

TURKISH LEATHER AND LEATHER GOODS INDUSTRY

The roots of the Turkish leather industry go back to the 12th century, according to the sources. However, the importance of leather industry had been realized in Turkey in 1970's. The industry has succeeded a sharp progress as a result of the export-led growth policy of 1980's.

Following the dissolution of the Eastern block in 1990's, an intensive demand has come from these countries that has given a push to the industry with increasing investment in the industry and growing production capacity. Leather industry had shown a significant advance and the exports boomed between the years of 1980-1997 as being one of the Turkey's leading export industries.

Yet, the economic crises of Asia in 1997 and Russia in 1998 had an inverse effect on the sector and led to decline in both production and export.

Though there has been an increase in production as a consequence of increase in domestic demand through 2000, the economic crisis of 2001 has halted the resurgence.

Therefore, the export of leather industry has illustrated an unsustainable pattern and thus its potential has not been reflected to the reality during the period of 1998-2008.

Despite all these negative developments, the leather industry still has a significant place in Turkish economy concerning its weight in production, employment and export.

The industry has a share of 1 % of the country's GDP, 2,3 % of total industrial production and 1,5 % of registered manufacturing employment.

Leather industry realized about \$1,1 billion export in 2009, which shows 20,6 % decline compared to the previous year. The contribution of the industry to the export earnings becomes more if the cargo trade and touristic sells are also taken into consideration. The export to the EU countries stands for 43,2% of the total leather and leather articles export. The main markets in terms of countries and their shares are Russian Federation (25,9 %), Germany (9 %), Italy (7 %), France (5,7 %) and Spain (4,8 %).

When we look at the shares of products group of the leather industry in total leather exports, footwear exports stand for 27,9 % of the total leather export while leather garments 24,5 %, Readywear of double face sheepskins 19,3 %, saddlery for 15,3 % and raw hides/skins and finished leather for 8,5 % of Turkey's total leather export.

Turkey is one of the leading countries of the leather and leather products in both production and export. With its high export performance, Turkish leather industry has taken an important proportion of the world leather trade. Not only with its production and export but also with its quality and unique style, Turkey is accepted as a forerunner among the producer countries.

A majority proportion of the industry's raw material is provided through import. The high value added products, which come out of processing, are exported by the industry.

With its advanced technological infrastructure and environmentally-friendly production policy, the Turkish leather processing industry is accepted as one of the leading industries in the world. It's ranked as the third in Europe after Italy and Spain, in terms of production capacity.

There are 13 Leather Industrial Organized Zones functioning in Turkey that are intensified basically in the Marmara and Aegean regions. There are more than 3.000 producer companies dealing with export throughout Turkey.

With its quality and elasticity in production Turkey is number one among the leading leather clothing producing countries. In addition to this, Turkey is among the leading producing countries concerning both the production quantity and quality of fur coat. Having a long tradition in footwear production, Turkey is one of the leading producing countries in the world.

In order to go further and strengthen its leading position in leather world, Turkey has started to give priority to marketing, R&D, design and qualified workforce.

In addition to domestic fairs, national participation has been organized to many international leather fairs through which the image of the country that is colored by the creation of fashion and trademark is presented to the world.

The primary advantages of the Turkish leather industry in terms of production and export are considered to be;

