



2018-2023 Q1

# Turkish Fastener Trade Analysis

## Introduction<sup>1</sup>

Türkiye, a transcontinental country straddling both Europe and Asia, has witnessed remarkable economic growth in recent years. As a result of its strategic geographic location and booming manufacturing sector, the country has become a significant player in the global fastener trade. Based on World Bank's report on 10 April 2023, Türkiye is the 19th largest economy in the world, with a GDP of roughly US\$906 billion. It is a member of the OECD and the G20, and an increasingly important donor of Official Development Assistance. Türkiye pursued ambitious reforms and enjoyed high growth rates between 2006 and 2017 that propelled the country to the higher reaches of upper-middle-income status and reduced poverty. The share of people below the US\$6.85 per day poverty line nearly halved to 9.8 percent between 2006 and 2020. However, productivity growth has slowed as reform momentum has waned over the past decade, and efforts have turned to supporting growth with credit booms and demand stimulus, intensifying internal and external vulnerabilities. High private sector debt, persistent current account deficits, high inflation, and high unemployment have been exacerbated by macro-financial instability since August 2018. In an extension of the strong COVID-19 pandemic recovery, the economy grew at 5.6 percent in 2022. However, the economy has been losing momentum amidst a deteriorating external environment and heterodox monetary policies. Two devastating earthquakes struck on February 6th, 2023: beyond the human tragedy, physical damage in 11 provinces accounting for 16.4 percent of Türkiye's population and 9.4 percent of its economy. Direct losses are estimated at US\$34.2 billion, but the reconstruction needs could be double. The earthquakes

added pressures to an increasingly fragile macro-financial situation. Pre-election spending and reconstruction efforts are expected to support growth, which is forecast at 3.2 percent in 2023 and 4.3 percent in 2024.

## Growing Fastener Industry in Türkiye

The fastener industry in Türkiye has experienced substantial growth in the past decade, driven by factors such as increased manufacturing activities, infrastructure development, and rising demand from domestic and international markets. The country's reputation for producing high-quality fasteners at competitive prices has positioned it as a preferred supplier for various industries worldwide.

Over the past decade leading up to 2021, the fastener industry in Türkiye experienced substantial growth and development. Türkiye has a diverse manufacturing sector, which drives the demand for fasteners. **Industries like automotive (With the industry recovering from the pandemic, the country's export value increased again in 2022 compared to the previous years and reached almost 31 billion U.S. dollars.** In the same year, Ford Otosan became the leading motor vehicle manufacturer based on export quantity, with a volume of 198 thousand units.)<sup>2</sup>, **construction (Türkiye's construction market size was US\$103.9 billion in 2022.** The market is projected to grow at an AAGR of more than 2% during the period 2024-2027, supported by investments in transport, renewable energy, and housing infrastructure projects<sup>3</sup>), and **machinery (Machinery is the second largest sector in Türkiye's export. In 2022, Türkiye's machinery exports reached \$ 25.5 billion. The machinery sector contributed 10 percent of Turkey's total exports.**<sup>4</sup>), are among the key consumers of fasteners.

<sup>1</sup> <https://www.worldbank.org/en/country/turkey/overview>

<sup>2</sup> <https://www.statista.com/topics/10619/automotive-industry-in-turkey/#:~:text=With%20the%20industry%20recovering%20from,volume%20of%20198%20thousand%20units.>

<sup>3</sup> <https://www.globaldata.com/store/report/turkey-construction-market-analysis/#:~:text=Turkey's%20construction%20market%20size%20was,energy%2C%20and%20housing%20infrastructure%20projects.>





### Export and Trade Partnerships

Türkiye's participation in various trade agreements and partnerships has significantly contributed to its fastener trade growth. **The country has signed preferential trade agreements with multiple countries, reducing trade barriers and facilitating smoother access to foreign markets. Moreover, its membership in the European Customs Union allows Turkish exporters to benefit from easier market access to European Union countries.**

Importers	2018	2019	2020	2021	2022
World	470,141	487,336	446,478	645,840	803,915
Germany	181,919	167,845	147,548	231,642	282,830
France	16,641	27,056	22,224	31,048	42,997
Italy	16,184	16,113	16,086	25,686	39,329
USA	8,486	18,754	20,127	28,959	37,840

Note: Numbers are in thousand USD.

**World:** Türkiye's fastener export to the world witnessed substantial growth during the five-year period, increasing from 470,141 in 2018 to 803,915 thousand USD in 2022. The average annual growth rate over this period was approximately 14.4%, indicating a strong and consistent expansion of Turkey's fastener industry in the global market.

**Germany:** Fastener export to Germany started at 181,919 thousand USD in 2018, declined in 2019 and 2020, and then

experienced a significant rebound in 2021 and 2022, reaching 282,830 thousand USD. The decline in exports in 2019 and 2020 might have been influenced by various factors, such as economic fluctuations, changes in market demand, or competitive challenges. However, the substantial increase in export in 2021 and 2022 indicates a strong recovery and a potential reinvigoration of trade ties between Turkey and Germany.

**France:** Fastener export to France showed a fluctuating pattern throughout the five years, with exports increasing from 16,641 in 2018 to 42,997 thousand USD in 2022. The average annual growth rate over this period was approximately 26.3%, showcasing significant growth in exports to the French market. Despite fluctuations, the overall trend indicates a positive and steady expansion of Turkey's fastener exports to France.

**Italy:** Exports to Italy remained relatively stable during the five-year period, with minor fluctuations. The growth rate was moderate, with an average annual increase of about 25.1%. The significant increase in 2022 (US\$ 39,329,000) compared to 2018 (US\$ 16,184,000) suggests that Turkish fasteners are gaining traction in the Italian market.

**USA:** Fastener export to the USA experienced remarkable and consistent growth throughout the five-year period. The exports increased from US\$ 8,486,000 in 2018 to US\$ 37,840,000 in 2022, with an average annual growth rate of approximately 46.5%. The rapid growth in exports to the USA indicates strong demand for Turkish fasteners in this market and successful penetration by Turkish manufacturers.

### Conclusion

The quarterly analysis of fastener exports to the world indicates a dynamic and competitive industry in Türkiye. The positive growth in exports during most quarters suggests that Turkish fastener manufacturers are gaining prominence in the international market and meeting the global demand.

Importers	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
World	196,331	206,662	201,938	199,053	215,212
Germany	66,243	74,297	72,469	69,829	78,064
France	10,632	10,223	10,151	11,984	12,649
USA	7,154	9,945	11,135	9,605	11,759
Italy	10,963	10,761	9,872	7,733	9,265

Note: Numbers are in thousand USD.

The dip in exports observed in Q3 and Q4 of 2022 could be attributed to various factors, such as changes in market demand, economic fluctuations, or supply chain disruptions. The strong rebound in exports in Q1 2023 indicates the resilience of the industry and its ability to quickly recover from any temporary setbacks. ■

Article by Sharareh Shahidi Hamedani  
Copyright owned by Fastener World

<sup>4</sup> <https://www.turkishmachinery.org/En/AboutTurkishMachineryIndustry#:~:text=Machine%20is%20the%20second%20largest,percent%20of%20Turkey's%20total%20exports.>

