

TURKEY's container glass industry for beer packaging

With the past two decades seeing TURKEY's container glass sector on the rise thanks to a steady growth in the demand for beverages –both alcoholic and non-alcoholic– as well as food, Glass Machinery Plants & Accessories presents an overview here of the country's container glass packaging industry for beer.

Rajeev Jetley

Beer has played a vital role in the growth of Turkey's container glass industry over the past twenty years – so much so that it's expected to become a major driver of demand for the container glass industry over the years to come.

OVERVIEW OF THE TURKISH BEER MARKET

In 2021, the sales volume of the Turkish beer market was estimated at around 9.4 mhl, with per capita consumption being at circa 11 litres. In 2021 the Turkish beer market was adversely affected by macroeconomic performance





marked by a high inflation environment and a declining purchasing power parity. The effects of restrictions on public events and on-trade sales points, curfews at weekends and closures on the off-trade sales points in the first half of the year were partially offset by some normalization in the second half, with volumes recovering due to an increase in mobility and the low base impact of the last year. As a result, in 2021 the Turkish beer market is estimated to have increased by 7.9 percent.

Beer sales volume in Turkey, which has the highest share of on-trade among all operations, was under pressure in the first two months of the year - impacted by tightening measures followed by the temporary opening of on-trade sales points in March, which contributed to sales volumes. Despite the sales ban and the effect of Ramadan in the second quarter, sales showed a strong performance thanks to the change in consumer behaviour and an increase in export volumes. In the third quarter, forest fires that lasted for about two weeks in the southern provinces of Turkey negatively affected hotel

reservations during the peak season, as well as on-trade sales volume. The volume growth achieved in the last quarter helped year-on-year volume growth where last year's volumes had been affected by sales limitations and lockdowns.

Anadolu Efes is the largest brewer in Turkey. The company operates three breweries, two mal-

teries and a hops processing facility in the country, having had an annual total national production capacity of 6.9 mhl of beer and 115 thousand tons of malt.

According to Tuncay Ozilhan, Chairman of the Board of Directors: "Our company has completed 52 years in business. Anadolu Efes has continued to strengthen its position as one of the leading players, with a diverse product range of both well-known beer and soft drink brands. Anadolu Efes is Europe's fifth largest and the world's ninth largest brewer by production volume, and it carries its operations into the future as a global company, together with its export markets that reach out to hundreds of millions of consumers from different cultural backgrounds and profiles all around the world. Last year, our beer operations once again preserved their strong positions in Turkey, in our key beer market and world's sixth largest, namely in Russia, as well as in Kazakhstan, Moldova and Georgia - all of which develop continuously in parallel with their strong growth potentials."





THE BEER PACKAGING CONTAINER GLASS INDUSTRY IN TURKEY

The container glass industry for beer packaging in Turkey is dominated by four container glass producers, which jointly account for most of the beer packaging in the country.

ŞİŞECAM

Şişecam's glass packaging division is the largest container glass producer, boasting an installed capacity of 1.2 million tons per

annum. In Turkey the company conducts its production activities at three facilities, respectively located in Mersin, Bursa and Eskişehir.

In 2019, the company increased its installed capacity at the Yenisehir and Mersin plants. In April 2019, it added 20,000 tons per annum capacity at its Yenisehir plant. Later in June 2019, the company increased its installed capacity at its Mersin plant by 30,000 tons per annum. Following the commissioning of its fourth furnace at the Mersin plant in June 2019, Şişecam's container glass division

increased the installed capacity of its container glass production in Turkey to 1.335 million tons per annum with a total of 12 furnaces. The new furnace in Mersin has an installed capacity of 80,000 tons per annum. Şişecam invested USD 18 M to set up this furnace.

In 2018, Şişecam's container glass division installed a new furnace at its Eskişehir plant. The company made an investment of USD 66 M for this furnace, which added 150,000 tons per annum of container glass capacity. This furnace became operational in July 2018. The company also undertook cold repair of one of its furnaces at Yenisehir plant, which added an additional capacity of 30,000 tons per annum in May 2018.

