

TURKISH LEATHER AND LEATHER GOODS INDUSTRY

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

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

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

Therefore, the export of leather industry has illustrated an unsustainable pattern and thus its potential and production capacity has not been reflected in the reality during the period of 1998-2006.

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 \$1,14 billion export in 2006. The contribution of the industry to the export earnings becomes more, if the shuttle trade and touristic selling are taken into consideration. The export to the EU countries stands for 40% of the total leather and leather articles export. The main markets in terms of countries and their shares are Russian Federation (32 %), Germany (11 %), France (6 %) and USA (5 %).

The major export "products group" of the leather industry is saddlery and leather clothing. Saddlery and leather clothing stand for 38 % of the total export while fur and fur coating 33 %, footwear 21 %, raw and processed leather for 8 %.

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. For instance, it is the third in the world's leather and leather products export in terms of quantity. Turkey also ranked among the top ten fur exporting countries. 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. According to global statistics it produces about 1,2% of the total world leather clothing. 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 exporting 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.

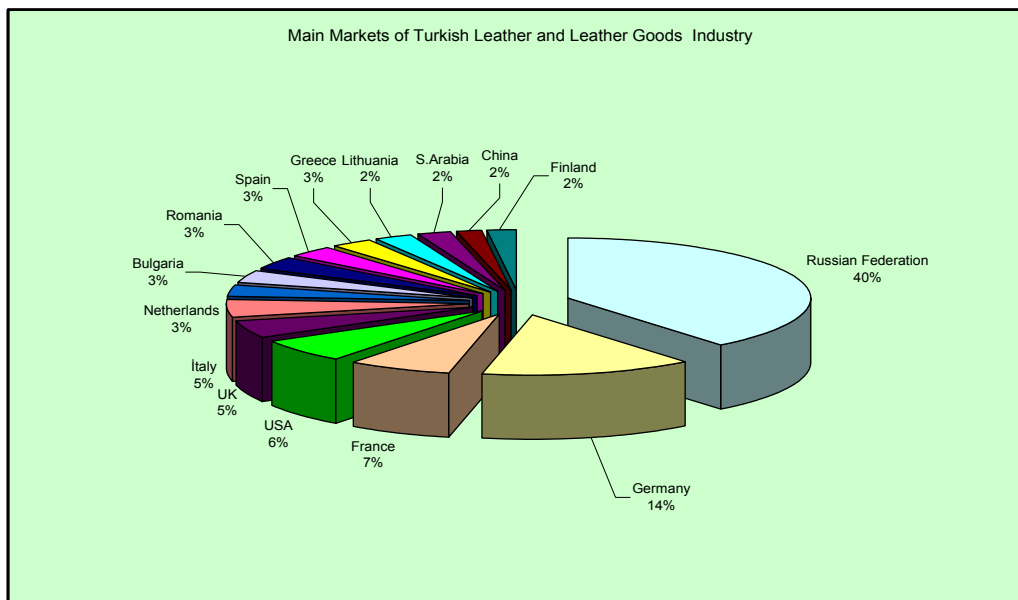
In addition to domestic fairs, national participation has been organized to many international leather fairs through which the image of the country that is colored by the creation of fashion and trademark is presented to the world.

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,

Leather and Leather Goods Export of Turkey			
Years	Leather and leather Goods Export (1000\$)	Total Export (1000\$)	Share of Leather in Total export
1990	742.078	12.959.288	5,7
1991	610.263	13.593.539	4,5
1992	645.209	14.365.414	4,5
1993	639.846	15.345.000	4,2
1994	691.450	18.107.000	3,8
1995	657.786	21.635.901	3,0
1996	588.094	23.224.465	2,5
1997	723.810	26.261.072	2,8
1998	662.737	26.973.978	2,5
1999	507.809	26.587.225	1,9
2000	563.693	27.774.906	2,0
2001	622.689	31.334.216	2,0
2002	644.509	35.081.121	1,8
2003	738.963	47.252.836	1,6
2004	761.740	62.773.654	1,2
2005	1.040.692	73.444.821	1,4
2006	1.141.436	85.761.134	1,3

Main Markets of Turkish Leather and leather Goods Industry					
	,2005 January-Dec. 1000 \$	Share in Total Leather Export %	2006 January - Dec. 1000 \$	Share in Total Leather Export %	06 / 05 Change %
Russian Federation	363.869	35,0	359.596	31,5	-1
Germany	124.059	11,9	129.849	11,4	5
France	62.530	6,0	64.408	5,6	3
USA	56.964	5,5	59.087	5,2	4
UK	37.000	3,6	42.920	3,8	16
Italy	16.702	1,6	42.149	3,7	152
Netherlands	31.277	3,0	30.565	2,7	-2
Bulgaria	19.157	1,8	29.949	2,6	56
Romania	17.611	1,7	29.189	2,6	66
Spain	28.839	2,8	26.612	2,5	-1
Greece	26.573	2,6	26.411	2,3	-1
Lithuania	6.795	0,7	22.151	1,9	226
S.Arabia	22.033	2,1	19.961	1,7	-9
China	8.145	0,8	17.005	1,5	109
Finland	11.844	1,1	16.869	1,5	42
Total of the 15 Countries Total Leather and Leather Articles Export	833.398	80,1	918.721	80,5	10,2
	1.040.692	100	1.141.446	100	9,5



Contact of the Leather Industry Institutions in Turkey

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