Istanbul Africa
Trade Company

2020

FMCG and Retail Sector in Africa

SECTOR REPORT

Corporate guide for the packaged food sector in African countries and possible synergies with Turkey

About Istanbul Africa Trade Company

Istanbul Africa Trade Company aims to improve economic relations between Turkey and African countries. Through our international trade services, businesses reach better products and deliver services to large areas.

In addition to international trade services, we proudly provide product investigation, trade strategy development, contract manufacturing services.

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Disclaimer

This business report was developed to provide information about current economic outlook in Africa from our perspective. This guide does not constitute legal or regulatory advice, nor guidance or advice regarding the preparation of policies and procedures. The practices and standards described in this report may not be sufficient under applicable law or for another financial institution with which the user seeks to do business.

Contents

Foreword: Booming Retail Sector in Africa

The population growth and increase in the disposable income are the main drivers for the consumer goods market size. African countries are favorable for the packaged food and other FMCG products thanks to their demographic properties and macroeconomic growth numbers. Africa is the second most populated continent with approximately 1.3 billion people living in 54 independent countries. The population is expected to reach 1.6 billion by 2030. In addition, according to the World Bank Data, the cumulative average GDP per capita growth was 1.1% in the Sub-Saharan African countries in the last decade. The increase in GDP per capita on top of the population growth can be translated as a development in average household disposable income.

The distribution and infrastructure network in Africa has been developing rapidly. The African governments are investing in international dryports, railroads and highways. The Port of Durban, located in South Africa, is the largest and busiest shipping terminal in Sub-Saharan Africa. It handles up to 31 million tons of cargo annually. It is the fourth largest container terminal in the Southern Hemisphere, handling 2.5 Million TEU. Tanzania is investing $10 Billion on a new port and special economic zone in the Bagamoyo region. Once completed, it is expected to be the largest port in Africa. In 2018, Turkish construction giant Yapi Merkezi and the Government of Tanzania signed a $1.9 billion contract to design and construct a high-speed railway in Tanzania.

Finally, the supermarket chains are expanding into new territories and formalizing the retail sector. The South African supermarket chains are the leaders in internationalization in the African continent. For example, the Shoprite Group has 2,319 stores in total, primarily in South Africa with 1,957 stores. Namibia is the second largest market ahead with 94 stores, Angola and Zambia with 48 each. Shoprite Group has operations in Botswana, Mozambique, Lesotho and Nigeria. The expansion into Africa is followed by international supermarket chains such as SPAR and Carrefour.

Turkish products can already be seen at major African supermarkets. African distributors and retailers source packaged food, candies, baby diapers, detergents and other consumer goods from Turkish companies, due to their high quality, reliability and reasonable price tag. We believe that Turkey is a very strong partner for African countries, and African businesspeople should consider Turkish companies as one of their sourcing alternatives.

The 2020 edition of the Istanbul Africa Trade Company's FMCG and Retail Sector Report provides a comprehensive analysis of the retail sector in Africa. Furthermore, the report provides insights into leading African supermarkets and Turkish packaged food manufacturers. The report was prepared by Istanbul Africa Trade Company management and regional partners. We hope that you will enjoy reading our report and find it useful for your business. Please do not hesitate to contact us for further information regarding trade inquiries between African countries and Turkey.

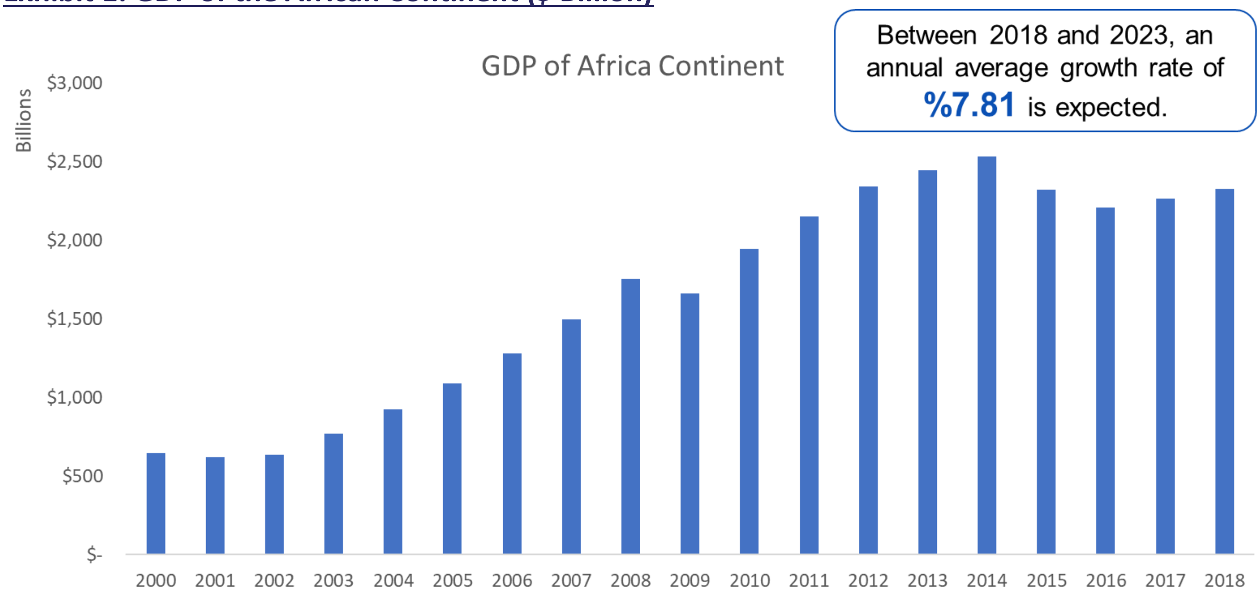
Burak Unal
Director of African Markets
Burak Ünal

Mete Unal
Director of Supply Chain
Mete Ünal

Macroeconomic Highlights

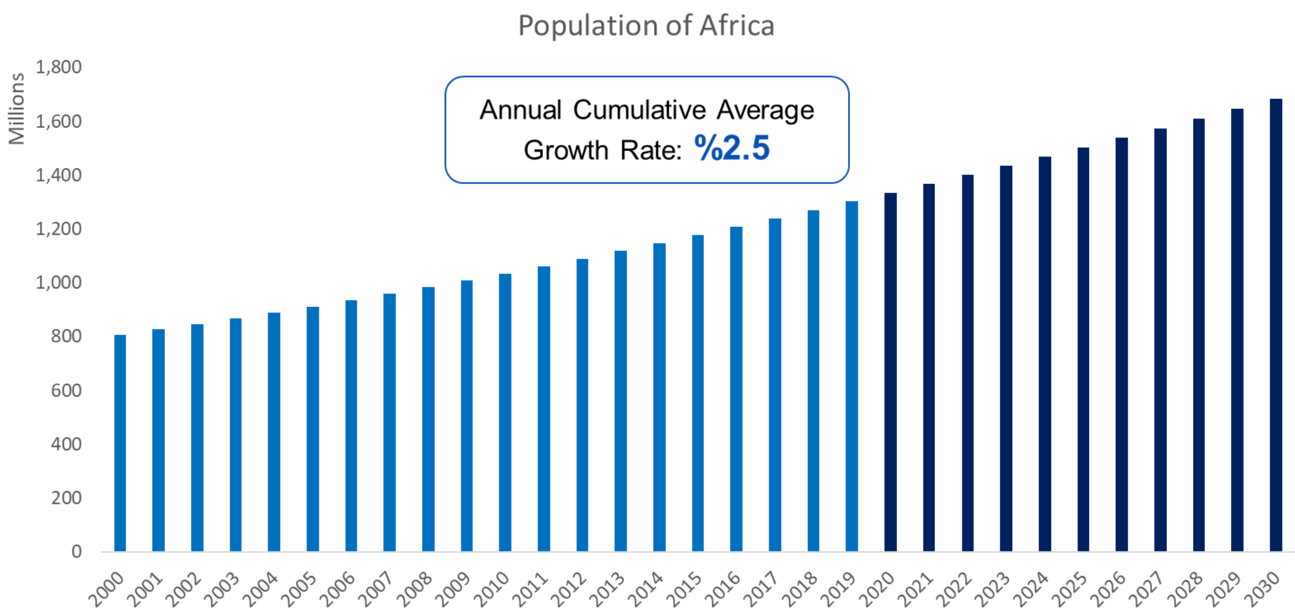
In 2019, the economic growth of Africa was 3.4%. The growth is expected to continue by 3.9% in 2020 and 4.1% in 2021. Africa's economy is growing with private consumption, investment and exports. Investment is accounting for the half of the continent's growth. It is followed by private consumption and exports.

