

MÜSAD



MAKARNA ÜRETİCİLERİ VE SANAYİCİLERİ DERNEĞİ

Pasta Producers and Industrialists Association

SECTOR REPORT

JANUARY - DECEMBER 2019



Pasta Producers and Industrialists' Association

Sector Report

JANUARY - DECEMBER 2019

PUBLISH DATE

1 February 2020

Hello,

We left behind a difficult year for our country and our industry.

2019 was a year in which we experienced uncertainties in the economy caused by currency fluctuations and their negative reflections on production / investment decisions. While our exports are getting cheaper with currency attacks, especially the more expensive imports of raw materials and semi-finished products slowed down the functioning wheels of the industry.

Despite these unfavorable conditions, Turkey's economy grew 0.9% in the third quarter of last year compared to the same period of 2018. In 2019, our exports increased by 2.1% to \$171.5 billion and our imports decreased by 9.1% to \$202.7 billion. While the foreign trade deficit decreased by 43.5% compared to the previous year, from \$55.1 billion to \$31.1 billion, the ratio of exports to imports rose from 75.3% to 84.6%. The reason I underline these is that I want you to evaluate the data in our sector report, the third published by the Pasta Producers and Industry Association (MÜSAD), regarding this general background.

When we evaluate 2019 in terms of our industry; we see that we have managed to increase our exports both in quantity and value. Our exports grew by 5.5% in quantity and by 9.9% in value. We thank the sector members and our stakeholders who have their signatures under this achievement. Considering the unfavorable events experienced in the general economy, these rates are of course an expression of success; but when we go into details, we see extremely important signals that the sector needs to consider.

2019 was a year when we broke our records in both our exports and durum wheat imports.

Besides, if we want to maintain our competitive position in exports, we must increase the production of durum wheat. Otherwise, this picture with high prices in durum wheat (for which we are net importers) weakens our competitiveness in foreign markets, and it is not sustainable. The way to reverse this is to increase the subsidies and make durum wheat production more attractive than alternative products. We know that our Ministry and related institutions are making efforts in this direction and we expect them to be implemented as soon as possible.

Pasta Industry of Turkey will continue to contribute to the economy through production and export. This contribution will increase even more with input-cost-reducing practices in production and added-value-focused supports in exports.

Nihat Uysallı
Chairman of the Board

DECEMBER 2019

EXPORT QUANTITY (KG) **-%9,7**

DECEMBER 2019

101.574.592

DECEMBER 2018

112.465.674



EXPORT VALUE (USD) **%1,4**

DECEMBER 2019

\$51.199.982

DECEMBER 2018

\$50.507.299



UNIT PRICE (USD/TON) **%12,2**

DECEMBER 2019

\$504

DECEMBER 2018

\$449



* Comparisons were made with the same month of the previous year.

JANUARY - DECEMBER 2019

EXPORT QUANTITY (KG) **%5,5**

2019 TOTAL

1.272.926.813

2018 TOTAL

1.206.664.547



EXPORT VALUE (USD) **%9,9**

2019 TOTAL

\$607.101.964

2018 TOTAL

\$552.367.662



UNIT PRICE (USD/TON) **%4,2**

2019 TOTAL

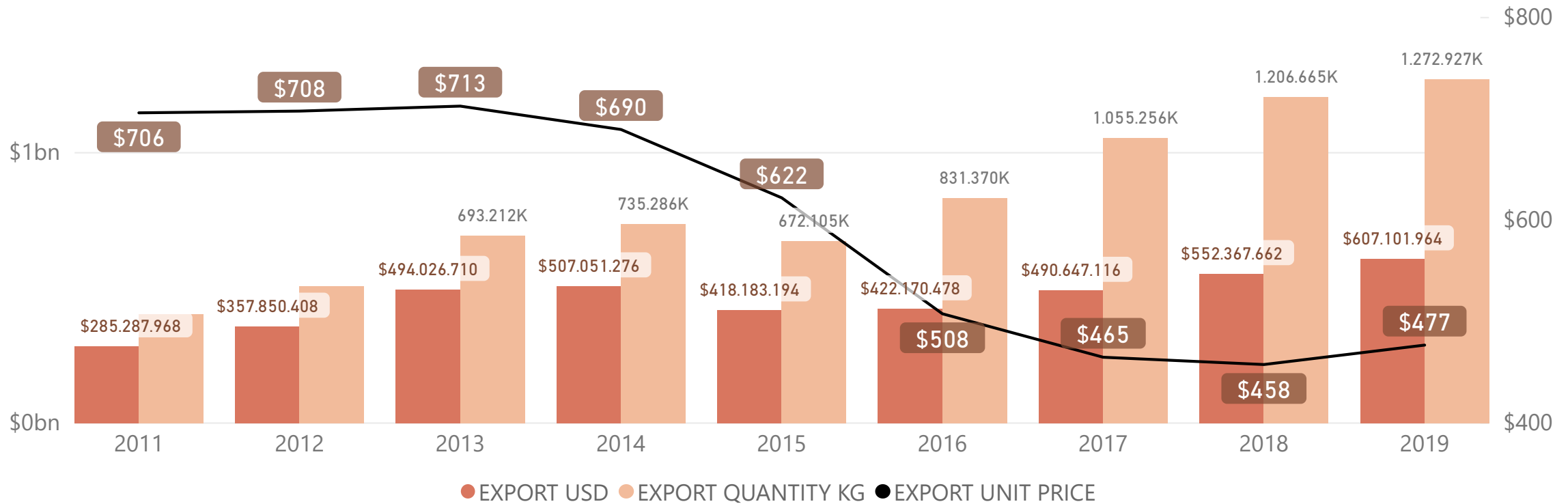
\$477

2018 TOTAL

\$458



* Comparisons were made with the same period of the previous year.



When pasta exports are analyzed by years, the unit export price fell from around \$700/ton to \$450/ton. It's notable that while our export quantity has increased continuously, unit export price has decreased.

DECEMBER 2019

**IMPORT
QUANTITY (KG)** **%800**

DECEMBER 2019

263.838.598

DECEMBER 2018

29.320.230



**IMPORT VALUE
(USD)** **%856**

DECEMBER 2019

\$76.513.776

DECEMBER 2018

\$8.004.411



**UNIT PRICE
(USD/TON)** **%6,2**

DECEMBER 2019

\$290

DECEMBER 2018

\$273



* Comparisons were made with the same month of the previous year.

