



Shellac & Forest Products Export Promotion Council (SHEFEXIL)

1. Name of the Event : **Interdye & Textile Printing Eurasia, 2018, Istanbul, Turkey.**
2. Purpose of the event (with anticipated outcome) :
 - (i) To showcase Indian products suitable for the Turkish and Eurasian market of dyestuffs, pigments, catalysts and intermediaries for the Textile industry
 - (ii) To initiate relationships with potential buyers from Turkey and other Eurasian countries
 - (iii) To cement relationships with current buyers from Turkey and other Eurasian countries
 - (iv) To receive leads and business
 - (v) To study the market dynamics of Turkey and other Eurasian countries
3. Country : Istanbul, Turkey
4. Date of Event : 25th to 27th Oct.2018.
5. EC Approval (in brief) :
6. (a) Assistance Approved : Rs. 11,25,000/-
(b) Release of 1st installment (in Rs.) : Rs. 11,25,000/-
7. Brief description of the event :

SHEFEXIL was participating for the first time in InterDye & Textile Printing Eurasia exhibition held at Istanbul Expo Center in October 2018. This was the 4th Edition of International Dyestuff, Pigments, Textile Chemicals, Digital Textile Printing, Dyeing and Printing Technology fair to be held in cooperation with the Turkish Textile Dyeing and Finishing Industrialists Association (TTTSD) and Artkim Group: Interdye & Textile Printing Eurasia. The event had the objective of gathering the Textile Dyeing and Finishing and Textile Digital Printing Industries under the same roof.

The textile sector has an important position in the Turkish industry and is growing both production and exports continuously in line with technological developments. The Turkish Textile industry has many advantages in terms of geography and raw materials, and has a trade volume of 60 billion US dollars with 25 billion US dollars in exports (2015 values). The total trade volume is expected to grow to 100 billion US dollars in 2023.

InterDye & Textile Printing Eurasia 2018 Exhibition hosted 116 companies and company representatives from 17 countries such as India, China, Switzerland, Italy, Spain and Indonesia. Total of 3187 industry professionals, including 473 foreign visitors from mainly China, India, Russia, CIS, Azerbairjan and Europe visited the exhibition for 3 days.



8. Details of the Indian Participants

- (i) **No of participants : 10 firms all member exporters of SHEFEXIL i.e.**
1. **MR. MANISH LADDHA, M/S. DIVINE DYESTUFF PVT LTD (IEC No. 0814022286)**
 2. **MR. MANOHAR SOMANI, PROP., M/S. CHAYA INDUSTRIES (IEC NO. 3111018539)**
 3. **MR. R.V. RAO, M/S. COLOURS INDIA INC. (IEC NO. '0805015329)**
 4. **MR. JAI SONI, SALES HEAD, M/S. DABUR INDIA LIMITED. (IEC NO. 588002917)**
 5. **MR. DILIP SARDA, M/S. SARDA STARCH (P) LTD. (IEC NO. 0300006993)**
 6. **MR. NISHIKANTA SANDHIBIGRAHA, M/S MICROCHEM (IEC NO. 0810010801)**
 7. **MR. PANKAJ SARDA, MARKETING MANAGER, M/s. SARDA GUMS & CHEMICALS (IEC NO. 388091851)**
 8. **MR. SIDDHARTH SHAH, M/S. AMARJYOT CHEMICAL LIMITED (IEC NO. 5206061824)**
 9. **MR GIRISH JOSHI, MARKETING EXECUTIVE, M/s. KEPRA INDUSTRIES (IEC No. 388190043)**
 10. **MS. NANDINI MERCHANT, DIRECTOR, M/s. ENCORE NATURAL POLYMERS PVT. LTD. (IEC No. '0398058920)**
- (ii) Brief profile of each participant : All were Exporters of Textile printing thickeners, Auxiliary processing and Sizing, reactive dyes, Printing dyes, Acid dyes, dye intermediates, Guar gum powder, Tamarind Kernel powder, natural gums and Textile industry products.
- (iii) Participants' feedback in brief : There is substantial market potential, as visitors from Turkey and neighboring countries also attended the fair. Several new contacts were made and new enquiries generated. There could be need for some product development in some cases to garner the market better.