Exhibit 1: GDP of the African Continent ($ Billion)



The population of the continent is also increasing rapidly. Currently, the population of Africa is approximately 1.3 Billion people, and it is expected to reach 1.6 Billion people by 2030. The GDP growth and population growth will transform into a bigger market size and developing consumer demands.

Exhibit 2: Population Estimation of Africa (Million)

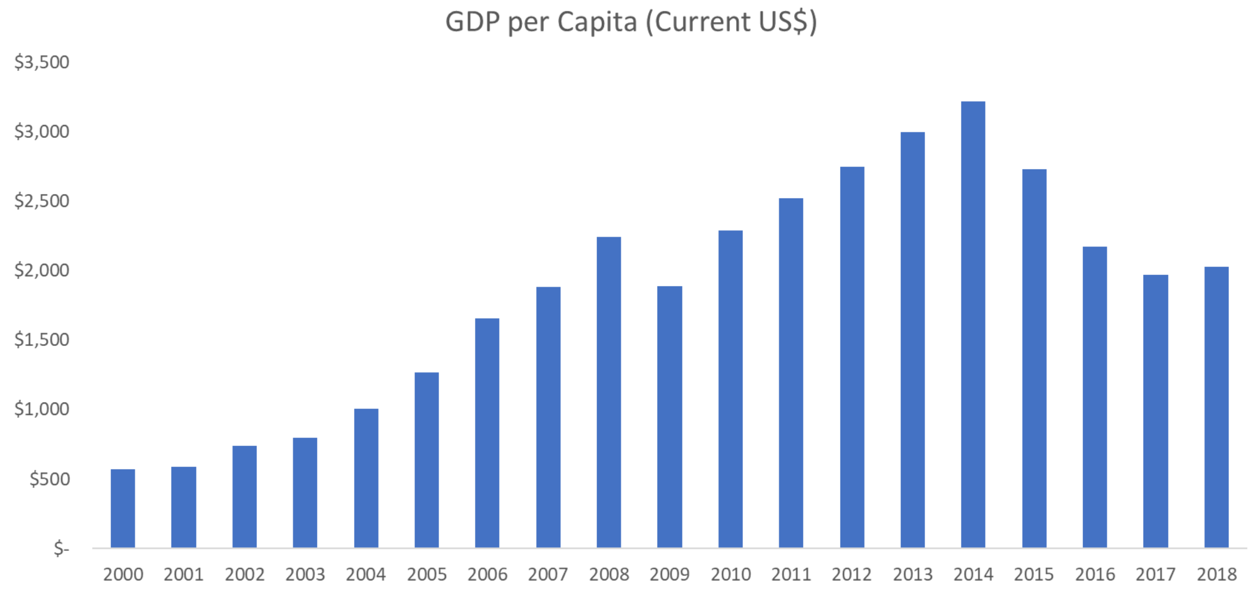


Spending patterns are highly affected by income level of the country. World Bank classified countries under four income groups:

Income Group	Income Bracket (GNI per Capita)		Characteristics
Low income	-	$1,025	Fulfilling of basic needs, day-to-day survival.
Lower middle income	$1,025	$3,995	Usually living in urban areas, striving to be middle class.
Upper middle income	$3,996	$12,375	Brand consciousness is awakened. Quality and convenience are important.
High income	$12,376	-	Very high purchasing power. Quality and luxury products are valued highly.

Many African countries are in the low-income and lower-middle income groups. The size of the middle-income class is still very low in many countries. However, there is an upward shift in income level. As the proportion of middle-income households increase, the FMCG market will be more favorable for international companies. The consumers will demand branded, high-quality and well-packaged products. And their share-of-wallet will increase for high-quality products.

Exhibit 3: GDP per Capita of African Countries

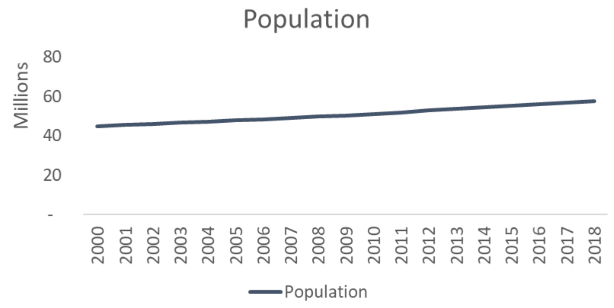


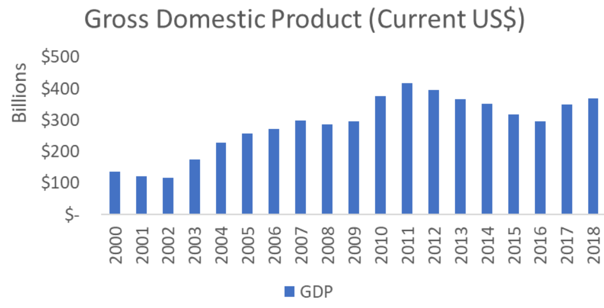
In this report, five African countries are analyzed in-depth in the next section. From a general perspective, we can tell that African countries developed substantially in the last decade. We are optimistic about the future of African countries. We expect the following macroeconomic trends:

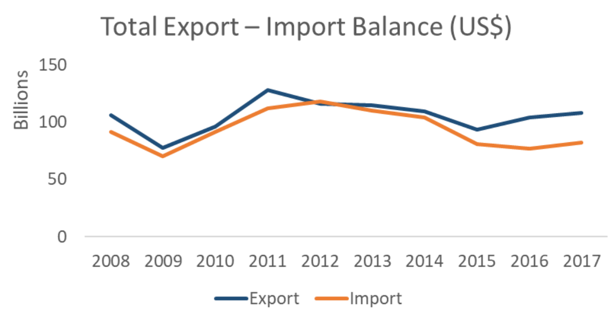
- Increased proportion of middle-income households.
- Higher consumer demand for branded products.
- More average household budget for packaged food and FMCG products.
- Formal distribution channels and supermarkets.

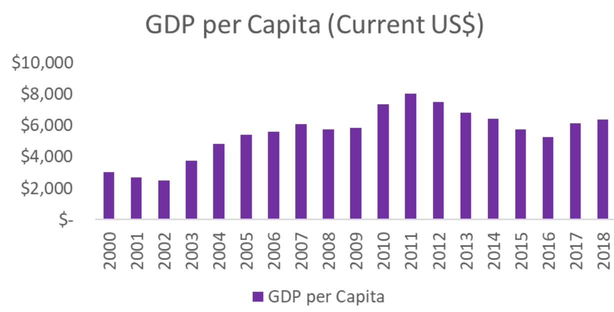
Market Analysis
South Africa

South Africa is one of the most developed countries in the African continent. It is bordered by Namibia, Botswana, Zimbabwe, Mozambique, Swaziland and Lesotho. Its population is 57 million and has $350 billion GDP, second after Nigeria. South Africa is one of the founding members of the African Union.









Packaged food reported strong retail sales growth in 2019. The products that are part of the daily diet of South Africans are the most selling items, such as dairy, rice and pasta. South African customers give importance on the price tag. The value for money is the key driver in the purchase behavior. The adverse economic conditions in South Africa affected the spending pattern of customers and many people cut their spending on non-essential products. The main patterns of these customers are bulk buying, preferring lower-priced products and choosing private label products.

The busy lifestyle in South Africa pushes customers to buy meal solutions, such as snacks that are easy to prepare and healthy. Especially, the demand for ready meals is increasing as the number of single member households is going up. In addition, the health and wellness awareness of packaged food are being trendy. Many manufacturers are following this trend and they use signs like \`sugar-free\`, salt-free\`, \`natural\` on their packaging. There are more margins on healthy products as the unit price is more expensive. However, targeting this segment limits the sale only to affluent customers.