JANUARY - DECEMBER 2019

**IMPORT
QUANTITY (KG)** **%253**

2019 TOTAL

1.432.327.280

2018 TOTAL

405.263.194



**IMPORT VALUE
(USD)** **%290**

2019 TOTAL

\$405.078.999

2018 TOTAL

\$103.771.994



**UNIT PRICE
(USD/TON)** **%10,4**

2019 TOTAL

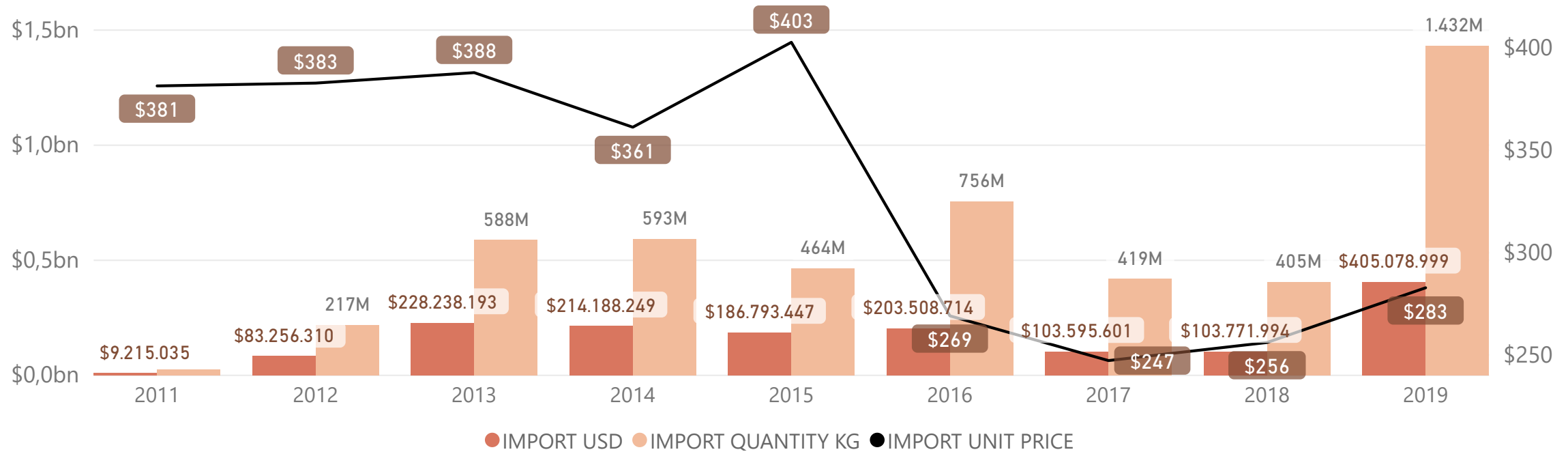
\$283

2018 TOTAL

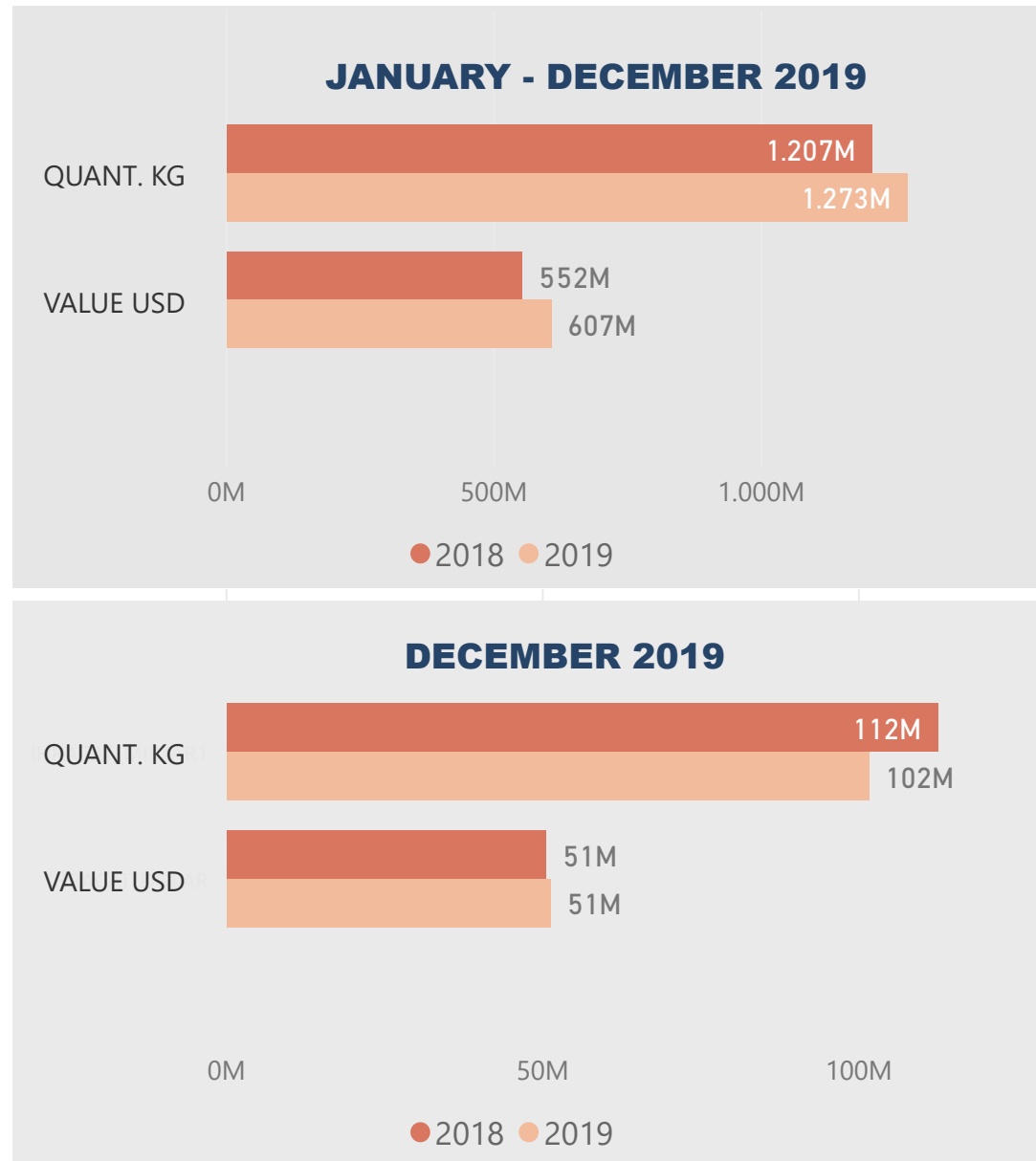
\$256



* Comparisons were made with the same period of the previous year.



Durum Wheat Imports by years shows us that 2019 imports are the highest among all years. Import Unit Value has decreased to its lowest levels during 2017 and 2018, then in 2019, reached close to \$300 level.

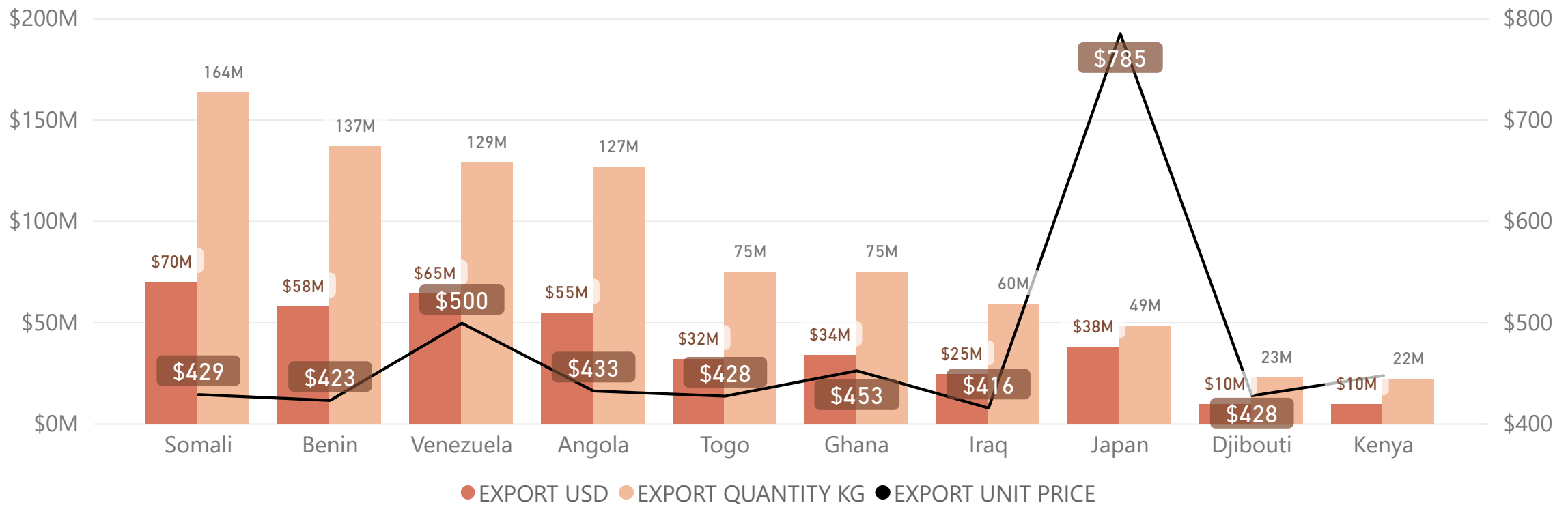


Compared to the previous year, pasta exports in 2019 has increased by 5,5% and reached 1.273 million tons in quantity; increased by 9,9% and reached \$607 million in value.

In December, compared to the same month of the previous year, pasta exports decreased by 9,7% and reached 101.6 thousand tons in quantity; but increased by %1,4 and reached \$51.2 million in value.

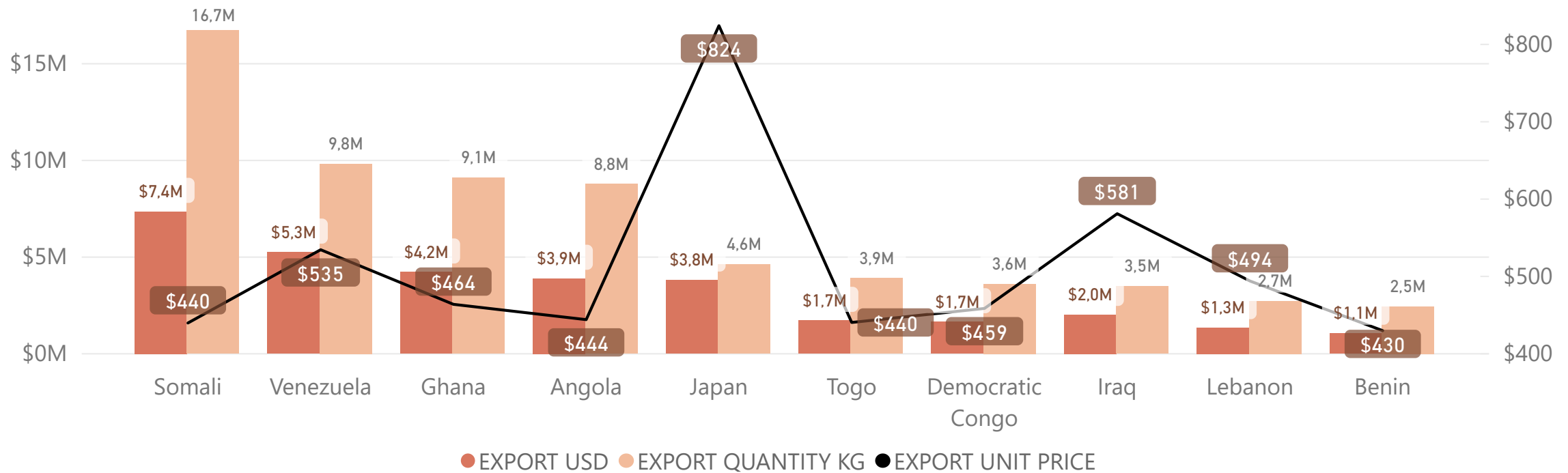
While the average unit price per ton was \$458 in 2018, it increased by 4.2% to \$477 in 2019.

Compared to \$449 in December 2018, average price increased by 12,2% and reached \$504 in December 2019.



In 2019, biggest importer was Somali with 164 thousand tons. Benin and Venezuela followed Somali. Somalia was again at the top of exports in dollar terms. Venezuela had the third place, in quantity. Japan, which ranks 8th with 49 thousand tons of exports, ranked 5th in terms of value and 8th in terms of quantity.