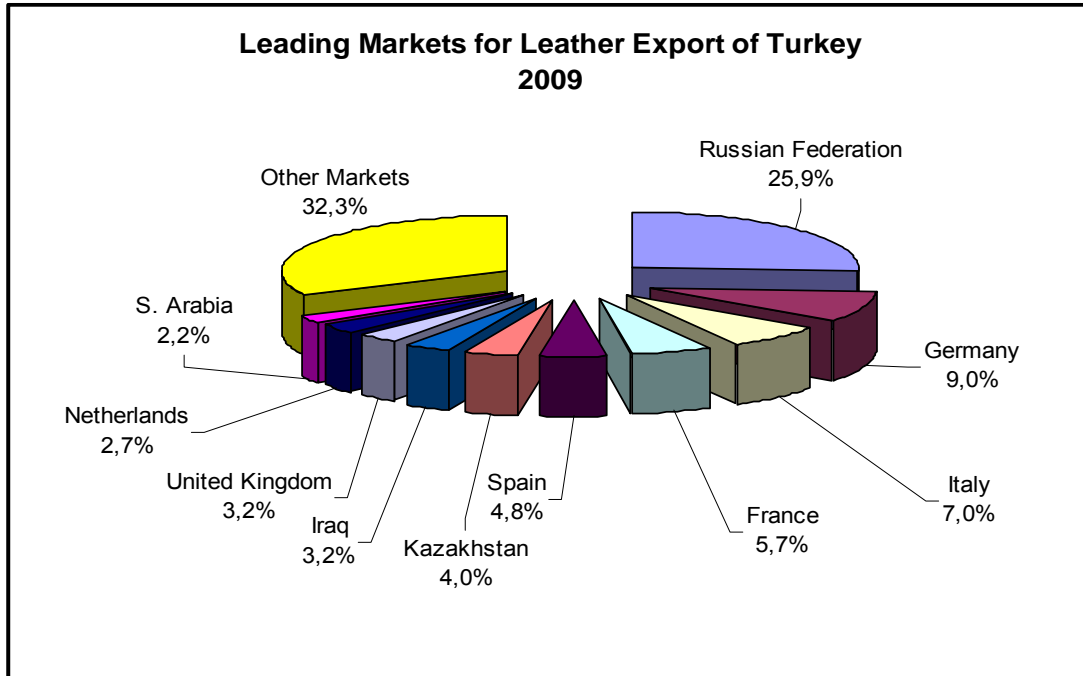
- Close to the main markets, particularly the European countries and Russian Federation.
- Short time of delivery due to geographic proximity,
- Being a country of tourism,
- Capability of quick-response,
- Qualified and educated human sources,
- Liberal trade regime including compliance with the EU's technical regulations,
- The capacity to create fashion, design and innovation for any market,
- Elasticity in production,
- Sensitivity about workers social conditions as well as environment and health,

Annual Leather Export of Turkey			
	Total Export	Leather Export	Share of Leather in Total export
Years	(1000 \$)	(1000 \$)	%
1990	12.959.289	742.078	5,7
1991	13.593.539	610.263	4,5
1992	14.365.414	645.209	4,5
1993	15.345.000	639.846	4,2
1994	18.107.000	691.450	3,8
1995	21.637.041	657.786	3,0
1996	23.224.465	588.094	2,5
1997	26.261.072	723.810	2,8
1998	26.973.952	662.737	2,5
1999	26.588.264	507.809	1,9
2000	27.774.906	563.693	2,0
2001	31.339.991	622.889	2,0
2002	36.059.089	644.509	1,8
2003	47.252.836	738.963	1,6
2004	62.773.654	761.740	1,2
2005	73.415.678	1.040.692	1,4
2006	85.774.644	1.141.436	1,3
2007	107.271.750	1.268.796	1,2
2008	132.027.258	1.318.046	1,0
2009	102.164.809	1.064.715	1,0

Source: İTKİB

Leading Markets for Leather Export of Turkey					
	2008 1000 \$	Share in Total %	2009 1000 \$	Share in Total %	09 / 08 Change %
Russia	334.676	25,0	276.272	25,9	-17,5
Germany	126.546	9,4	95.935	9,0	-24,2
Italy	70.077	5,2	74.746	7,0	6,7
France	68.979	5,1	60.810	5,7	-11,8
Spain	57.068	4,3	51.031	4,8	-10,6
Kazakhstan	67.761	5,1	42.513	4,0	-37,3
Iraq	23.036	1,7	33.934	3,2	47,3
United Kingdom	64.292	4,8	33.574	3,2	-47,8
Netherlands	33.458	2,5	28.912	2,7	-13,6
S. Arabia	23.662	1,8	22.949	2,2	-3,0
<i>10 Countries Total</i>	<i>869.555</i>	<i>64,9</i>	<i>720.676</i>	<i>67,7</i>	<i>-17,1</i>
Other Markets	470.810	35,1	344.039	32,3	-26,9
Total Leather Exports	1.340.365	100,0	1.064.715	100,0	-20,6

Source: İTKİB



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