In South Africa, modern retailing is well developed and supermarkets are the leading distribution channels. The packaged food sector is expected to grow in the near future, with convenience and affordability being the main drivers for demand. However, the middle-income and high-income consumers are attracted to value-added products such as healthy and sugar-free food. They are ready to pay more for these products. The lower-income consumers are still very price sensitive and they continue to choose the cheapest product that offers adequate quality.

Table 1: Sales of Packaged Food in South Africa: Volume (Thousand Tons)

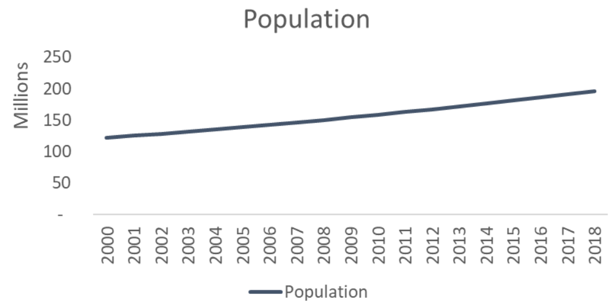
Products	2014	2015	2016	2017	2018	2019
Edible Oils	634.7	635.3	647.1	660.0	656.6	664.9
Ready Meals	31.8	32.8	32.8	33.5	34.6	34.3
Sauces, Dressings and Condiments	126.3	133.2	139.3	142.4	149.5	152.3
Soup	14.4	15.3	16.0	16.7	17.8	19.6
Sweet Spreads	31.8	35.3	37.3	38.9	41.9	44.9
Baby Food	43.7	45.0	46.2	46.0	46.5	46.6
Dairy	2064.1	2191.7	2274.0	2364.3	2348.0	2394.1
Confectionery	116.4	118.0	122.5	124.0	125.4	127.6
Ice Cream and Frozen Desserts	43.9	44.2	43.9	44.0	43.8	44.2
Savoury Snacks	133.9	138.7	147.8	157.9	165.2	172.2
Sweet Biscuits, Snack Bars and Fruit Snacks	70.4	76.8	86.1	91.2	95.1	101.9
Baked Goods	717.5	734.0	760.2	777.5	797.0	821.3
Breakfast Cereals	120.1	127.1	132.3	136.9	144.5	151.9
Processed Fruit and Vegetables	193.5	196.8	202.2	207.4	211.6	214.1
Processed Meat and Seafood	142.8	145.5	147.2	149.7	130.1	131.6
Rice, Pasta and Noodles	374.7	388.5	406.3	428.8	454.4	469.6

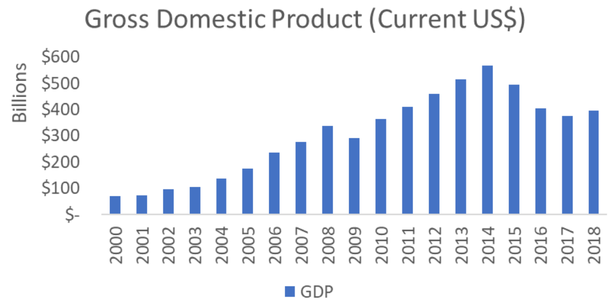
Table 2: Sales of Packaged Food in South Africa: Value (USD Million)

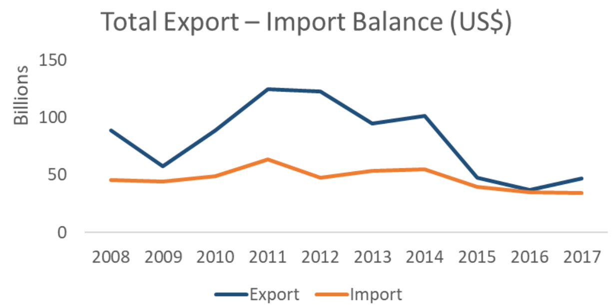
Products	2014	2015	2016	2017	2018	2019
Edible Oils	1049.0	932.4	866.8	1034.8	1128.5	1088.9
Ready Meals	280.5	257.0	243.1	298.8	321.2	322.0
Sauces, Dressings and Condiments	683.6	623.7	583.4	728.8	768.9	769.2
Soup	127.2	120.3	117.7	139.2	153.4	147.8
Sweet Spreads	160.0	155.8	153.8	188.5	214.4	225.1
Baby Food	413.1	394.6	368.4	444.4	484.3	465.8
Dairy	4401.3	4165.4	3939.6	4831.0	5240.3	5118.8
Confectionery	1220.1	1128.9	1121.7	1368.4	1472.0	1482.8
Ice Cream and Frozen Desserts	206.5	187.1	181.0	217.3	235.4	226.8
Savoury Snacks	1039.2	986.8	942.0	1165.7	1281.9	1274.5
Sweet Biscuits, Snack Bars and Fruit Snacks	392.3	364.0	359.9	439.8	485.0	485.1
Baked Goods	992.6	943.8	908.2	1093.9	1200.9	1215.0
Breakfast Cereals	512.6	473.4	455.4	551.8	590.7	595.5
Processed Fruit and Vegetables	652.3	584.0	544.3	640.9	677.5	649.7
Processed Meat and Seafood	1083.0	979.5	921.0	1084.7	992.7	962.5
Rice, Pasta and Noodles	580.4	553.6	525.1	635.1	708.6	697.8

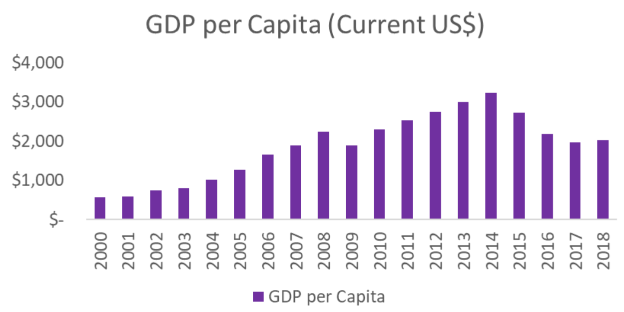
Nigeria

The Federal Republic of Nigeria is located in West Africa. It is bordered by Cameroon, Niger, Chad and Benin. Nigeria is referred as the `Giant of Africa', due to its strong economy and large population. Its population reached 191 million in 2018 and Nigeria has the highest GDP in Africa with $375 Billion. Nigeria overtook South Africa in 2014 to become Africa's largest economy. Nigeria is a member of the African Union, United Nations, OPEC and Commonwealth.









The customer spending power significantly decreased in Nigeria in the last 5 years due to worsening macroeconomic conditions. However, the packaged food sector has been performing well. There are two key drivers that support the growth of the packaged food sector. Firstly, the population of Nigeria is growing rapidly, especially the number of children and teenagers is increasing. Secondly, the consumer trend shifts from unpacked products to packaged products. Manufacturers produce in smaller packs in order to make their products more affordable. With urbanization and changing lifestyles, the market size of packaged food is growing faster.

The deprecation of local currency made imports more costly. The foreign brands lost their appeal on customers' eyes due to their higher price. However, the international players can still penetrate the market by lowering their price or making their products available in smaller packs. The retail market in Nigeria relies on non-formal trading, such as kiosks, open markets and small grocery stores. The formal and modern retailing increases its share in the total market thanks to new supermarkets, convenience stores and hypermarkets. Nigerian consumers started to change their shopping style by switching to modern retailers with the opening of new shopping malls.

The Nigerian economy is expected to recover and the consumer buying power is expected to increase. This leads to an opportunity for higher-priced products in the market. In addition, the population of Nigeria is growing swiftly, and the young population will contribute to the size of the packaged food sector.