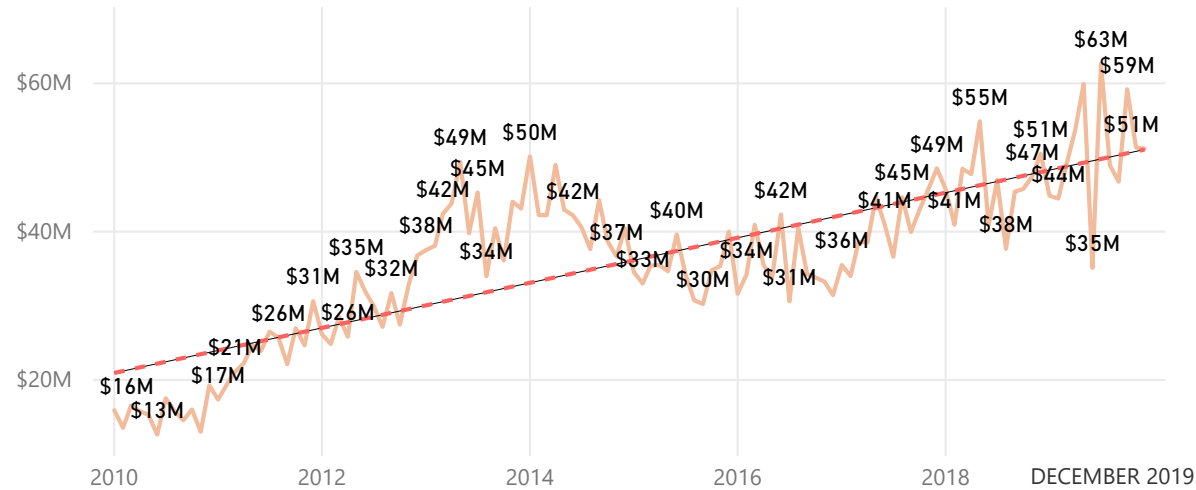
On the basis of unit price amongst top 10 countries we export in 2019, Japan ranked first with \$785/ton.



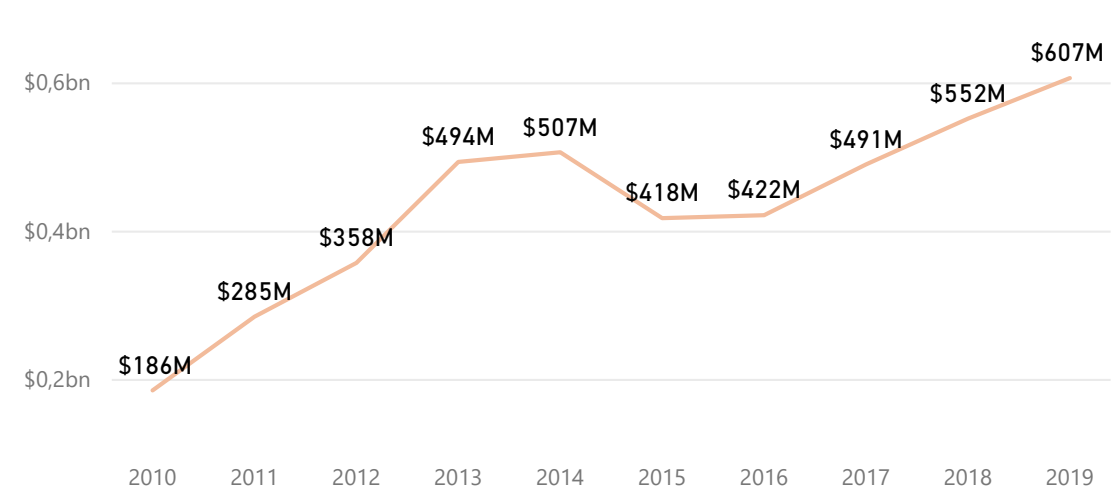
In December 2019, highest quantity of exports was made to Somalia with 16.7 thousand tons, followed by Venezuela and Ghana.

In December, on the basis of unit price among the top 10 countries we export to, Japan ranked 1st with \$824/ton. Iraq (\$581/ton) and Venezuela (\$535/ton) took the second and third place respectively.

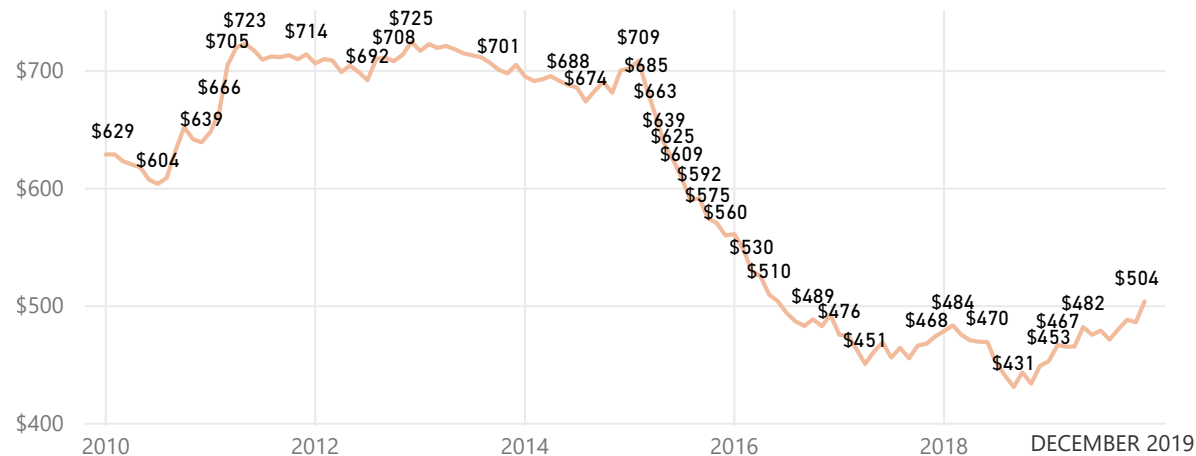
MONTHLY EXPORT VALUE (USD)



YEARLY EXPORT VALUE (USD)



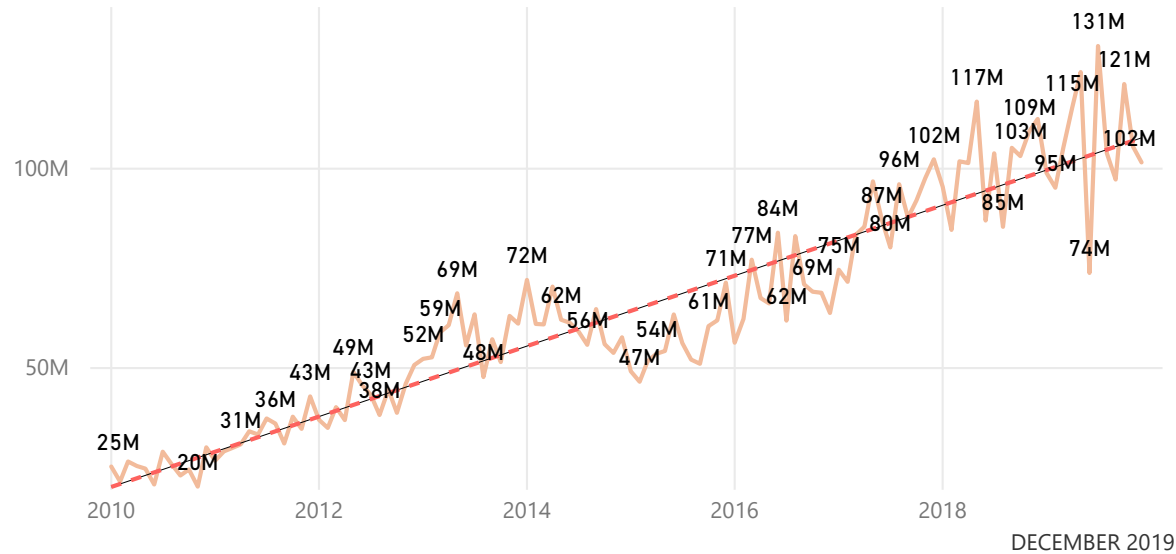
MONTHLY EXPORT UNIT PRICE (USD/TON)



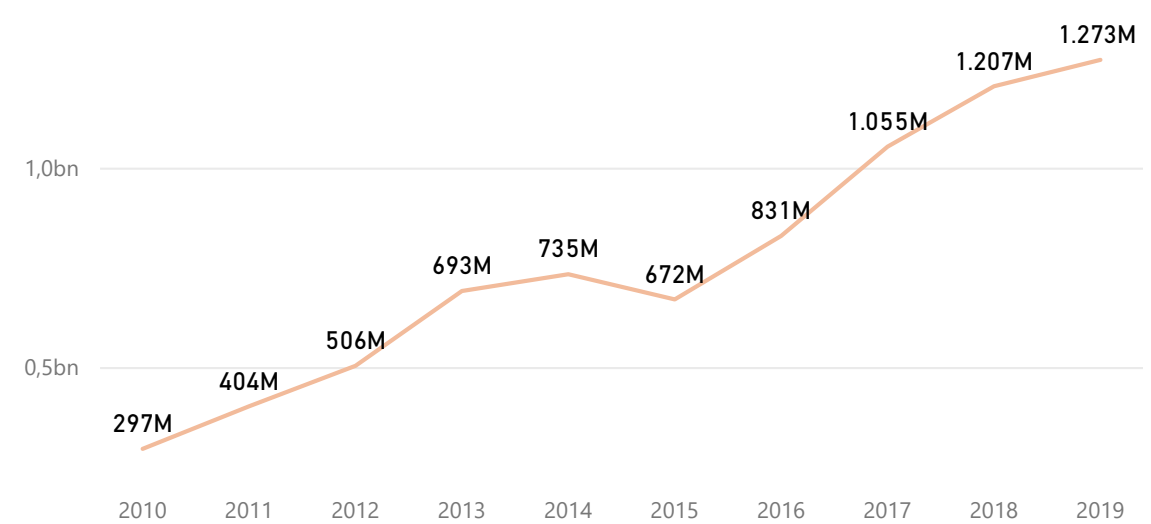
Compared to 2018, pasta export in 2019 increased by 9.9% on value basis, reaching the highest annual value with \$607.1 million. Pasta export has been growing steadily since 2016.

