

Overview of Oils and Fats

Turkey which has a population of about 76 million is located at the point where East meets West, making it an important gateway for trade in the region. However, despite its proximity to Europe, Turkey has yet to be accepted into the European Union (EU).

Turkey is found to be the largest producers of indigenous vegetable oils in the East Mediterranean /Middle East region. Turkey produced an average of 1.16 million tonnes of oils and fats annually. Major vegetable oils being produced in order of decreasing output volume are sunflower oil, cottonseed oil, olive oil and soybean oil. Sunflower oil accounts for about 41 percent of the total domestic oils and fats production or 480,000 tonnes in 2008.

Due to its strategic location, Turkey is observed as a major re-exportation centre to its neighbouring countries. As such, Turkey also exported some 285,000 tonnes of oils and fats in 2008, mainly in the form of sunflower oil (244,000 tonnes). Iraq and Syria are the main destinations for Turkey's sunflower oil exports.

During 2008, the total consumption of oils & fats is estimated at 2.12 million tonnes. The vegetable oils industry produces a variety of edible oil products for its own domestic and export market as well. Naturally, sunflower oil which is the major vegetable oil being produced is the most commonly used oil. Sunflower oil accounts for 30 percent of the total oils consumption, followed by palm oil at 445,000 tonnes (21 percent) and soybean oil (6 percent) in 2008. Corn oil is the next major oil being consumed, with a volume of 121,000 tonnes recorded during 2008. Corn oil is mainly imported from USA, although some 37,000 tonnes were produced locally. While consumption of soybean oil and cottonseed oil seem to be declining, rapeseed oil is gaining popularity during the past two years. In 2008, a total of 122,000 tonnes of rapeseed oil were consumed, and mostly are from locally produced source.

Approximately 1.23 million tonnes of oils and fats were imported during 2008 to meet the country's requirement. Of this palm oil accounts for about 440,000 tonnes or roughly 36 per cent of the total oils & fats imports. Besides palm oil, Turkey in 2008 had to import another 800,000 tonnes of oils and fats, comprising mainly sunflower oil (412,000 tonnes), tallow (126,000 tonnes), palm kernel oil (105,000 tonnes) and corn oil (83,000 tonnes). Suppliers of sunflower oil to Turkey

Statistics

	2000	2002	2004	2006	2008
Production of Oils & Fats ('000 tonnes)					
Sunflower	505	329	507	492	480
Cotton oil	199	207	216	198	163
Olive oil	106	104	104	137	107
Others	233	277	309	413	413
Total	1,043	917	1,136	1,240	1,163

	2000	2002	2004	2006	2008
Imports of Oils & Fats ('000 tonnes)					
Palm oil	208	260	347	527	440
Sunflower	98	92	78	399	412
Tallow	131	133	111	158	126
Others	383	395	291	500	258
Total	820	880	827	1,584	1,236

	2000	2002	2004	2006	2008
Domestic Requirement ('000 tonnes)					
Sunflower	580	406	570	711	630
Palm oil	209	274	364	500	445
Soybean	191	267	203	334	131
Cotton oil	204	195	226	208	162
Corn oil	110	154	110	126	121
Others	478	458	437	607	635
Total	1,772	1,754	1,910	2,486	2,124

	2004	2005	2006	2007	2008
Palm Oil Imports ('000 tonnes)					
Malaysia	203	283	213	150	320
Indonesia	144	173	314	216	120
Others	-	1	-	-	-
Total	347	457	527	366	440

	2004	2005	2006	2007	2008
Sunflower Oil Imports ('000 tonnes)					
Ukraine	31	83	160	55	222
Russia	14	54	92	34	73
Other	33	64	148	74	117
Total	78	201	399	163	412

Source: Oil World

TURKEY

OILS & FATS BRIEF PROFILE

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include Ukraine, Russia, Argentina and Romania, while palm and palm kernel oils are mainly sourced from Malaysia and Indonesia.

Turkey has always been a big market for palm oil. The major palm oil products imported by Turkey include RBD palm oil, RBD palm olein, RBD palm stearin, RBD palm kernel oil, RBD palm kernel stearin and RBD palm kernel olein. These palm oil products mainly end up in a variety of food items including vegetable ghee, margarine, shortening, frying oils, industrial fats and confectionery.