Table 3: Sales of Packaged Food in Nigeria: Volume (Thousand Tons)

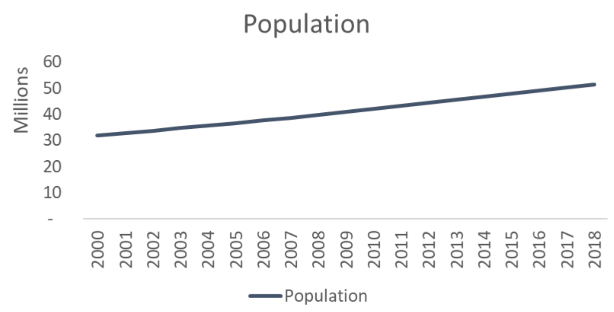
Products	2014	2015	2016	2017	2018	2019
Edible Oils	57.4	59.7	42.1	46.7	51.9	56.9
Ready Meals	-	-	-	-	-	-
Sauces, Dressings and Condiments	329.2	330.2	242.4	241.8	256.2	283.7
Soup	1.7	1.7	1.1	1.1	1.1	1.1
Sweet Spreads	2.5	2.5	1.6	1.6	1.7	1.8
Baby Food	35.7	37.7	23.8	24.3	25.9	27.8
Dairy	354.4	368.5	257.4	289.6	300.7	321.4
Confectionery	65.5	66.7	52.9	55.4	43.9	52.4
Ice Cream and Frozen Desserts	16.9	17.1	13.0	13.4	11.7	12.8
Savoury Snacks	16.6	19.0	13.0	13.9	11.4	13.5
Sweet Biscuits, Snack Bars and Fruit Snacks	135.4	140.9	111.5	117.3	108.1	117.5
Baked Goods	598.3	609.5	417.5	443.8	466.4	482.6
Breakfast Cereals	42.6	43.2	31.6	34.1	35.1	37.8
Processed Fruit and Vegetables	10.0	10.2	7.3	7.7	8.1	8.2
Processed Meat and Seafood	6.4	6.5	5.6	5.7	5.9	6.0
Rice, Pasta and Noodles	931.0	992.8	711.8	828.0	846.9	876.6

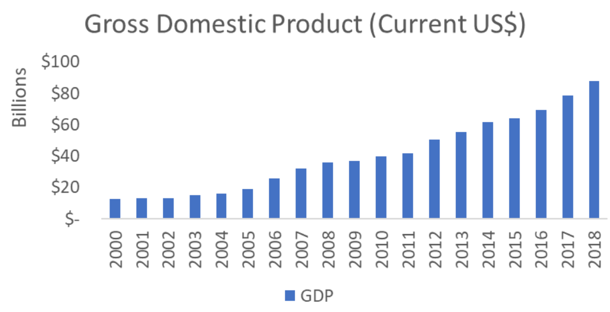
Table 4: Sales of Packaged Food in Nigeria: Value (USD Million)

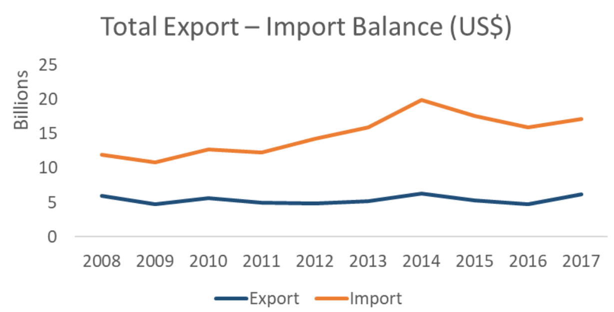
Products	2014	2015	2016	2017	2018	2019
Edible Oils	242.8	221.7	154.3	153.5	145.1	160.5
Ready Meals	-	-	-	-	-	-
Sauces, Dressings and Condiments	1552.3	1449.1	986.2	988.7	955.8	1046.6
Soup	14.5	13.1	8.2	7.7	6.7	7.0
Sweet Spreads	15.8	14.5	9.5	9.5	9.0	9.7
Baby Food	622.6	582.1	383.0	375.2	364.0	394.5
Dairy	1482.3	1353.6	954.3	990.1	939.2	1017.0
Confectionery	407.2	372.6	247.2	242.6	171.0	219.1
Ice Cream and Frozen Desserts	65.0	60.3	41.3	39.4	29.7	35.4
Savoury Snacks	129.4	125.9	80.2	77.5	56.9	71.3
Sweet Biscuits, Snack Bars and Fruit Snacks	672.1	645.3	437.2	454.1	370.6	434.2
Baked Goods	903.3	844.7	558.5	549.5	503.5	546.7
Breakfast Cereals	323.1	299.4	206.8	196.1	183.8	194.6
Processed Fruit and Vegetables	39.8	36.1	23.8	23.2	21.3	22.0
Processed Meat and Seafood	67.1	61.4	45.1	45.2	41.2	43.3
Rice, Pasta and Noodles	1763.8	1677.3	1267.2	1223.5	1131.3	1150.4

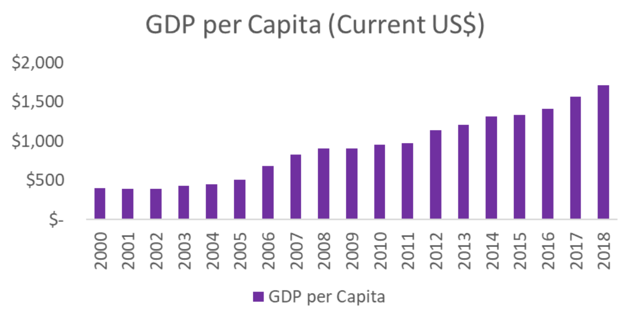
Kenya

Kenya is located in East Africa and it is bordered by Ethiopia, Somalia, South Sudan, Uganda and Tanzania. Kenya's population is 50 million and its GDP is $74 Billion. Kenya is a member of the United Nations, World Bank, International Monetary Fund, COMESA, East African Community trade bloc and other international organisations.









Kenya experienced a severe drought in the last years. Due to the drought, the income of households that rely on agriculture decreased and the price of food raw materials increased. Kenyan food manufacturers faced challenging time and they entered into a price competition to attract the remaining consumers. Recently, many firms are investing in better quality and better packaging to attract customers.

The growing middle class in Kenya prefers packaged food over unbranded and unpackaged products. This led to a sizeable growth in the sector in spite of the drought, financial crisis and trade dispute with Tanzania. The international players and local companies compete against each other. The local companies have the market familiarity advantage and they know the consumer taste better. However, international companies have the resources to promote their products and offer reasonable price for price-sensitive consumers.

The modern retailers such as supermarkets and hypermarkets are becoming more popular and they increase their share in total distribution. However, the groceries still dominate the retail market. We expect the increase in modern retailing thanks to new shopping malls and foreign supermarket chains entering the Kenyan market. We expect a better future for the agriculture production in Kenya, which will contribute to the packaged food sector as lower raw materials cost.

Table 5: Sales of Packaged Food in Kenya: Volume (Thousand Tons)

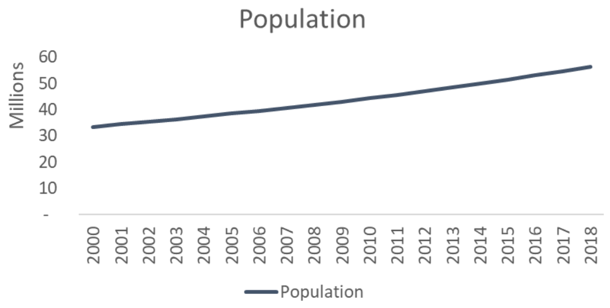
Products	2014	2015	2016	2017	2018	2019
Edible Oils	142.1	144.4	149.4	153.8	157.7	164.9
Ready Meals	-	-	-	-	-	-
Sauces, Dressings and Condiments	5.2	5.3	5.3	5.4	5.6	5.8
Soup	0.4	0.4	0.4	0.4	0.4	0.4
Sweet Spreads	1.1	1.2	1.2	1.3	1.4	1.4
Baby Food	2.1	2.2	2.3	2.5	2.6	3.0
Dairy	611.7	637.2	642.6	673.2	689.1	727.4
Confectionery	7.0	7.2	7.3	7.4	7.4	7.8
Ice Cream and Frozen Desserts	7.7	8.5	8.8	9.3	10.6	11.8
Savoury Snacks	4.7	5.1	5.3	5.7	6.0	6.5
Sweet Biscuits, Snack Bars and Fruit Snacks	13.2	13.9	14.1	14.7	15.9	16.4
Baked Goods	157.1	171.1	185.3	206.9	223.7	245.5
Breakfast Cereals	3.8	4.0	4.2	4.4	4.6	4.9
Processed Fruit and Vegetables	6.5	7.2	7.6	8.3	9.2	10.1
Processed Meat and Seafood	9.9	10.3	10.5	10.9	10.9	11.7
Rice, Pasta and Noodles	95.5	101.3	106.0	111.5	116.8	121.5