Despite export value has reached record high levels, it is seen that the unit pasta export price is still at low levels. The unit pasta export price reached the highest value in June 2008 with \$1,135/ton and reached the lowest level in September 2018 with \$431/ton. Although it has entered an increasing trend after this date, these increases are still very insufficient considering the wheat costs.

MONTHLY EXPORT QUANTITY (KG)



YEARLY EXPORT QUANTITY (KG)



When the monthly export quantities are analyzed by years, it is seen that the export has increased steadily on quantity basis. Compared to the previous year, pasta exports in 2019 increased by 5.5% and reached the highest level ever.

2018 - 2019 EXPORT COMPARISON CHART

JANUARY - DECEMBER 2019

HS CODE 6 - PRODUCT NAME	EXPORT QUANT. (KG)	EXPORT VALUE (USD)	PREV. YEAR EXPORT QUANT. (KG)	PREV. YEAR EXPORT VALUE (USD)	CHANGE % (KG)	CHANGE % (USD)
100119	24.763.090	\$8.669.988	20.045.180	\$6.951.319	%23,5	%24,7
Durum wheat (excl. seed for sowing)	24.763.090	\$8.669.988	20.045.180	\$6.951.319	%23,5	%24,7
190211	2.355.834	\$2.193.233	707.601	\$572.897	%232,9	%282,8
Uncooked pasta, containing common wheat flour or meal or eggs	1.082.007	\$1.357.007	239.714	\$240.039	%351,4	%465,3
Uncooked pasta, not stuffed containing eggs (Excl. phenylketonuria pt.), others	1.273.827	\$836.226	467.887	\$332.858	%172,3	%151,2
190219	1.212.771.615	\$576.668.764	1.156.287.315	\$526.292.666	%4,9	%9,6
Low protein pasta for phenylketonuria patients	3.200	\$5.899	10.296	\$16.886	-%68,9	-%65,1
Uncooked pasta, not stuffed or otherwise prepared	354.457.206	\$157.799.809	589.488.849	\$250.677.521	-%39,9	-%37,1
Uncooked pasta, not stuffed or otherwise prepared, containing vegetables	244.915	\$405.231	306.110	\$455.616	-%20,0	-%11,1
Uncooked pasta, not stuffed or otherwise prepared, not containing common wheat flour or meal or eggs			561.561.932	\$272.269.650	-%100,0	-%100,0
Uncooked pasta, not stuffed or otherwise prepared, not containing common wheat flour or meal or eggs (Excl. fenilketonüri pt.)	851.531.070	\$415.104.190				
Uncooked pasta, not stuffed, others	6.535.224	\$3.353.635	4.920.128	\$2.872.993	%32,8	%16,7
190220	376.160	\$561.028	432.840	\$677.651	-%13,1	-%17,2
Cooked pasta, cooked, stuffed with meat or other substances	26.261	\$78.758	33.060	\$88.347	-%20,6	-%10,9
Cooked pasta, stuffed with meat or other substances, others	335.032	\$440.492	379.534	\$546.838	-%11,7	-%19,4
Pasta, stuffed with meat, containing > 20% by weight of meat and meat offal of any kind	11.334	\$31.193	10.874	\$34.619	%4,2	-%9,9
Pasta, stuffed with meat, containing > 20% by weight of sausages and the like	3.485	\$9.185	9.372	\$7.847	-%62,8	%17,1
Pasta, stuffed, containing > 20% by weight of fish, etc	48	\$1.400	0	\$0		
190230	57.220.365	\$27.545.046	49.029.738	\$24.710.715	%16,7	%11,5
Pasta, dried	6.895.917	\$6.876.519	4.347.259	\$5.478.535	%58,6	%25,5
Pasta, others	50.324.448	\$20.668.527	44.682.479	\$19.232.180	%12,6	%7,5
190240	202.839	\$133.893	207.053	\$113.733	-%2,0	%17,7
Couscous unprepared	101.339	\$58.975	207.053	\$113.733	-%51,1	-%48,1
Couscous, cooked or otherwise prepared	101.500	\$74.918				
Total	1.297.689.903	\$615.771.952	1.226.709.727	\$559.318.981	%5,8	%10,1

* Comparisons were made with the same period of the previous year.

WORLD PASTA (1902)
EXPORT IN 2018 (USD)

9.894.330

WORLD PASTA (1902)
EXPORT IN 2018 (TON)

6.846.680

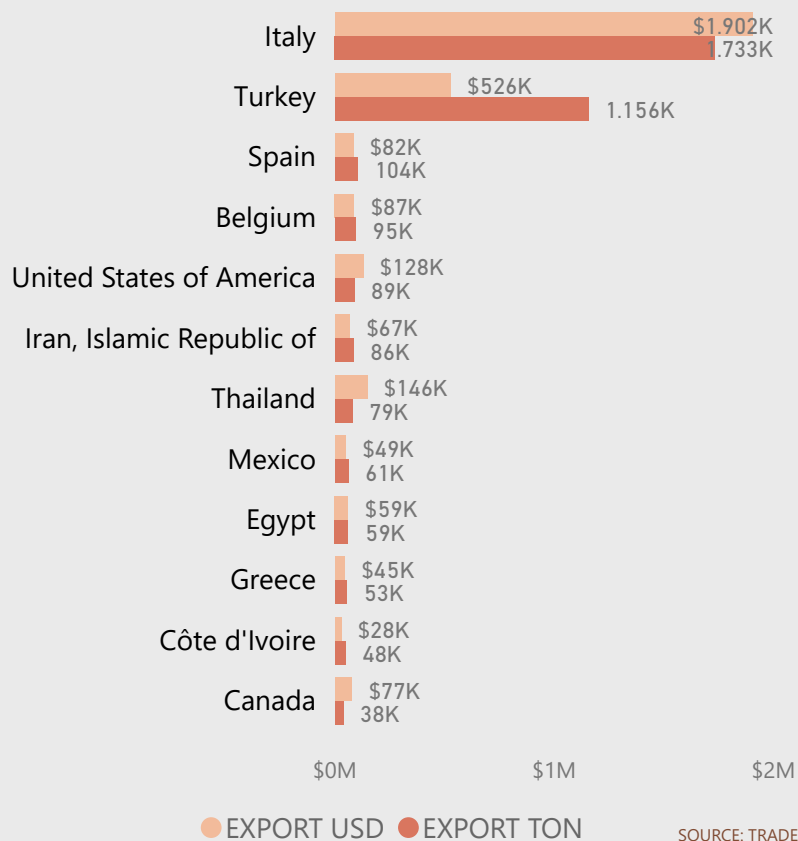
WORLD PASTA (1902.19)
EXPORT IN 2018 (USD)

4.121.601

WORLD PASTA (1902.19)
EXPORT IN 2018 (TON)

4.312.255

WORLD PASTA EXPORTER IN 2018 (1902.19 GTIP)



EXPORT UNIT PRICES OF COUNTRIES OVER 20K TONS EXPORT QUANT. (\$/TON)

COUNTRY	EXPORT TON	EXPORT SHARE	UNIT PRICE (\$/TON)
Italy	1.733.027	%40,3	\$1.098
Turkey	1.156.287	%26,9	\$455
Spain	104.441	%2,4	\$789
Belgium	94.681	%2,2	\$917
Iran, Islamic Republic of	86.048	%2,0	\$773
Mexico	60.668	%1,4	\$802
Egypt	59.304	%1,4	\$1.000
Greece	53.052	%1,2	\$849
Côte d'Ivoire	48.431	%1,1	\$579
Peru	38.104	%0,9	\$756
Saudi Arabia	34.197	%0,8	\$1.795
Czech Republic	29.280	%0,7	\$704
United Arab Emirates	29.102	%0,7	\$905
Latvia	24.721	%0,6	\$619
Russian Federation	24.685	%0,6	\$674
Guatemala	22.979	%0,5	\$905
Argentina	22.774	%0,5	\$553

* Noodle etc. exporters excluded.

SOURCE: TRADEMAP

According to Trademap data, in 2018, Turkey ranked in 2nd place after Italy in 1902.19 GTIP pasta exports, with 26.9% market share. But, among the countries exporting more than 20 thousand tons, ranked last with an export value of \$455/ton.

WORLD PASTA (1902)
IMPORT IN 2018 (USD)

9.583.820

WORLD PASTA (1902)
IMPORT IN 2018 (TON)

6.707.123

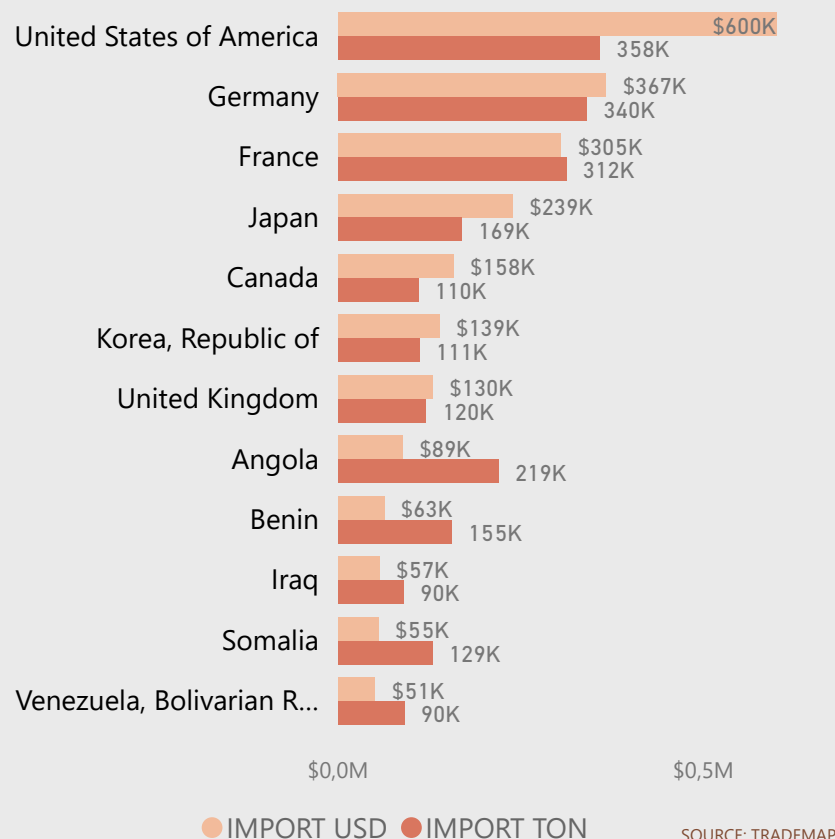
WORLD PASTA (1902.19)
IMPORT IN 2018 (USD)