9. Details of Buyers/visitors:

- (i) No of visitors / foreign buyers : 102
- (ii) Brief profile of visitors / buyers : Distributors and manufacturers of Textile dyes and auxiliaries, including Guar gum and Tamarind Kernel powder products
- (iii) Visitors' feedback in brief : Evinced interest in the Indian products, specifically reactive dyes, printing dyes, gums and tamarind kernel powder products



10. Business generated :

- a. **No of enquiries : 5+ 1+7+10+20+ 4+10+10+2+2 = 71**
- b. **No of MOU's negotiated / signed : N/a**
- c. **Orders booked / Leads generated : N/a**
- d. **Total business generated : Firm Orders \$: N/a**

11. Brief note on export potential of the country / product (as per industry feedback) :

Overall, good potential.

However, with all of Eurasian markets and EU markets focusing here, may be difficult to break into.

12. Outcome analysis by Council / Trade Bodies (reflecting the achievement and trade benefits, failure etc.)

- a. Indian products suitable for the Textile and Auxilliary industry were showcased successfully.
- b. New relationships with potential buyers – approx 90 new contacts established
- c. Old relationships with current buyers from Dubai and other neighboring countries were consolidated – 30 existing relationships renewed
- d. Business leads and firm business – 71 enquiries received.
- e. Market dynamics of Turkey and Eurasian countries studied, and potential of the market was assessed as being of high potential
- f. Need for product development to serve this growing market segment was felt by the Exporters

13. Specific inputs from the Council

14. Photos attached as evidence (SHEFEXIL Pavilion photo attached).

15. Introduction to Turkish economy :

The economy of Turkey is defined as an emerging market economy by the IMF. Turkey is among the world's developed countries according to the CIA World Factbook. Turkey is also defined by economists and political scientists as one of the world's newly industrialized countries. Turkey has the world's 17th largest nominal GDP and 13th largest GDP by PPP. The country is among the world's leading producers of agricultural products; textiles; motor vehicles, transportation equipment; construction materials; consumer electronics and home appliances.

A longstanding characteristic of the economy of Turkey is a low savings rate. Turkey has been running huge and growing current account deficits, reaching \$ 7.1 billion by January 2018, while the rolling 12-month deficit rose to \$ 51.6 billion, one of the largest current account deficits in the world. The economy has relied on capital inflows to fund private-sector excess, with Turkey's banks and big firms borrowing heavily, often in

foreign currency. Under these conditions, Turkey must find about \$200 billion a year to fund its wide current account deficit and maturing debt, always at risk of inflows drying up, having gross foreign currency reserves of just \$85 billion.

Turkey has been meeting the “60 percent EU Maastricht criteria” for public debt stock since 2004. Similarly, from 2002 to 2011, the budget deficit decreased from more than 10 percent to less than 3 percent, which is one of the EU Maastricht criteria for the budget balance.

On August 10, 2018, Turkish currency lira nosedived following Trump's tweet about doubling tariffs on Turkish steel and aluminum that day. The currency weakened 17% that day and has lost nearly 40% of its value against the dollar till that time. The crash of the lira has sent ripples through global markets, putting more pressure on the euro and increasing investors' risk aversion to emerging-market currencies across the board.

16. Turkey –India trade

Bilateral Economic and Trade Relations Between India and Turkey

Figures of export, import, trade volume (million \$)

Main Export Items to India: Gold, metalliferous ores and metal scrap, crude fertilizers and crude minerals, non-ferrous metals, power-generating machinery and equipment

Main Import Items to India: Petroleum, petroleum products and related materials, textile yarn and related products, plastics in primary forms), organic chemicals, road vehicles.

| Year | Export | Import | Volume | Balance |
|------|--------|--------|--------|---------|
| 2007 | 348 | 2.299 | 2.647 | -1.951 |
| 2008 | 542 | 2.457 | 3.000 | -1.915 |
| 2009 | 411 | 1.902 | 2.313 | -1.491 |
| 2010 | 606 | 3.409 | 4.016 | -2.803 |
| 2011 | 756 | 6.498 | 7.254 | -5.742 |
| 2012 | 791 | 5.843 | 6.635 | -5.051 |
| 2013 | 586 | 6.367 | 6.954 | -5.780 |
| 2014 | 586 | 6.898 | 7.485 | -6.311 |
| 2015 | 650 | 5.613 | 6.263 | -4.962 |
| 2016 | 652 | 5.757 | 6.409 | -5.105 |

Bilateral Cooperation Mechanisms:

- **Joint Economic Commission (JEC):** The mechanism of the Turkey-India Joint Economic and Technical Cooperation Committee (JEC) was established by the Economic and Technical Cooperation Agreement signed in 1978 and so far, 10 JEC Meetings have been realized between the two countries. The last JEC meeting (10th) between Turkey and India was held in New Delhi, on 30-31 January 2014.