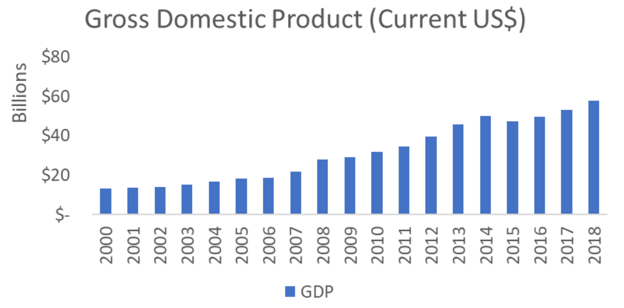
Table 6: Sales of Packaged Food in Kenya: Value (USD Million)

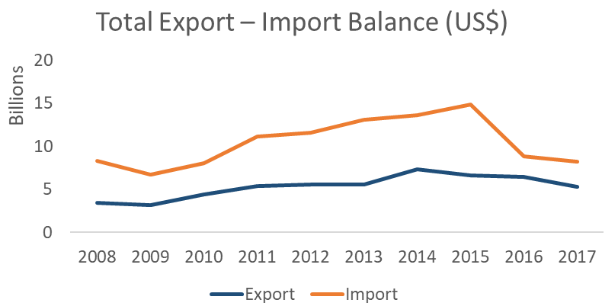
Products	2014	2015	2016	2017	2018	2019
Edible Oils	469.2	451.4	470.0	487.4	546.9	584.9
Ready Meals	-	-	-	-	-	-
Sauces, Dressings and Condiments	46.0	43.1	44.0	45.5	50.0	54.1
Soup	3.5	3.1	2.9	2.9	3.0	3.9
Sweet Spreads	5.8	5.1	5.9	5.7	7.0	6.9
Baby Food	35.3	35.9	38.0	41.2	47.3	54.1
Dairy	2315.0	2228.3	2299.2	2453.8	2740.6	2989.9
Confectionery	84.4	80.1	81.7	86.6	93.4	100.0
Ice Cream and Frozen Desserts	51.3	52.7	59.0	64.5	77.5	88.4
Savoury Snacks	40.9	41.2	45.8	52.7	62.1	72.5
Sweet Biscuits, Snack Bars and Fruit Snacks	59.6	57.3	61.6	68.0	86.4	94.3
Baked Goods	216.4	211.1	224.6	251.8	278.8	299.7
Breakfast Cereals	29.8	29.0	29.7	31.3	35.2	37.2
Processed Fruit and Vegetables	17.2	16.3	17.9	19.4	21.9	23.6
Processed Meat and Seafood	85.0	81.5	84.2	87.7	98.8	105.6
Rice, Pasta and Noodles	263.9	256.9	277.0	308.9	349.0	388.2

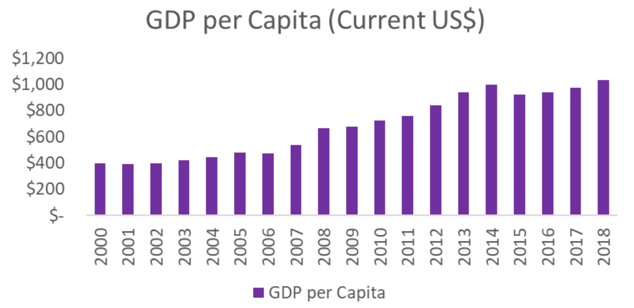
Tanzania

The United Republic of Tanzania is located in East Africa and it is bordered by Uganda, Kenya, Mozambique, Malawi, Zambia, Rwanda, Burundi and the Democratic Republic of Congo. Tanzania's population is 58 million and its GDP is $42 Billion.









Tanzania is a diverse country in terms of food and nutrition trends. The middle-income and high-income households have a better diet and they tend to consume packaged food, such as snacks and confectionery. However, low-income consumers usually have only one meal per day and they do not have much disposable income to spend on non-essential packaged products. There is also a wide difference between the urban population and the rural population. People living in rural areas tend to grow their own vegetables and fruits. The consumers living in urban areas do not have that chance, and they tend to buy their food from groceries and supermarkets.

In Tanzania, the low-income population mostly eat traditional food such as Ugali (maize). Their decision depends on the price of the food. As the income level increases, the consumers tend to eat rice, potato, pasta and western food. They are less price-conscious and they prefer tasting new dishes. In addition, the population of Tanzania is younger than the world average with 44% of the population being under 14-years-old. This demographic structure is expected to positively affect the consumption of packaged food in the future.

Similar to other African countries, the formal and modern retailing is very limited in Tanzania. Only affluent people shop packaged food in supermarkets. The remaining majority go to street retailers, independent grocery stores and open markets. The infrastructural problems limit the modernization of retailing. The distribution network is weak due to substandard road conditions and many shops in the rural areas do not have fridges. Companies that consider Tanzania as an export market should keep these challenges in their mind and take steps accordingly.

Table 7: Sales of Packaged Food in Tanzania: Volume (Thousand Tons)

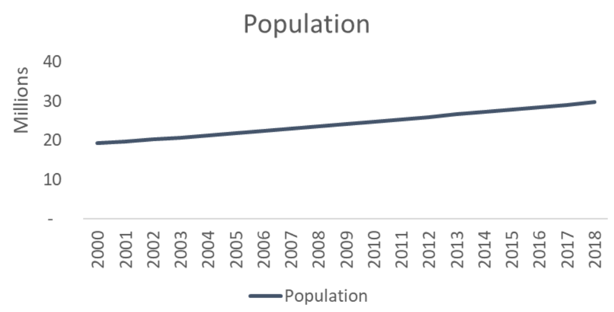
Products	2014	2015	2016	2017	2018	2019
Edible Oils	80.3	85.3	86.2	90.2	93.4	96.2
Ready Meals	-	-	-	-	-	-
Sauces, Dressings and Condiments	77.3	80.7	83.4	87.4	92.2	95.0
Soup	0.0	0.0	0.0	0.1	0.1	0.1
Sweet Spreads	1.2	1.3	1.4	1.5	1.6	1.7
Baby Food	1.9	2.0	2.1	2.2	2.3	2.4
Dairy	246.3	261.0	270.9	294.7	308.6	320.0
Confectionery	11.5	11.9	12.3	12.9	13.3	13.7
Ice Cream and Frozen Desserts	2.3	2.5	2.6	2.8	2.9	3.0
Savoury Snacks	5.7	6.2	6.5	6.8	7.2	7.5
Sweet Biscuits, Snack Bars and Fruit Snacks	13.2	14.0	14.8	16.1	16.9	17.9
Baked Goods	231.9	241.8	251.2	264.8	276.0	290.8
Breakfast Cereals	3.6	3.9	4.0	4.2	4.3	4.5
Processed Fruit and Vegetables	1.2	1.2	1.3	1.3	1.3	1.4
Processed Meat and Seafood	2.7	2.9	3.1	3.2	3.3	3.4
Rice, Pasta and Noodles	99.1	106.7	114.1	123.5	132.2	138.8

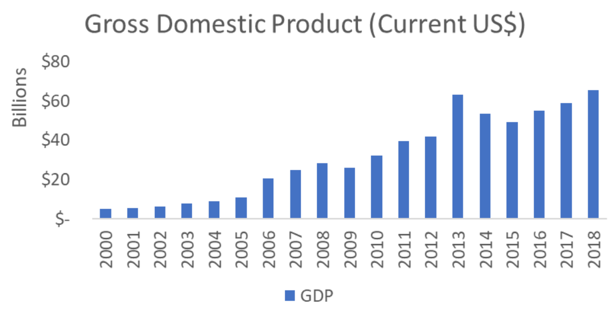
Table 8: Sales of Packaged Food in Tanzania: Value (USD Million)

