

## TURKISH CARPET INDUSTRY

Rugs and carpets were firstly used as a “ground covering” by the Turks living in Western and Central Asia, then, it expanded to the rest of the world. Carpet making as an important handicraft remained alive in the successor Turkish states also. In the 19<sup>th</sup> century, high quality hand-made carpets were produced in the workshops opened in Hereke. During the Republican period, under the pioneering of Sumerbank, hand-made carpets were produced by workshops, foundations and private sector companies. Hand-made carpets are still being produced widely in the private workshops in Western and Central Anotolia.

On the other hand, 18<sup>th</sup> century can be considered as a turning point for carpet industry in that industrialization process gained momentum all over the world as having serious effects on Turkish carpet industry as well. Towards the end of the Ottoman period, hand-made carpet production began to be replaced by machine-made carpets. Machine-made carpet production has developed rapidly in the 21<sup>st</sup> century. Currently, Turkey has considerable machine-made and tufted carpet production capacity

By the end of 2006, Turkey exported 110,7 million dollar hand-made carpets and 634,3 million dollar machine-made carpets. While, hand-made carpet exports constitute 14,9% of total Turkish carpet exports, the rest of the exports are machine made carpet exports. Currently, the share of carpet industry in total Turkish exports is 1 %.

Starting from the 1990's machine-made carpet exports have gradually increased and this increasing trend is likely to continue in the years ahead. Having used the advanced technology, the machine-made carpet capacity have been increasing with the new investments in the sector.

Turkish carpet industry has the following advantages in terms of production and raw material supply.

- Turkey is a textile producing country so that it has the opportunity to meet the wool yarn and synthetic yarn needs from the domestic sources.
- Geographical proximity to the main markets such as Middle East, Europe and ex-USSR Republics
- Well qualified labour force in hand-made carpet industry and know-how in machine-made carpet industry
- Liberal trade policies
- Elasticity in production

- Giving importance to quality, environment and human health, sensitivity on working conditions of workers
- Customs Union agreement with the European Union and free trade agreements with many other countries

While the export value of the carpet industry was 202,4 million dollars in the beginning of 1990's, it has reached to 745 million dollars by the end of 2006. In other words, Turkish carpet exports increased more than three fold in the last 16 years.

According to United Nations statistics for 2005, Turkey is 6<sup>th</sup> biggest carpet supplier in the world with the share of 7 %.

There are more than 900 carpet producer-exporter companies in Turkey.

In terms of markets, Turkey exports 21,4% of carpet products to Middle Eastern countries including Saudi Arabia, Iraq, Kuwait. Second important markets are ex-USSR countries including Russian Federation, Ukraine, Azerbaijan with the market share of 17,8%. Advantages of Turkey in using advanced technology and geographical proximity to main markets contributes positively to the development of export performance of the industry.

On the country basis, the most important export markets for the Turkish carpet industry are Saudi Arabia, USA and Kazakhstan, respectively.

