

OPPORTUNITIES FOR SRI LANKAN RICE BRAN OIL IN TURKEY



Prepared by:

Embassy of Sri Lanka
Turkey
December 2017

CONTENTS

1. SUMMARY	3
2. MARKET DESCRIPTION	3
3. POSITION OF SRI LANKAN RICE BRAN OIL IN TURKEY	4
4. ACTIVITIES OF COMPETITION	4
5. CONCLUSION AND RECOMMENDATIONS.....	5

1. SUMMARY

As mentioned on the market survey made for Virgin Coconut Oil; Turkey is an important producer and consumer of various vegetable oils such as Olive, Sunflower, Soy, Corn (Maize), Cotton and Hazelnut oils in the world.

Currently, the demand for Rice Bran Oil as a cooking oil is minimal in Turkey because of the existence of domestic and Edible oil production, availability of above mentioned oil products and also Rice Bran Oil is not a typical cooking oil for Turkish cuisine therefore it's not of common preference. This situation is not likely to change much in the near future because historically, Turkish Cuisine has been predominantly based on Olive Oil and varieties of butter and margarine.

However, Rice Bran Oil based cosmetic products have been introduced to the Turkish market and being promoted in Turkey. Therefore, addressing to the requests of Turkish cosmetics sector could be an opportunity for Sri Lankan exporters.

2. MARKET DESCRIPTION

As mentioned, Turkey is country which is one of the leaders in producing and supplying the final oil products to domestic and foreign markets. Turkey is highly advanced in processing oil seeds, extracting oil, refining vegetable oils and bottling the final products. The demand is centered upon vegetable oils, most notably Olive oil for Household use and sunflower and corn oils for both industrial cooking and household use because of their cheaper price levels.

Traditionally, Rice Bran Oil is traditional and common oil in Far Eastern and Southern Asian countries, However, Turkish market is not familiar with Rice Bran Oil as cooking oil at all. It's observed that Rice Bran Oil can be found in Turkish market with small amount bottles (15 and 20ml bottles) and extensively used either as a dietary supplement or for cosmetics (For skin and hair care) It's observed that the health benefits of Rice Bran Oil is emphasized at product descriptions, however the level of awareness among Turkish consumers is not at all at desire level.

Important Note for Turkish Imports of HS 2302 (Bran ,sharps and other residues, whether or not in the form of pellets, derived from the shifting, milling or other working of cereals or leguminous plants)Other than rice ,there are other items under this HS Code such as :corn, Wheat ,Cereals etc.

Turkey's position and this statistic can be misleading, because it's apparent that Turkey imports these products (Wheat residue) identified as "Residue & Waste "to be used as raw material for "Animal Feed" and not as a Value Added final product. Turkey's top import partners are Russia and Ukraine for HS 2302, the countries from Turkey also imports great amounts of wheat.

From this point of view and from general research, it's thought that the HS Code for Rice Bran Oil could be HS 15.1590 although the advised HS Code for "Rice Bran Oil" is HS 2302.

With respect to buyer/country requirements, there isn't an obligation to possess an importers certificate however as for all food products imported to Turkey are subject to testing and the importer must obtain "Food import control certificate" from Ministry of Food Agriculture and Livestock of Turkey.

The Rice Bran Oil products are imported into Turkey by specific cosmetic importers and presented to the market by major supermarket chains, niche product suppliers and through e-shopping websites.