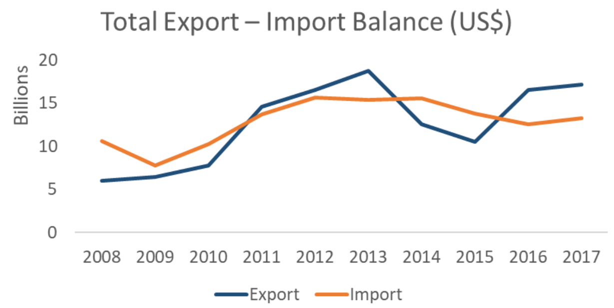
Products	2014	2015	2016	2017	2018	2019
Edible Oils	216.8	190.3	198.6	216.8	231.2	258.6
Ready Meals	-	-	-	-	-	-
Sauces, Dressings and Condiments	287.5	258.0	268.6	289.4	315.8	353.2
Soup	0.2	0.1	0.1	0.2	0.2	0.2
Sweet Spreads	6.7	6.0	6.3	7.0	7.6	8.3
Baby Food	51.0	45.1	47.8	51.9	56.7	61.0
Dairy	515.1	456.7	462.5	503.9	544.7	593.1
Confectionery	196.4	187.9	184.5	202.4	217.9	230.8
Ice Cream and Frozen Desserts	29.1	26.8	27.5	29.9	31.7	35.3
Savoury Snacks	58.7	55.8	57.7	63.4	70.2	75.1
Sweet Biscuits, Snack Bars and Fruit Snacks	118.7	109.6	111.8	122.0	132.2	144.9
Baked Goods	133.7	125.2	135.8	155.4	172.3	193.0
Breakfast Cereals	28.9	25.4	25.3	26.6	28.5	30.6
Processed Fruit and Vegetables	6.4	5.6	5.5	5.7	5.8	6.1
Processed Meat and Seafood	28.7	25.4	26.3	28.2	30.0	33.2
Rice, Pasta and Noodles	249.8	221.5	224.2	242.2	263.2	290.5

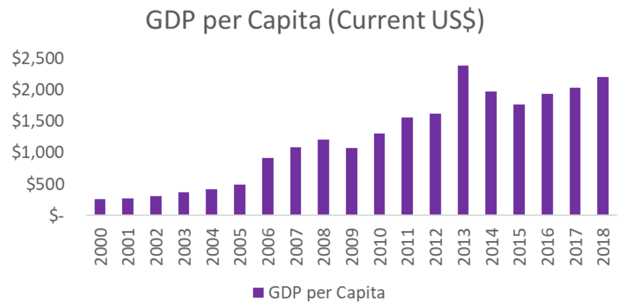
Ghana

The Republic of Ghana is located in the West Africa and it is bordered by Ivory Coast, Burkina Faso and Togo. Ghana's population is 29 million and its GDP is $47 Billion. Ghana is a member state of the Non-Aligned Movement, the African Union, the Economic Community of West African States (ECOWAS), Group of 24 and the Commonwealth of Nations.









In Ghana, there is a wide difference in alimentation trends between population in urban areas and rural areas. People living in rural areas have access to locally grown fresh food, that is why, packaged food is not common in Ghanaian rural areas. In urban areas, packaged food is more common due to its convenience. Especially, people with higher spending capacity purchase packaged food such as yoghurt, biscuits and confectionery from grocery stores. There is a trend of eating healthy, which is also promoted by the government. This increases the demand for smaller portions and less oily food.

The players in the packaged food industry are diversifying their product ranges and developing smaller packaging sizes to attract new customers. The people in the lower income levels demand products in smaller packs. Accra has a more sophisticated consumer base. Western-style confectionery and fast food is getting more popular among consumers. The busy lifestyle in Accra increases the demand for convenience food and ready-to-preapre food. However, the market size of packaged food is not expected to increase significantly in the rural areas of Ghana.

The young population of Ghana is promising for the future of the FMCG industry. This demographic fact positively affects the consumption of baby food, sweet biscuits and other snacks. In addition, low-income and middle-income people in Ghana shop from informal retail channels, such as open markets in the residential areas. Finally, the distribution network in Ghana is strong in the urban areas. New shopping centers with supermarkets and hypermarkets develop the formal retailing environment.

Table 9: Sales of Packaged Food in Ghana: Volume (Thousand Tons)

Products	2014	2015	2016	2017	2018	2019
Edible Oils	52.3	55.1	56.2	59.4	61.8	65.6
Ready Meals	-	-	-	-	-	-
Sauces, Dressings and Condiments	18.2	18.8	19.4	20.5	21.6	21.9
Soup	-	-	-	-	-	-
Sweet Spreads	1.1	1.2	1.2	1.2	1.3	1.3
Baby Food	3.7	3.9	4.1	4.4	4.6	4.8
Dairy	292.0	306.8	316.0	321.9	341.5	348.3
Confectionery	4.2	4.4	4.5	4.6	5.0	5.5
Ice Cream and Frozen Desserts	37.2	39.6	43.0	48.2	51.6	55.0
Savoury Snacks	5.2	5.5	5.8	6.1	6.6	7.2
Sweet Biscuits, Snack Bars and Fruit Snacks	13.5	14.7	17.9	18.7	19.7	20.9
Baked Goods	168.4	175.7	178.2	184.2	193.4	199.9
Breakfast Cereals	5.8	6.7	7.2	7.9	8.7	9.4
Processed Fruit and Vegetables	0.8	0.8	0.8	0.8	0.9	0.9
Processed Meat and Seafood	5.2	5.7	6.2	6.4	6.9	7.2
Rice, Pasta and Noodles	132.9	142.2	150.7	160.2	172.9	183.2

Table 10: Sales of Packaged Food in Ghana: Value (USD Million)

Products	2014	2015	2016	2017	2018	2019
Edible Oils	152.9	133.3	156.9	164.3	174.8	177.3
Ready Meals	-	-	-	-	-	-
Sauces, Dressings and Condiments	84.2	75.2	87.3	87.8	91.6	92.4
Soup	-	-	-	-	-	-
Sweet Spreads	7.7	6.9	8.2	8.7	9.5	10.0
Baby Food	35.7	31.3	37.2	37.7	39.9	40.0
Dairy	1188.9	1045.4	1200.3	1227.7	1266.6	1293.0
Confectionery	63.6	57.6	63.9	66.1	73.2	76.1
Ice Cream and Frozen Desserts	92.5	80.7	98.4	107.7	119.7	125.8
Savoury Snacks	43.8	39.4	46.1	48.9	53.7	54.8
Sweet Biscuits, Snack Bars and Fruit Snacks	103.3	95.3	126.5	135.0	141.9	140.0
Baked Goods	415.9	364.5	434.7	457.6	500.5	528.4
Breakfast Cereals	36.4	31.6	36.6	37.4	39.3	39.4
Processed Fruit and Vegetables	2.9	2.6	3.1	3.3	3.5	3.6
Processed Meat and Seafood	31.7	28.4	34.4	37.2	40.4	42.1
Rice, Pasta and Noodles	330.5	297.5	350.4	365.6	385.8	394.2

Major Supermarket Chains in Africa

The retail sector in Africa has been formalized by the expansion of supermarket chains. With a more sophisticated distribution network and an increasing number of middle-income households, the supermarkets expanded into new countries and territories. South African supermarkets are leading this expansion process, however there are also other local and international players that take advantage of the growing market in African countries.

The international supermarket chains will benefit from the integrated African market. African countries are taking serious steps in promoting trade and developing welfare. In March 2018, 44 out of 54 African countries signed the African Continental Free Trade Agreement (AfCFTA) in Kigali, Rwanda. The agreement outlines the removal of tariffs on 90% of goods, allowing free access to commodities, goods and services across African countries. If the African Continental Free Trade Agreement enters into force, the Intra-Africa trade can converge to the level of Intra-Asia or Intra-Europe trade. We believe that the supermarket chains will have lower customs and logistics costs and this will increase their expansion process.

Retail sales in Africa reached to over $500 billion in 2018. Africa is made up of a combination of traditional and modern retailing channels. The sales channels vary by country and are influenced by factors such as economy, development state, consumer preferences and culture. Traditional and informal retailing dominates the continent due to a lack of infrastructural development. Small groceries and kiosks are the main players in the traditional retailing channel. These groceries offer flexible trading times, accessibility and lower-priced products. In these groceries, customers can buy smaller quantities and single items, compared to complete packs at supermarkets, such as single cigarettes, sugar cubes, unpacked rice, etc.

Informal retailing is still a dominant retail sales channel in many African countries. This form of retailing includes open-air markets, street vendors and tabletop merchants. Almost all the products that are sold in supermarkets are also available in informal retail stores. As opposed to the general perception, all levels of society shop through the informal retailing channel.