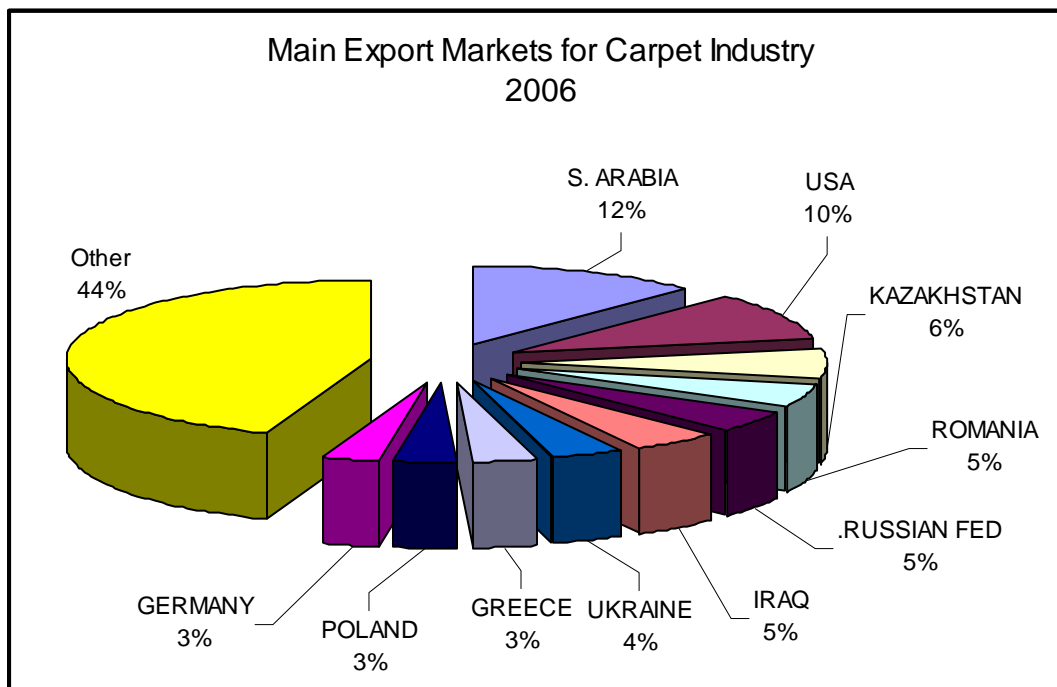
Turkish Carpet industry will retain its powerful position or even go further as long as it achieves improvements in design.

Although hand-made carpet production falls behind of machine-made carpets in recent years, it should be considered as a normal process that every developing country is experienced due to the technological advances in favour of machine-made carpet industry.

But, above all, the most important advantage of the Turkish carpet sector is that Turkey has successfully created the label of "Turkish carpet" and it has gained worldwide reputation. With the realization of market oriented strategy and improvements in design, Turkish carpet industry will obviously increase its share in the world markets .

Annual Exports of Machine and Hand Made Carpets (1000 \$)							
Year	Total Exports	Hand Made Carpet Exports	Share of Hand Made Carpets %	Machine Made Carpet Exports	Share of Machine Made Carpets %	Total Carpet Exports	Share of Carpet Exports in Total %
1996	23.224.465	152.240	0,66	155.002	0,67	307.242	1,32
1997	26.261.042	163.517	0,62	186.204	0,71	349.720	1,33
1998	26.973.952	148.434	0,55	195.252	0,72	343.686	1,27
1999	26.588.264	114.086	0,43	156.014	0,59	270.100	1,02
2000	27.774.906	106.857	0,38	188.595	0,68	295.452	1,06
2001	31.339.991	103.969	0,33	159.321	0,51	263.290	0,84
2002	36.059.089	84.936	0,24	202.250	0,56	287.186	0,80
2003	47.252.836	79.540	0,17	301.525	0,64	381.065	0,81
2004	62.773.654	112.144	0,18	404.908	0,65	517.051	0,82
2005	73.444.821	122.802	0,17	547.535	0,75	670.337	0,91
2006	85.761.134	110.681	0,13	634.290	0,74	744.971	0,87

Source: Undersecretariat of Foreign Trade



Main Export Markets for Turkish Carpet Industry					
	2005 1000 \$	Share in Total %	2006 1000 \$	Share in Total %	06 / 05 Change %
S. ARABIA	81.383	12,1	91.946	12,3	13,0
USA	61.179	9,1	73.287	9,8	19,8
KAZAKHSTAN	33.978	5,1	42.868	5,8	26,2
ROMANIA	28.715	4,3	35.355	4,7	23,1
RUSSIAN FED.	30.940	4,6	34.129	4,6	10,3
IRAQ	33.604	5,0	34.052	4,6	1,3
UKRAINE	31.536	4,7	29.579	4,0	-6,2
GREECE	22.046	3,3	24.841	3,3	12,7
POLAND	16.306	2,4	24.728	3,3	51,6
GERMANY	27.675	4,1	22.850	3,1	-17,4
10 countries total	367.362	54,8	413.635	55,5	12,6
Total Carpet Exports	670.173	100,0	744.971	100,0	11,2

Source: Exporters' Unions

## Carpet Institutions in Turkey

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