2014	2015	2016
Italy	3,901	4,957	5,004	4,731	4,449
Saudi Arabia	585	747	602	755	794
Hungary	0	0	870	993	793
Indonesia	0	274	6,341	932	679
China	649	833	772	1,087	638
Switzerland	295	320	375	245	151
Germany	215	223	344	129	91
Romania	140	71	88	52	74
Poland	51	65	58	57	65
Thailand	59	85	37	111	41

Source: *Source: Sri Lanka Export Development Board*

## 5. CONCLUSIONS AND RECOMMENDATIONS

Although Turkish producers have already been producing Gluten-free products and they still are less expensive than rice based pasta products, slowly increasing interest to Gluten-free products may drive Turkish consumer look for alternative pasta products in the future.

Because of above reasons concerning demand and Turkey's position in pasta production, opportunities for Sri Lankan exporters in Turkish market are quite limited. Only apparent opportunities seem like the limited slow growing demand for Gluten-free pasta products.

Rice Based Pasta Products are not well known and common in Turkey, and products of Sri Lankan companies do not exist in the Turkish market. Therefore firstly, it's recommended for Sri Lankan companies to participate in related sectoral trade fairs to introduce their products. Participation in sectoral fairs will help Sri Lankan exporters understand the required quality, packaging, standards and specifications, observe the upcoming trends as well as promoting and marketing their products.

**Suggested Exhibition in Turkey for Participation:**

World Food Istanbul 2017 (7-10 September 2017) Exhibition

Website: <http://www.worldfood-istanbul.com>

**Prepared by:**

Name - Embassy of Sri Lanka, Turkey

**Disclaimer:**

Embassy of Sri Lanka, Turkey has taken every care in the preparation of the content of this report, but the Embassy of Sri Lanka, Turkey cannot be held responsible for any errors, defects, lost profits, or other consequential damages arising from the use of any information obtained either directly or indirectly from this report. The Embassy of Sri Lanka, Turkey accepts no liability whatsoever.