Africa's rising middle class is contributing to the modernisation of retailing. New shopping malls are being constructed across Africa. With the rise of disposable income, consumers show brand consciousness and demand for higher quality.

In the next section, we analyzed 10 supermarket chains in Africa. You can find their brief summary, number of stores, regional presence and financial data.

Shoprite

Shoprite Group opened its very first store in 1979 and grew with new acquisitions and innovative expansion strategies building it into the leading food retailer in Africa. The Shoprite Group has business operations in 15 countries on the African continent. The Group has an influential presence in the South African food retailer market with a 30.6% market share. The group, which employs 147,268 people in 15 countries, is a huge job provider in the African continent. The Group provides its food retail service in 4 different groups.

Firstly, Shoprite Store is the flagship brand, providing goods and services to the mass middle-income market. Secondly, Usave shops are small-format stores that offer a limited range of basic food for lower-income customers. Checkers is the brand for affluent customers, which prioritises convenience, quality and freshness. Lastly, CheckersHyper is the larger version with wider-range stores with similar products to Checkers.

In 2019, the Shoprite Group achieved around $8 billion in sales revenue. 74.8% of the sales acquired from the South Africa division, other areas contributed 14.2%, the rest of the revenue received from non-supermarket sales, such as furniture and other operations. The Group expanded its operations and opened 126 net new stores and acquired 36 new trucks in 2019.

As of 2019, the Shoprite Group has 2,319 stores in total, primarily in South Africa with 1,957 stores. Namibia is the second largest market ahead with 94 stores, Angola and Zambia with 48 each. Shoprite Group has operations in Botswana, Mozambique, Lesotho and Nigeria.

Massmart

Massmart was founded, with Mikro as the founding entity, with 6 stores in 1990. Massmart, Africa's second largest retail group, was listed on the Johannesburg Stock Exchange (JSE) on 4 July 2000. The Group is currently a top 40 listed company (by turnover) and is a participant in the JSE Limited's Socially Responsible Investment Index. Currently, 52% of Massmart's shares are owned by Walmart (USA).

As of January 2019, Massmart has 436 stores across 13 sub-Saharan countries. Massmart employs approximately 51,000 permanent and flexi-time staff and achieved annual sales of $5.3 billion for the year ending December 2019. Massmart has four divisions each comprising widely recognized, differentiated retail and wholesale formats. Game and Dionwired stores are the general merchandise and food discounters. These mass discounters have a presence in 12 countries with more than 150 stores. Makro is the warehouse division of Massmart Group with 21 stores, which operate only in South Africa. Builders brand is the building material supplier of Massmart, they are located in South Africa, Botswana, Mozambique and Zambia. Jumb, Cash & Carry and Cambridge are the food wholesaler and retailer division in 7 different countries.

Massmart is the second-largest distributor of consumer goods in Africa, and is the leading retailer of general merchandise, liquor, home improvement and building supplies, and the leading food wholesaler. Massmart's main operation location is South Africa, where the company has 389 stores and generated 91.3% of the total sales in 2017. Outside of South Africa, Massmart has 47 stores.

Pick n Pay

In 1967, the first four Pick n Pay stores were purchased by Raymond Ackerman in Cape Town, South Africa. The Group has grown to encompass stores across South Africa, Namibia, Botswana, Zambia, Eswatini and Lesotho with 1,795 stores. Also, Pick n Pay owns a 49% share of Zimbabwean supermarket chain, TM Supermarkets. The company operates through multiple store formats under three brands – Pick n Pay, Boxer and TM Supermarkets – and has the largest online grocery business in Africa. Out of 1,795 Pick n Pay stores in Africa, 1,019 of them are company-owned, 719 of them are franchise stores and 57 of them are TM Supermarkets.

The company offers different store formats in different countries. Exclusively in South Africa, 20 Pick n Pay Hypermarkets provide a wide range of products to customers via an average 15,000 m^2 store area. 552 Pick n Pay Supermarkets are the most common type of Pick n Pay stores in 7 African countries, they are around 3,000 m^2 and more than half of them are franchise. In South Africa, BP and Pick n Pay have a partnership. The company provides small 24-hour Pick n Pay Express convenience stores at BP service station forecourts in South Africa. Pick N Pay Liquor stores are situated close to their supermarkets and hypermarkets but with separate entrances. These stores offer a range of wine, spirits and beer, including innovative local craft products. Lastly, Boxer stores provide a “one-stop shop” for middle- to lower-income shoppers in South Africa and Eswatini and are becoming South Africa’s leading limited-range discount supermarket.

Pick n Pay mainly operates in South Africa with 1,647 stores, but it has 148 stores outside South Africa, with established operations in Botswana, Eswatini, Lesotho, Namibia, Zambia and Zimbabwe. These operations generated segmental revenue of around $256 million in 2019.

Spar

SPAR, originally DESPAR, is a Dutch multinational franchise that operates food retail stores. SPAR started with one Dutch store in 1932 and now comprises more than 13,100 stores in over 45 countries on four continents. SPAR has an established presence in 11 countries in Africa with over 1,000 stores. SPAR commenced its activities in the African continent initially in South Africa in 1963.

South Africa is a critical hub for SPAR, the company is a dominant player in the South African market with 887 stores and generated almost €5 billion revenue in 2018, second highest turnover after SPAR Austria with €6.88 billion. In addition to South Africa, SPAR has a long-lasting relationship with Zimbabwe since 1969. SPAR Zimbabwe continued to open new company-owned stores in 2018; 14 stores of the 36 are company-owned, retail sales for the year were €154 million, an increase of 39.1%.

In the early 2000s, SPAR invested and started operating in various other African countries such as; Botswana, Namibia, Zambia and Mauritius with 33, 29, 13 and 5 stores, respectively. Botswana is the second highest revenue generator location in Africa with €184 million ahead, Namibia with €159 million and Zimbabwe with €154 million.

Trading conditions and political instability created challenges in Africa but many SPAR stores are performing exceptionally well. In 2018, Botswana grew by 19.2%, Zimbabwe by 39.1%, Mozambique by 56.2% and Cameroon by 65.6%. In Nigeria, SPAR grew sales to €110 million, an increase of 8%.

Choppies

Choppies Enterprises Limited is a Botswana multinational grocery and general merchandise retailer headquartered in Gaborone, Botswana. Initially they were selling only food-based (both fresh groceries and wholesale long-life foods) and other fast-moving consumer goods. The group owns a centralised, in-house distribution network in South Africa, Zimbabwe, Zambia and Kenya.

Choppies is a listed company on the Botswana Stock Exchange and Johannesburg Stock Exchange. First Choppies store was opened in 1986 named “Wayside Supermarket”, the second one followed in 1993. In 2008, Choppies expanded outside of Botswana and opened its first store in South Africa. Later in 2013, the company acquired some of the SPAR stores in Zimbabwe. The belief in the potential of the African market encouraged Choppies to expand into Zambia and Kenya in 2016 and into Tanzania and Mozambique in 2017.

Choppies stores are filled by their distribution centers with central sourcing. The company's top-selling products are directly distributed from distribution centers to the stores. Other products are delivered from the manufacturer to the stores. Choppies owns two distribution centers in Botswana. A new 10,000m^2 South African distribution center opened in September 2012 for the South African stores. In total, The group is present in 8 Sub-Saharan countries, with over 250 supermarkets and operates 11 distribution centers and employs more than 17,000 people.

OK Zimbabwe

OK Zimbabwe Limited is a leading retail group in Zimbabwe with a product range that extends from groceries and houseware products to clothing and textiles. OK Zimbabwe Limited was first established in 1942. Through the time, the company used various names and historically, the company was incorporated as Springmaster Corporation in 1953, and in 1984 changed its name to Deltrade Limited which was then again changed to the current name in July 2001. OK Zimbabwe, which trades under the popular brand names OK Stores, Bon Marche Stores, and OKmart, operates in three major market categories, namely, groceries, basic clothing and textiles, and houseware products.

Via a diversified distribution channel, the company is able to target all segments of the market, responding to its customers' requisite for convenience and value. Despite operating in a highly competitive retail sector, OK Zimbabwe has maintained its dominant position, developing its own brands through the Bon Marche Premier Choice and Shopperschoice labels.