	2008	Jan-Oct 09
Imports of Palm Oil from Malaysia (tonnes)		
RBD Palm Olein	66,480	1,033
RBD Palm Oil	24,433	2,278
RBD Palm Stearin	29,635	4,068
PFAD	7,903	2,125
Hydrogenated Fats	214	1334
Others	731	307
Total	129,396	11,145

Source: MPOB

The consumption pattern of oils & fats in the Turkish market can be regarded as 40% for solid fats and 60 percent liquid oils. The major uses within the solid fats segment is composed of margarine (30 percent) and industrial & commercial fats (10 percent). Turkey has a refining capacity of approximately 3.5 million tonnes, of which an estimated volume of 2.4 million tonnes are being utilized to produce cooking oils and the remaining 1.1 MMT is used to produce margarine.

In 2008, the total liquid oil/cooking oil was estimated at 950,000 tonnes while margarine output was estimated at about 500,000 tonnes (Source: Presentation by Agrilink Ltd at POFP 2009). Of the 500,000 margarine produced, about 65 percent is household/table margarine, while the balance is industrial margarine. By virtue of its strategic location, Turkey also exports to neighbouring countries in the Central Asia Republics and some Middle East countries. Solid fats such as margarine and shortening are among the products being re-exported extensively to these countries.

Import Policy

All imported oils, whether crude and refined, are subject to import tax. Import tariff for raw materials to use for manufacturing including for all the palm products is generally set at 31.2 percent. But the quantum of import duty is also dependent on the types of vegetable oils and the pur-

COUNTRY AT A GLANCE



Basic Statistics

Area: 783,562 km²

Capital: Ankara

Major cities: Istanbul, Ankara, Izmir, Antalya, Bursa,

Ports: Aliaga, Izmir, Diliskelesi, Mersin Limani.

Population: 76,805,524 (Jul 2009 est)

Urban population: 69% of total population

Population Growth: 1.312% (2009 est)

GDP: US\$ 729.4 billion (2008 est)

GDP per capita (PPP): US\$ 11,900 (2008 est)

GDP Real Growth: 1.1% (2008 est)

Total Exports: US\$ 140.8 billion (2008 est)

Commodities: Apparels, food stuffs, textiles, transport equipment.

Total Imports: US\$ 193.9 billion (2008 est)

Commodities: Machinery, chemicals, semi-finished goods, fuels, transport equipment.

Currency: Turkish Lira (TRY)

Exchange Rate: TRY 1.4855 per US\$1 (7 Nov '09)

Source: World Factbook; www.cia.gov; XE.com

pose of its usage. Import duties on imported oils for chemical/other usage seem to attract lower duties.

Import Tariffs on Selected Vegetable Oils

	Custom Duties (Percent)	
	Food Uses	Others/ Chemical
Crude Palm oil	31.2	0
RBD Palm Oil	31.2	12
Crude Palm olein	31.2	0
RBD Palm Olein	31.2	12
Crude Palm Stearin	31.2	0
RBD Palm Stearin	31.2	0
Crude Palm Kernel Oil	31.2	0
RBD Palm Kernel Oil	31.2	19.5
Crude Palm Kernel Stearin	31.2	0
RBD Palm Kernel Stearin	31.2	19.5
Crude Coconut Oil	20	0
RBD Coconut Oil	20	10
Crude Soybean Oil	31.2	10
Refined Soybean Oil	31.2	10.5
Crude Sunflower oil	36	0
Refined Sunflower oil	50	22.5

Source: Extracted from the paper on "Oils & Fats Scenario—Turkey", presented at the MPOB Palm Oil Familiarization Programme (POFP), Nov 2009.

Imported crude sunflower oil for food purposes is subject to higher duties, i.e. at 36 percent, while 50 percent of customs duty is levied on refined sunflower oil. However, there are some exceptions to these import tariff. Turkey is currently an associate member of the European Union and has begun EU accession negotiations in October 2005. For example, to comply with the Customs Union agreement with the EU and free trade agreements (FTAs) with Romania, Bulgaria and Hungary, quantities of sunflower and soybean oils under the TRQs (Tariff Rate Quota) can enter the country at reduced rate or zero duty.

References:

1. Malaysian Palm Oil Board (MPOB)
2. Malaysian Palm Oil Council (MPOC)
3. Oil World
4. USDA/FAS