In addition to Turkey, Şişecam's container glass operations have spread into three other countries, namely Russia, Ukraine, and Georgia. The company has an overall installed capacity of 2.645 million tons of glass containers in these four countries.

In 2021, Şişecam made a strategic announcement that it would be investing in natural soda ash in the USA. This was a major step forward and the biggest investment by any Turkish company in the United States in the history of the Republic. With this US investment, Şişecam's soda ash capacity jumped from 2.5 million tons before the investment to 5 million tons today. The company's soda ash capacity is expected to reach 10 million tons by 2027, with the completion of the Atlantic and Pacific projects in the USA. Şişecam is projected to become the world leader in soda ash production by 2026.

According to Prof. Ahmet Kirman, Chairman and CEO of Şişecam Group: "We are the third largest manufacturer of glassware and the fifth largest manufacturer of glass packaging and flat glass today. In addition to



ranking among the top ten soda producers of the world, we are also the world leader in chromium chemicals. Continuing its production activities in 13 countries, our Group strengthens its capacity and technological power with its innovation, creativity, expertise and qualified human force - all the while looking toward the future with trust thanks to our product and service quality as we meet the changing market needs.”

PARK CAM GLASS

With an installed capacity of 1,000 tonnes per day, Park Cam is the second largest container glass producer in Turkey. A subsidiary of Ciner Group, which is one of the largest business conglomerates in the country, Park Cam opened its first production line in Bozuyuk with an installed capacity of 500 tonnes per day in 2013. The company commenced production with the second furnace, with an installed capacity of 500 tonnes per day in 2015. The two plants are the biggest rear-fired container glass plants, with a daily capacity of 500 tons, and are numbered among the most modern plants in the world in terms of technology. Currently, the company produces 6.5 million glass bottles in flint and green colours.

With its total capacity of 1000 tonnes per day (500 TPD each), Park Cam has plans to set up two more glass furnaces over the coming years. Initially, the company planned to start the construction of a third furnace in 2017, but that has been delayed. Upon completion of these two furnaces, the company will become one of the largest container glass producers in both the country and the region.

Park Glass' parent company, Ciner Group, is one of the largest groups of Turkey, carrying out activity in mining, energy, glass, chemicals, media, maritime, tourism and other business sectors.



Ciner Group is also one of the largest soda ash producers in the country.

GURALLAR CAM AMBALAJ

Better known for its tableware glass products, Gurallar Group ventured into container glass production in 2014, then commenced commercial production of container glass in February 2015. With an installed capacity of 300 tonnes per day, the company focuses on producing food jars and soft drinks bottles.

In November 2019, it received the Red Dot 2019 Award in Berlin, Germany, one of the most prestigious awards in the design world, for its 'Mai Dubai' bottle. Red Dot is a design concept competition that awards outstanding international product designs in a wide range from fashion and jewelry design to electronic devices, kitchenware and furniture. The competition, organized each year to identify and evaluate new designs, commands great importance in the manufacturing industry.

BASTURK CAM

Part of the Basturkler

Sirketler Group of Companies, Basturk Cam, a relative newcomer to the container glass industry, is located at the heart of the Malatya agricultural region of Eastern Anatolia. The first phase of the company's 300 tonne/day glass melting furnace was commissioned in the mid-2018.

According to company reports, in its first year of operation Basturk Cam produced more than 300 million pieces of glass bottles and nearly 250 million pieces of glass jars. Nearly half of the output went to the domestic market, while the other half was exported to food and beverage companies in Europe and other neighbouring countries.

The company will commence production from its second furnace during the first quarter of 2023. The new furnace will have a designed capacity of 560 tonnes per day.

According to Basturk Cam Chairman Mehmet Akif Basturk “Our new investment in the second furnace has continued rapidly despite the effects of the pandemic and the global energy crisis.” ■