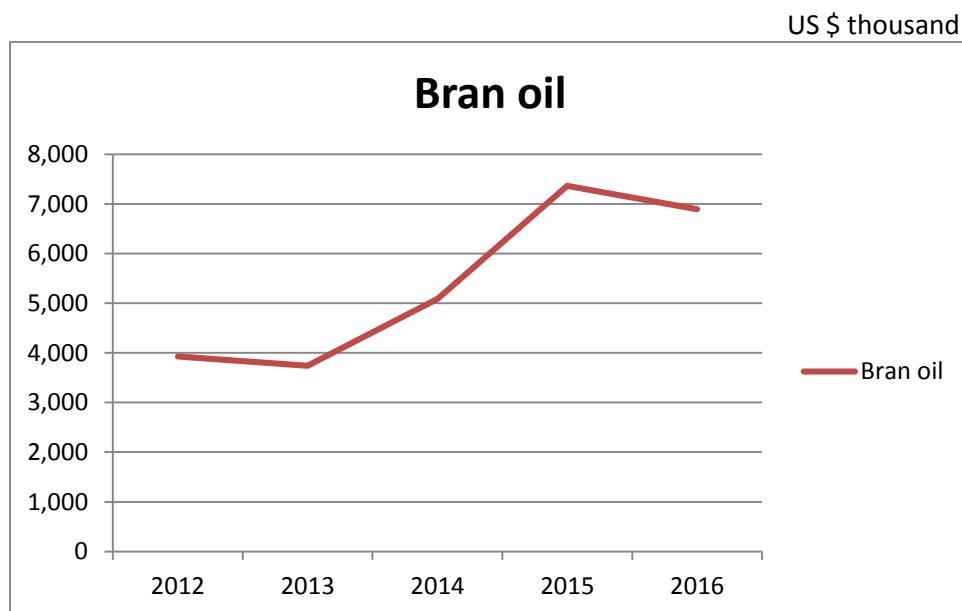
Dominant trade channel structure for most food and FMCG (Fast Moving Consumer Goods) products in Turkey is; Factory to distributor, distributor to retail stores /supermarkets/grocery stores etc. and finally to the end users/customers.

The retail price of Rice Bran Oil in Turkey varies between 3-8 USD/20ml (0,7Imperial Fluid Ounces)

According to Trade Map data, average import tariff applied by Turkey on HS 2302 is approximately 4.8%.The tariff applied by Turkey for HS 151590 is 14.3%.

There are no FTA/PTA concessions on the product and apparent NTB's. There is no active trade between Sri Lanka and Turkey for either HS 2302 or HS 151590.

Figure: Rice Bran Oil demand from world in Turkey (2012-2016)



Source: Trade map

3. POSITION OF SRI LANKAN RICE BRAN OIL IN TURKEY

Currently, Sri Lankan Rice Bran Oil is not present in the Turkish market.

4. ACTIVITIES OF COMPETITION

Although not supported by exact figures, the major suppliers of Rice Bran Oil in the World appear to be India, China, Bangladesh and Thailand.

There is no evidence that these countries have any advantages in quality, packaging, labeling, duty free access etc. over Sri Lankan products.

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

Table: Top 10 exporters of Rice Bran Oil to Turkey (2012-2016)

US \$ thousand

Exporters	2012	2013	2014	2015	2016
Denmark	478	189	888	3,260	4,602
Georgia	140	486	469	1,125	778
Sweden	0	2	193	536	380
France	159	113	180	185	211
Morocco	194	154	284	137	169
United States of America	285	148	514	256	125
China	375	147	179	100	118
Switzerland	11	11	0	1	89
Germany	1,468	1,544	1,146	863	77
Israel	6	2	24	53	47

Source: Trade map

5. CONCLUSION AND RECOMMENDATIONS

According to the existence of promotion of Rice Bran Oil for cosmetics, it's safe to conclude that usage of this product may become more common in Cosmetics. It's evaluated that Rice Bran Oil for cooking will have a very limited area of usage in Turkey.

With respect to opportunities for Sri Lankan exporters, major cities of Turkey such as Istanbul, Ankara, Izmir and Turkish Western Mediterranean region (Antalya province) could offer some opportunities because of their above average per capita and foreigner population.

Although not extensively, Rice Bran Oil based cosmetic products have been promoted in Turkey and relevant Sri Lankan companies could supply raw materials to Turkish cosmetics manufacturers or attempt to enter the market with their brands and packaged products.

As Rice Bran Oil and it's by product are not well known and common in Turkey, it's recommended for Sri Lankan companies to participate in related sectoral trade fairs. 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:

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

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

2) Beauty Eurasia Cosmetics Exhibition Istanbul (27-29 April 2017)

Exhibition Website: <http://www.beautyeurasia.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.