4.278.458

WORLD PASTA (1902.19)
IMPORT IN 2018 (TON)

4.175.413

WORLD PASTA IMPORTS IN 2018 (1902.19 HS CODE)



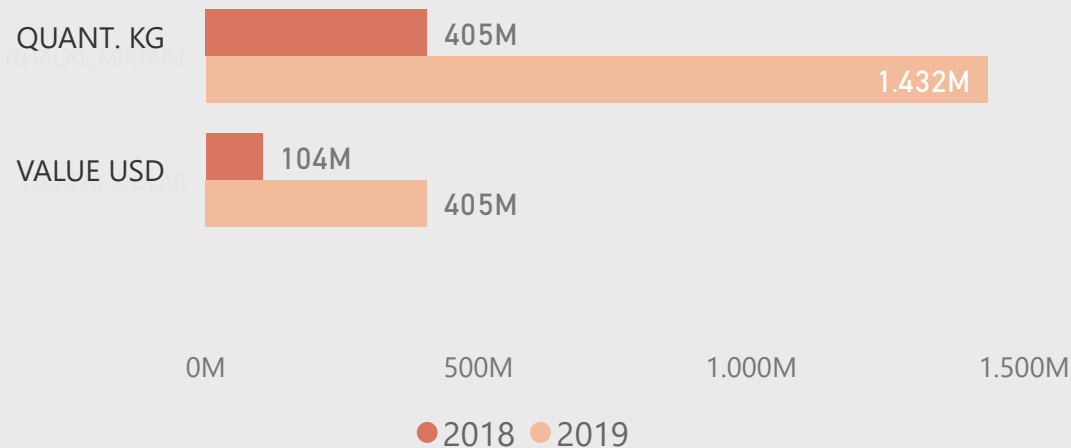
UNIT IMPORT PRICE OF COUNTRIES OVER 55K IMPORT QUANT. (\$/TON)

COUNTRY	IMPORT TON	IMPORT SHARE	UNIT PRICE (\$/TON)
United States of America	358.157	%8,6	\$1.674
Germany	340.339	%8,2	\$1.077
France	312.073	%7,5	\$977
Angola	219.224	%5,3	\$404
Japan	168.883	%4,0	\$1.415
Benin	155.159	%3,7	\$407
Somalia	128.708	%3,1	\$429
United Kingdom	120.198	%2,9	\$1.078
Korea, Republic of	111.070	%2,7	\$1.248
Canada	109.675	%2,6	\$1.438
Venezuela, Bolivarian Republic of	90.441	%2,2	\$559
Iraq	89.521	%2,1	\$632
Togo	87.913	%2,1	\$413
Netherlands	81.585	%2,0	\$1.223
Belgium	66.179	%1,6	\$1.253
Hong Kong, China	56.539	%1,4	\$1.422
Russian Federation	55.229	%1,3	\$1.129

SOURCE: TRADEMAP

According to Trademap data, in 2018, USA ranked first with 8.6% share in 1902.19 GTIP pasta imports. Germany (340 thousand tons) and France (312 tons) followed USA, respectively. Angola, which Turkey exported 160 tons of pasta in 2018, is the fourth largest importer country.

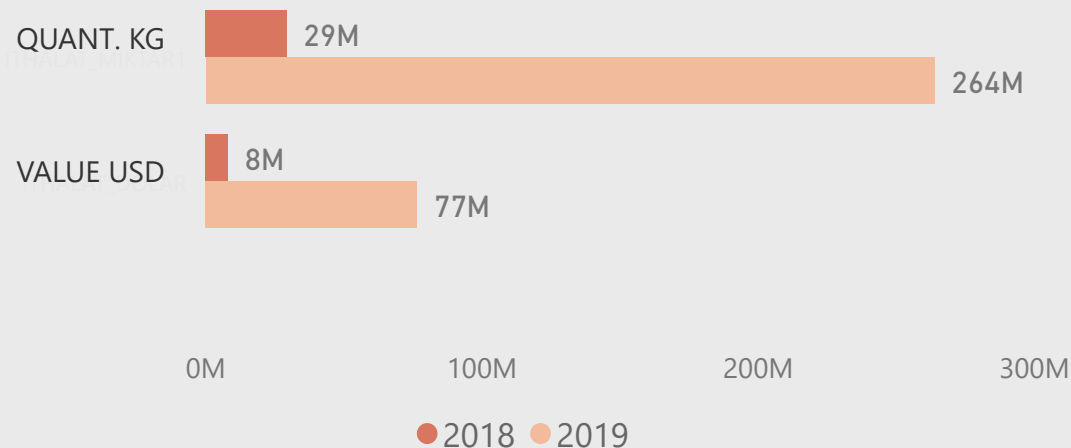
JANUARY - DECEMBER 2019



Compared to the previous year, durum wheat imports increased by 253.4% in 2019, reaching 1,432 million tons. In terms of value, durum wheat imports increased by 290.4% in 2019, reaching \$405 million.

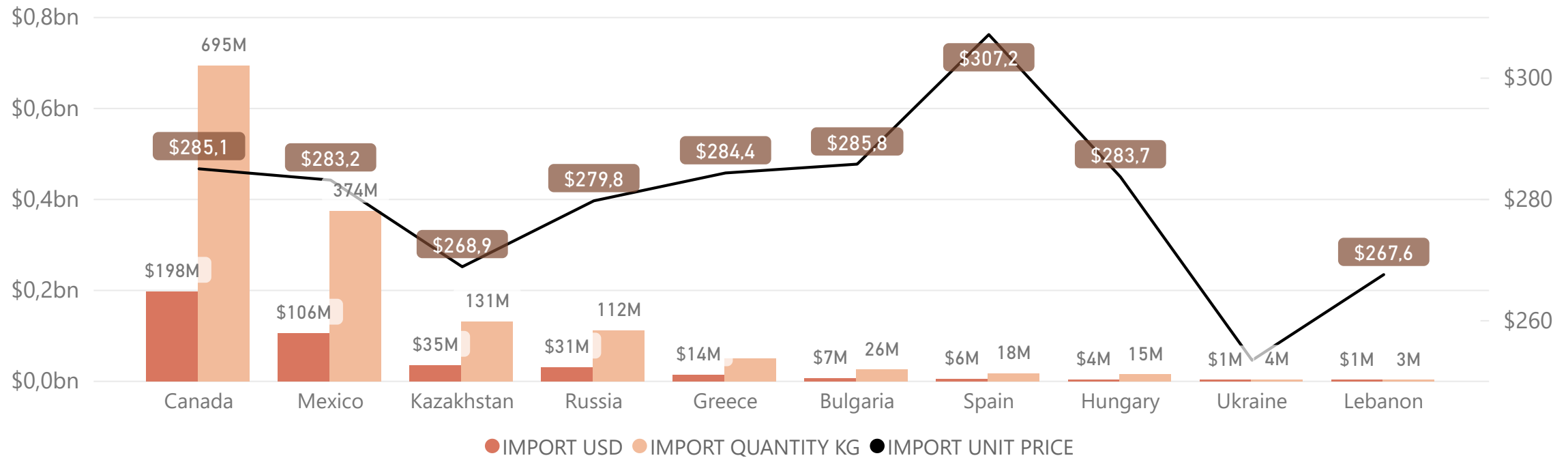
In December, compared to the same period of the previous year, the import of durum wheat increased by 800% in quantity and reached 263.4 thousand tons; in terms of value, reached to 76.5 million dollars with an 855% increase.

DECEMBER 2019



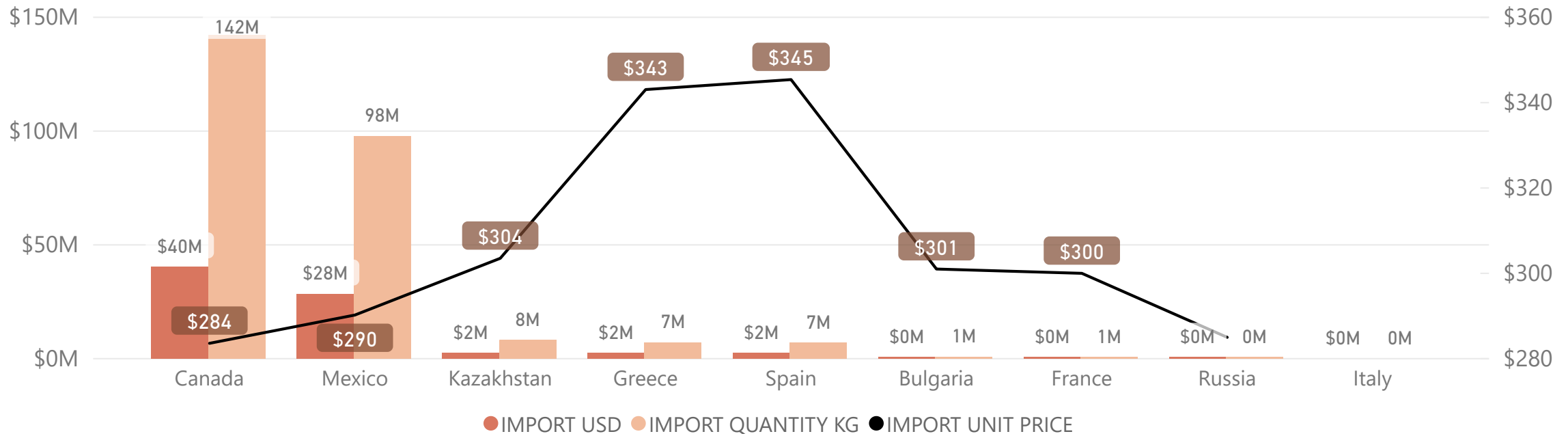
While the average unit price per ton was \$256/ton in 2018, it increased by 10.4% to \$283/ton in 2019.