- **Business Council:** The last meeting of the Business Council established in 1996 was held in Istanbul on 9 September 2009.

- **Joint Committees:** Joint Committee Meetings are held in the fields of agriculture and tourism between Turkey and India.

Projects of Turkish Firms in India:

Currently, the total amount of the contracting projects of Turkish contractors in India is around 430 million USD. Recently, the projects undertaken by Turkish firms include the Lucknow subway construction, the Mumbai subway construction, a railway tunnel construction in Jammu Kashmir and various housing projects.

Tourism: While 73,731 Indian tourists visited Turkey in 2012, this number increased to 90,934 in 2013, to 119,503 in 2014 and to 131,869

in 2015. This figure was recorded as 79,316 in 2016. Recently, there has also been a significant increase in the wedding tourism of wealthy Indian families towards Turkey.

Mutual economic agreements:

The Agreement on the Avoidance of Double Taxation (1996) and the Agreement on Encouragement and Protection of Investments (1998) were signed between the two countries.

There is no the FTA agreement between Turkey and India. However, India has the opportunity to benefit from discounted tariffs on certain products for export to Turkey by making use of the Generalized Preferences System (GSP) applied by the EU.

The Official visit of Turkish President to India

H.E. Mr. Recep Tayyip Erdoğan, President of the Republic of Turkey, has paid an official visit to India on 30 April-1 May 2017. On the occasion of the said official visit, our President came together with H.E. Mr. Kumar Mukherjee, President of India, and H.E. Mr. Narendra Modi, Prime Minister of India.

The talks focused on the development of bilateral relations, the enhancement of mutual investments, the diversification of the fields of bilateral cooperation, the development of cooperation in the field of nuclear energy, civil aviation, medicine, space and technology, the regular continuation of the Joint Economic Commission Meetings, the entering into force of the Comprehensive Economic Partnership Agreement, the increasing of the number of regular flights and destinations.

In the margin of the above-mentioned official visit, India-Turkey Business Forum has been organized. Nearly 350 participants consisting of ministers of the two countries, senior officials and businessmen attended the Business Forum held under the auspices of our President and Prime Minister of India.

During India-Turkey Business Forum, the Turkish President talked about launching of the negotiations of Turkey-India Comprehensive Economic Partnership Agreement and the Free Trade Agreement, opening of mutual offices of DEİK or TIM and the Federation of Trade and Industry Chambers of India, increasing the bilateral trade capacity and mutual investments, providing the contribution of Turkish contractors in the "100 Smart City" project initiated by the Indian Government, cooperation in high technology, computer software fields with India and benefiting from mutual experience in the field of nuclear and renewable energy.

17. Best practices of the Turkish economy :

- The important factor for the Turkish economy is an ease in the country's ties with the U.S. and the EU.
- The rebalancing of the U.S. and Turkish ties in a positive direction in recent weeks is going to help strengthen the Turkish Lira
- The new economic policy lays stress on the improving relations between Turkey and the EU, which is a major help, as the EU is the main trading partner for Turkey.
- Economists opine that what happened in the Turkish economy was a slowdown, not a crisis.
- The recent years were very much about consumption field growth and there was going to be some slowdown at some point. But the good thing with the new economic program, if it is implemented, is it will give a chance to Turkey to recover faster.
- The two parts of the economic program that will be most useful on the road to achieving this goal :The first part is fiscal policies. There has been a much greater focus on getting the right fiscal policies. For two years before that, there was overheating of the economy and there was more loose fiscal policy. The other area of focus was the structural reforms that need to take place in Turkey to achieve its productive potential in the long term.

(Inputs from Wikipedia, website of Republic of Turkey, Ministry of Foreign Affairs, and Hurriyet Daily News news items)