While the average price was \$273/ton in December 2018, it reached \$290/ton in December 2019, with an increase of 6.2%.



In December 2019, the highest amount of durum wheat is imported from Canada with 695 thousand tons (\$198 million), followed by Mexico and Kazakhstan.

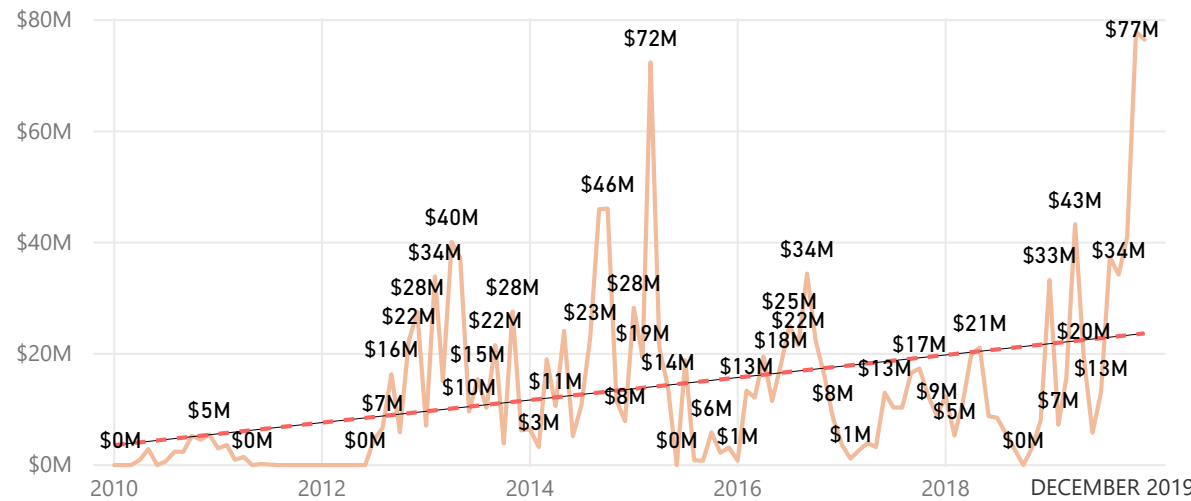
In December, average unit price of durum wheat imported from Canada was \$285/ton. This figure is also the lowest price, while the highest unit price belongs to Spain with \$307/ton.



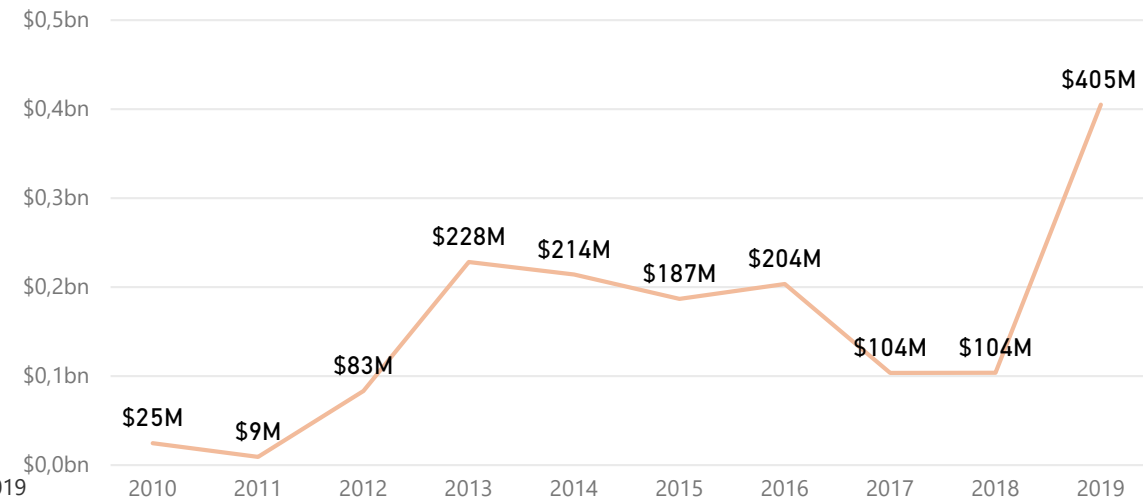
In December 2019, the highest amount of durum wheat is imported from Canada with 142 thousand tons (\$40 million), followed by Mexico and Kazakhstan.

In December, average unit price of durum wheat imported from Canada was \$284/ton. This figure is also the lowest price, while the highest unit price belongs to Spain with \$345/ton.

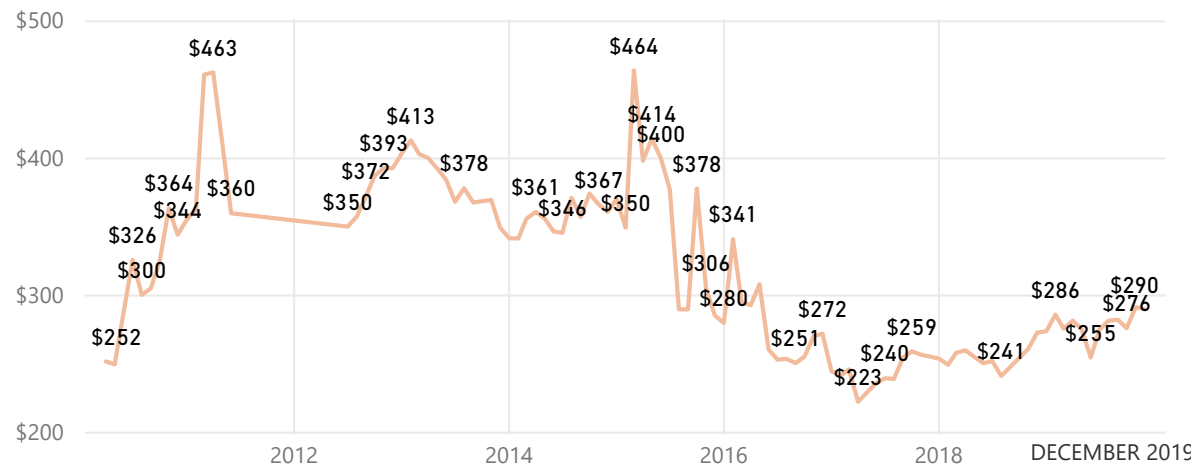
MONTHLY IMPORT VALUE (USD)



YEARLY IMPORT VALUE (USD)



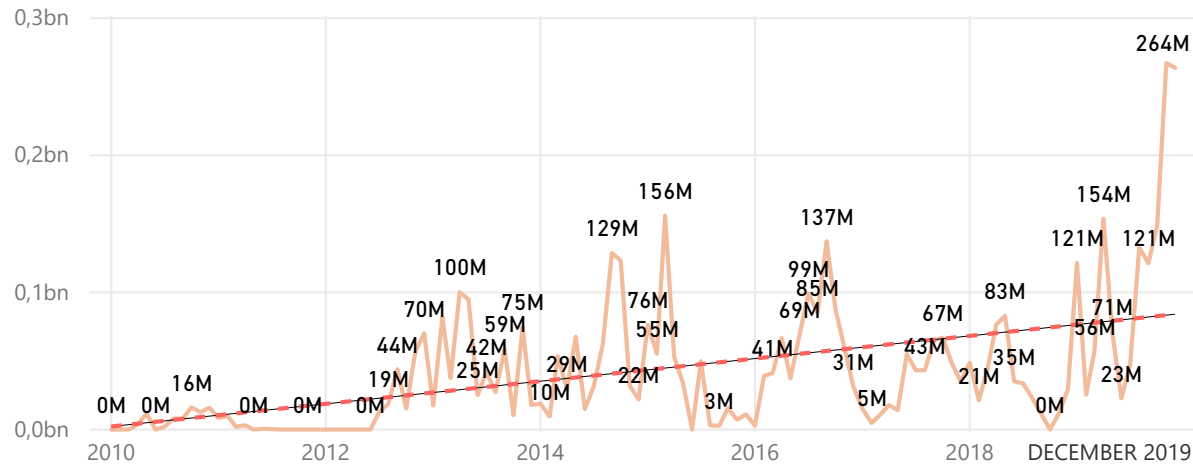
MONTHLY IMPORT UNIT PRICE (USD/TON)



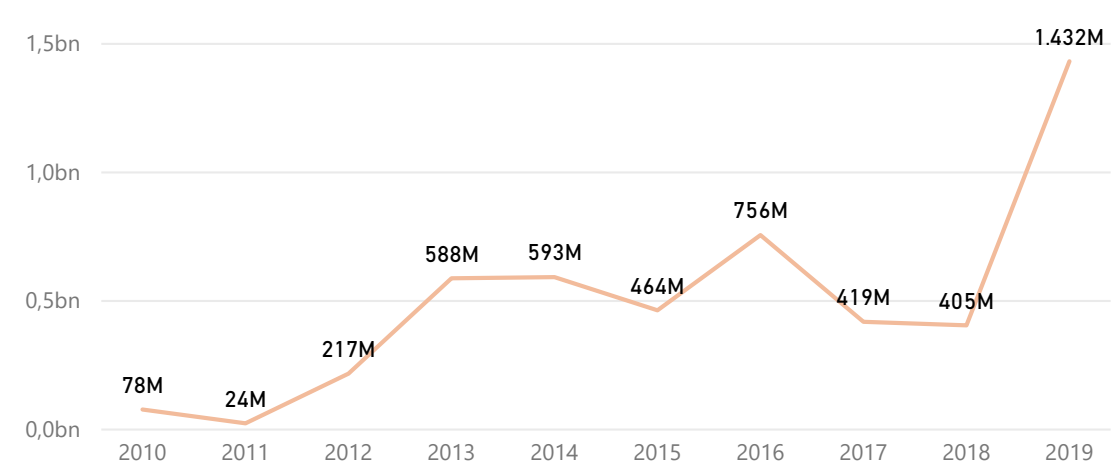
When the monthly import values are analyzed by years, it is seen that the imports of durum wheat in November and December are the highest monthly import figures ever.

In addition, import figures by year shows that 2019 imports are 4 times that of 2018. It's also notable that imports especially increased in second half of 2019 and unit prices increased from \$255/ton to \$290/ton.

MONTHLY IMPORT QUANTITY (KG)



YEARLY IMPORT QUANTITY (KG)



Imports in 2019 (1,432 million tons) are the highest in all years. It's also twice that of 2016, which is the second year with the highest imports. Also import figure in 2019 is about 4 times the imports in 2018.

Imports in November (267 thousand tons) and December (264 thousand tons) of 2019 are the highest monthly imports.

HS CODE 6 - PRODUCT NAME	IMPORT QUANT. (KG)	IMPORT VALUE (USD)	PREV. YEAR IMPORT QUANT. (KG)	PREV. YEAR IMPORT VALUE (USD)	CHANGE % (KG)	CHANGE % (USD)
100119	1.432.327.280	\$405.078.999	405.263.194	\$103.771.994	%253,4	%290,4
Durum wheat (excl. seed for sowing)	1.432.327.280	\$405.078.999	405.263.194	\$103.771.994	%253,4	%290,4
190219	2.783.899	\$4.426.398	1.999.514	\$3.458.290	%39,2	%28,0
Uncooked pasta, not stuffed or otherwise prepared, not containing common wheat flour or meal or eggs			1.667.990	\$2.753.402	-%100,0	-%100,0
Uncooked pasta, not stuffed, others	166.357	\$287.537	184.969	\$395.544	-%10,1	-%27,3
Uncooked pasta, not stuffed or otherwise prepared	138.920	\$276.303	104.243	\$210.973	%33,3	%31,0
Low protein pasta for phenylketonuria patients	0	\$0	11.848	\$52.645	-%100,0	-%100,0
Uncooked pasta, not stuffed or otherwise prepared, containing vegetables	32.037	\$38.948	30.464	\$45.726	%5,2	-%14,8
Uncooked pasta, not stuffed or otherwise prepared, not containing common wheat flour or meal or eggs (Excl. fenilketonüri pt.)	2.446.585	\$3.823.610				
190230	432.407	\$1.137.000	643.675	\$2.167.044	-%32,8	-%47,5
Pasta, dried	313.497	\$1.069.919	608.633	\$2.141.530	-%48,5	-%50,0
Pasta, others	118.910	\$67.081	35.042	\$25.514	%239,3	%162,9
190211	1.123.204	\$1.611.797	841.776	\$1.305.584	%33,4	%23,5
Uncooked pasta, containing common wheat flour or meal or eggs	342.265	\$651.560	370.180	\$731.064	-%7,5	-%10,9
Uncooked pasta, not stuffed containing eggs (Excl. phenylketonuria pt.), others	780.939	\$960.237	471.596	\$574.520	%65,6	%67,1
190220	253.847	\$861.950	162.885	\$703.367	%55,8	%22,5
Cooked pasta, stuffed with meat or other substances, others	121.932	\$463.842	132.531	\$560.965	-%8,0	-%17,3
Cooked pasta, cooked, stuffed with meat or other substances	130.360	\$375.649	25.981	\$80.988	%401,8	%363,8
Pasta, stuffed, containing > 20% by weight of fish, etc	1.555	\$22.459	4.373	\$61.414	-%64,4	-%63,4
100111	62.820	\$63.791	27.678	\$32.124	%127,0	%98,6
Durum wheat seed for sowing	62.820	\$63.791	27.678	\$32.124	%127,0	%98,6
190240	48	\$228	0	\$0		
Couscous unprepared	0	\$0	0	\$0		
Couscous, cooked or otherwise prepared	48	\$228				
Total	1.436.983.505	\$413.180.163	408.938.722	\$111.438.403	%251,4	%270,8

* Comparisons were made with the same period of the previous year.

3.500.000

TON PRODUCTION

291

KG/DECARE (YIELD)

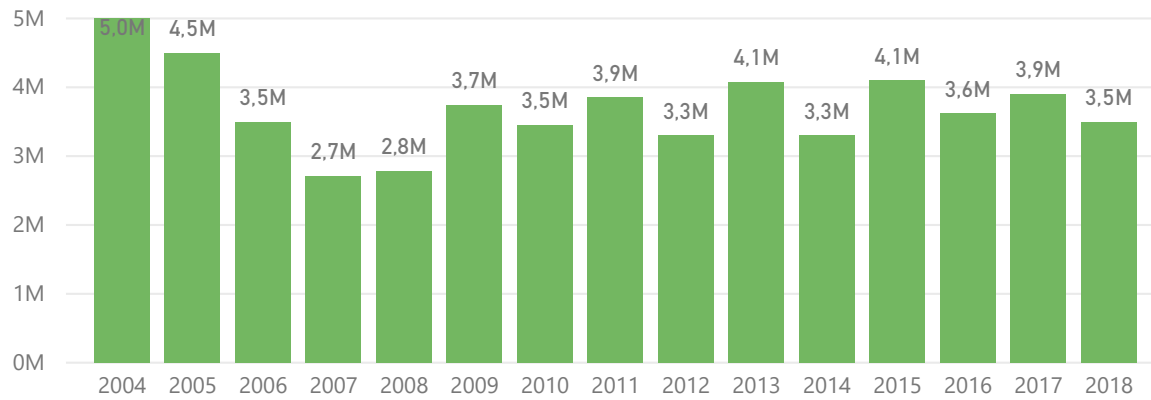
12.021.006

DECARE HARVEST AREA

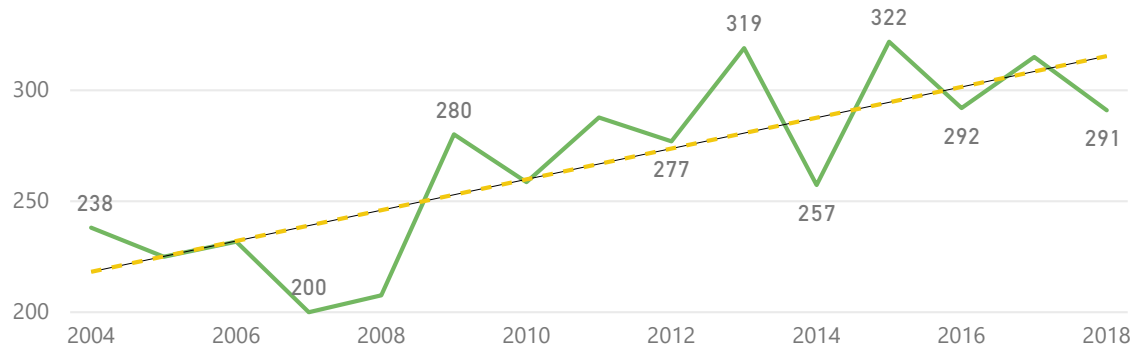
%16,5

RATIO PER TOTAL WHEAT

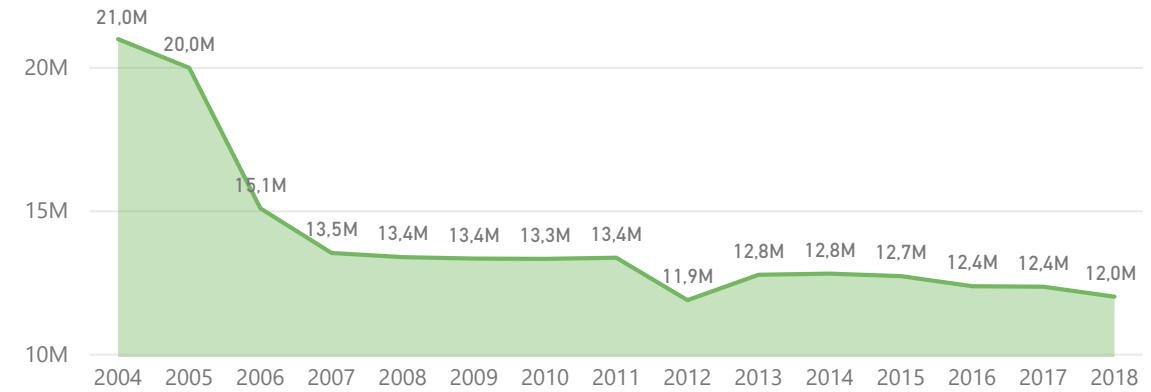
DURUM WHEAT PRODUCTION PER YEAR



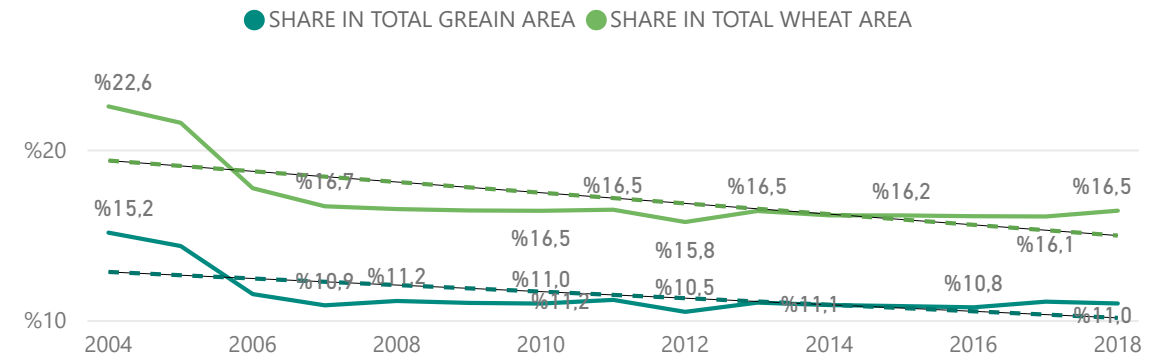
DURUM WHEAT YIELD PER YEAR (KG/DECARE)



DURUM WHEAT HARVEST AREA PER YER (DECARE)



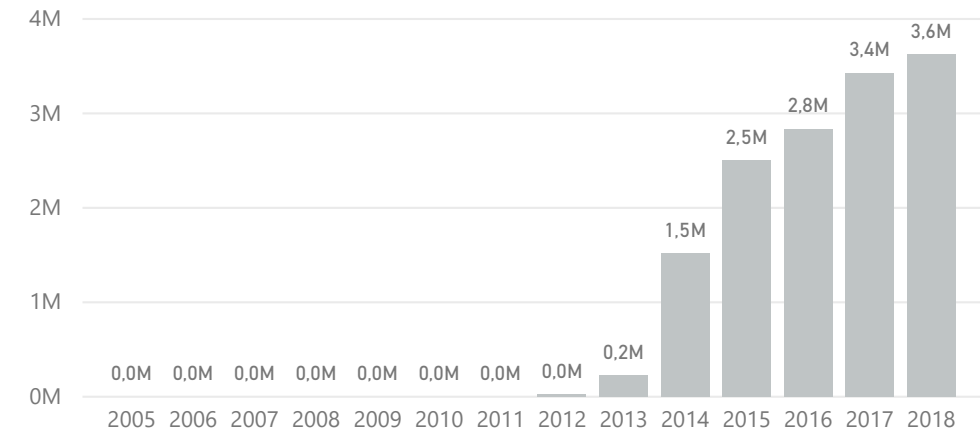
RATIO OF DURUM WHEAT HARVEST AREA



PASTA CONSUMPTION PER CAPITA (Kg/Per)

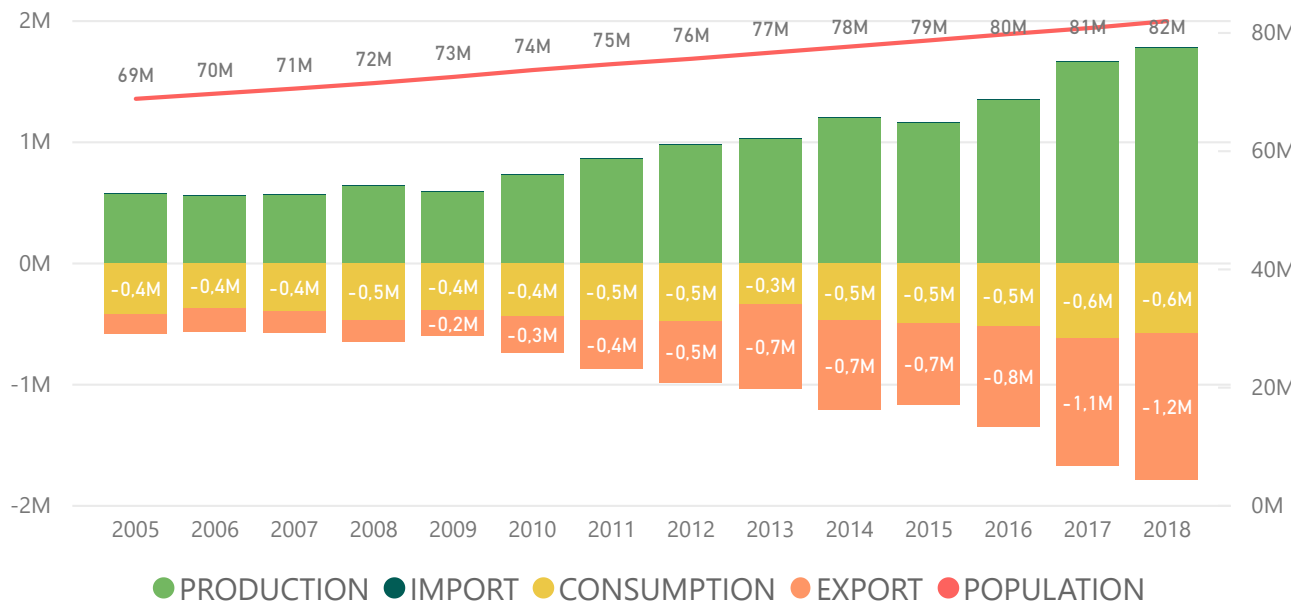


REFUGEE NUMBERS PER YEAR



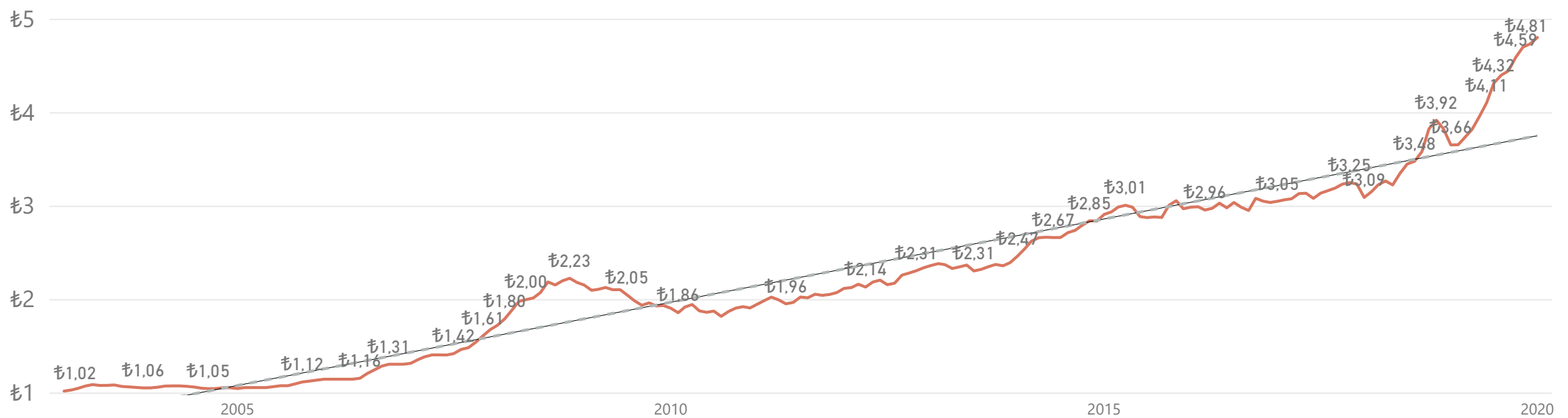
* Calculations were made with population of Turkey and additional refugee numbers.

Source : Ministry of the interior and TÜİK



YEAR	Product. (Ton)	Import (Ton)	Export (Ton)	Consumption (Ton)
2005	580.516	735	164.413	416.838
2006	558.517	1.000	191.196	368.321
2007	571.292	1.193	177.971	394.513
2008	640.985	154	175.614	465.525
2009	595.160	1.784	213.516	383.428
2010	732.411	2.082	297.309	437.184
2011	863.968	2.462	404.064	462.366
2012	976.644	2.709	505.613	473.740
2013	1.026.431	3.390	693.212	336.609
2014	1.202.516	5.329	735.286	472.559
2015	1.158.069	4.143	672.105	490.107
2016	1.347.649	3.384	831.370	519.662
2017	1.667.267	4.289	1.055.256	616.300
2018	1.780.857	3.648	1.206.665	577.840

2020 january pasta market price: **₺4,81 TL/Kg**



* Consumer price index pasta price

* Vat included market price

HS12 CODE	CATEGORY	CUSTOM NAME
100111000000	DURUM FOR SEED	Durum wheat seed for sowing
100119000000	DURUM WHEAT	Durum wheat (excl. seed for sowing)
190211000011	PASTA	Uncooked pasta, containing common wheat flour or meal or eggs
190211000019	PASTA	Uncooked pasta, not stuffed containing eggs (Excl. phenylketonuria pt.), others
190219100019	PASTA	Uncooked pasta, not stuffed or otherwise prepared, not containing common wheat flour or meal or eggs (Excl. fenilketonüri pt.)
190219900011	PASTA	Uncooked pasta, not stuffed or otherwise prepared, containing vegetables
190219900012	PASTA	Uncooked pasta, not stuffed or otherwise prepared
190219900013	PASTA	Low protein pasta for phenylketonuria patients
190219900019	PASTA	Uncooked pasta, not stuffed, others
190220100000	PASTA	Pasta, stuffed, containing > 20% by weight of fish, etc
190220301000	PASTA	Pasta, stuffed with meat, containing > 20% by weight of meat and meat offal of any kind
190220309000	PASTA	Pasta, stuffed with meat, containing > 20% by weight of sausages and the like
190220910000	PASTA	Cooked pasta, cooked, stuffed with meat or other substances
190220990000	PASTA	Cooked pasta, stuffed with meat or other substances, others
190230100000	PASTA	Pasta, dried
190230900000	PASTA	Pasta, others
190240100000	PASTA	Couscous unprepared
190240900000	PASTA	Couscous, cooked or otherwise prepared

MÜSAD

MAKARNA ÜRETİCİLERİ VE SANAYİCİLERİ DERNEĞİ
Pasta Producers and Industrialists Association