OK Zimbabwe Limited operates approximately 61 retail outlets throughout Zimbabwe and owns subsidiaries that complement its diverse product offering; Eriswell (Private) Limited, Swan Technologies (Private) Limited and Winterwest (Private) Limited. Since 2001, the company is listed on the Zimbabwe Stock Exchange.

Uchumis

Uchumi Supermarkets Plc is a Kenya-based company engaged in the retail supermarket operations. It distributes bakery, wines, meat, fish, vegetables, as well as kitchen appliances and decoration, among others. First Uchumi Store opened in 1975 to create outlets for the equitable distribution of commodities and to create retail outlets for Kenyan manufactures. Uchumi Supermarket grew to become a retail success story in Africa. In the 90s, Uchumi spearheaded the hypermarket concept in Kenya. It was the first in the region to list on the stock exchange in 1992.

Uchumi had hard times in the early 2000s. Uchumi started to experience financial and operational difficulties occasioned by a sub-optimal expansion strategy coupled with weak internal control systems. As a result, on 31st May 2006, the Board of Directors resolved that the Company ceases operations and on 2nd June 2006, the Debenture Holders placed the Company under receivership. Simultaneously, the Capital Markets Authority (CMA) suspended the Company's listing on the Nairobi Securities Exchange (NSE). Following a framework agreement between the Government of Kenya, suppliers and debenture holders, the company is revived and commenced operations from 15th July, 2006 under Specialized Receiver Manager (SRM) and interim management.

From a negative bottom line in 2006, the company has reported profits in the last three financial years. The lending banks in turn lifted the company's receivership in 2010 and the company was successfully re-listed in the Nairobi Securities Exchange on 31st May 2011 – exactly five years to the date that it was suspended. The company is indebted in gratitude to the government, lending banks, suppliers, customers and shareholders for their support and commitment to saving one of Kenya's oldest strongest brands with around 20 stores in major Kenyan cities.

Naivas

Naivas Supermarket is the largest supermarket chain in Kenya, with 62 outlets as of March 2020. Naivas is headquartered in Nairobi, with retail outlets in many urban centers in the country. The chain is the country's largest supermarket chain followed by its competitor Tuskys.

Naivas Limited started as a family business serving the village of Rongai in the outskirts of Nakuru town in 1992. Later, the company grew into a major wholesale and distribution business and was registered as a company in 1993. The business expanded into Nairobi in 2001, where it opened its first branch on Ronald Ngala Street, closing down its outlets in Rongai and Elburgon.

2013 was a milestone for Naivas, the Johannesburg Stock Exchange-listed Massmart offered to acquire a 51% stake in Naivas at a cost of KSh3 billion, giving Massmart a controlling interest in the retail chain. The bid triggered a feud at family owned Naivas, and some family members asked a court to block the sale. In October 2013, Naivas management stated that they were no longer selling a controlling stake to Massmart.

Naivas now operates with 62 stores as a traditional retailer, but also the company is the largest online supermarket in Kenya. It provides shoppers a convenient platform for online grocery shopping with over 60,000 items on the online supermarket. After the collapse of Nakumatt, a local supermarket chain that had dominated the sector in Kenya, Naivas strengthened its presence in Kenya. In early 2020, a French investment fund acquired 30% of Naivas's stake.

Melcom

The Melcom Group of Companies consists of six separate entities: Melcom Limited, Century Industries Limited, Crownstar Electronic Industries Limited, Melcom Hospitality, Melcom Travel & Tours Limited, and Melcom Care. Apart from capturing an extensive retail market share with a network of 41 Melcom retail outlets and 3 Cash 'n Carry stores spread all over Ghana (Melcom Limited), the Group is well-diversified into other businesses.

Melcom Group is best known for its retail chain, Melcom Limited. As Ghana’s largest chain of retail department stores, Melcom is home to thousands of products and hundreds of well-known brands all under one roof.

Melcom Limited started its business in 1989 and grew the number of its stores to 44. The group built the single largest shop in Ghana (Melcom Plus in Kaneshie covering an area of over 130,000 square feet). Melcom Limited offers 25,000 items procured locally as well as from around the globe. Melcom Limited has 1,200 employees at and generates $169.70 million in sales.

Carrefour

Carrefour S.A. is a French multinational corporation specialized in retailing. The first Carrefour store in 1960, within suburban Annecy in France. The Carrefour Group was the first in Europe to open a hypermarket, a large supermarket, and a department store under the same roof. They opened their first hypermarket on 15 June 1963 in Sainte-Genevieve-des-Bois near Paris. The year 1999 was a milestone for the Carrefour Group, which merged with Promedes, known as Continent, one of its major competitors in the French market.

Internationalization started with Belgium in 1973 and then followed by Italy and Spain. The French regulatory context and slowdown in economic growth favored the acceleration of Carrefour's international development, the company expanded into overseas locations such as Argentina in 1982 and Taiwan in 1989. Then in 1995, Carrefour entered the Chinese market.

At the beginning of the 2000s, the Group bolstered its positions in numerous countries through targeted acquisitions: in France, Romania (Hyparlo, Artima, Penny Market), Belgium (GB), Poland (Ahold), Italy (GS), Argentina (North) and Spain (Plus).

The Carrefour Group has over 100 stores in Africa, especially in North Africa such as in Egypt, Morocco and Tunisia. In October 2016, Carrefour opened its first outlet in Kenya, East Africa's largest economy. Cameroon, Ivory Coast and Senegal are the other locations, where Carrefour has a presence in Sub-Saharan Africa.

Position of Turkey in the Global FMCG Sector

According to current GDP figures, Turkey ranks as the 18th largest economy in the World and 7th in Europe. The economic size of Turkey is larger than the combination of Nigeria and South Africa. The economic size of Turkey is $754.8 billion and it has a population of 82.6 million people. Turkey is an export-oriented economy with an estimated $171.5 billion exports in 2019. The leading export markets of Turkey are Germany, UK, Italy, Russia and the United States.

Istanbul is the economic heart of Turkey with 15 million population and a vibrant business life. Ambarli Port in Istanbul is among the 50 largest container ports of the world. Istanbul and neighboring cities (Kocaeli, Tekirdag and Sakarya) are the main body of the Turkish industry. 38 of 271 organized industrial zones in Turkey are located in these cities.

Mersin province also has a major international shipping port and many factories around this port. The Port of Mersin is the base for the city's economy. The Mersin Industrial Free Zone is adjacent to the port. The artificial harbor at the Port of Mersin exports minerals and agricultural products from southeast Turkey. The city is the location for one of the biggest oil refineries in Turkey.

Turkish companies are specialized in the production of packaged food, household chemicals, diapers, cosmetics and other FMCG products. These companies cater to the domestic demand and also export their products to more than 100 countries. Global and local companies are present in Turkey with their on-site manufacturing plants. P&G, Unilever, Nestle, Reckitt Benckiser and Mondelez are major global corporations and all of them has a production facility in Turkey. Major Turkish companies in the FMCG sector are Eti Gida, Hayat Kimya, Halk Hijyenik and Tat Gida. These companies are active in Turkey and in the international arena, including Africa.

Turkey has been historically targeting the European Union countries as their export partners. In the meantime, Turkish factories meet the demand from Russia, Middle East and North Africa. In 2005, Turkish Government began to improve the relationship with African countries. Turkish Government has had a significant initiative to build Turkish presence in major African countries. The number of Turkish embassies in Africa has more than tripled, from 12 to 41, in the last 15 years. There have been joint business forums and conferences, where companies from different countries found the opportunity to take the first commercial steps. Turkish businessmen have been acquainted with the Africa region and trade volume has significantly increased in the last decade.

Our research includes a list of top 40 Turkish food and beverage manufacturers. In addition, we conducted an in-depth analysis of 10 major companies in the FMCG sector.

Table 11: List of Top 40 Turkish Food and Bewerage Manufacturers

Company Name	Sector	2018 Revenue (USD)
Eti Gida	Biscuits/Confectionery/Chocolate	$ 810,888,316
Konya Seker Fabrikasi	Biscuits/Confectionery/Chocolate	$ 714,032,100
Coca-Cola Icecek	Non-Alcoholic Beverages	$ 650,337,523
Sutas	Milk & Dairy Products	$ 566,370,895
Banvit	Poultry/Chicken Products/Feed	$ 558,366,343
Namet Gida	Processed Meat	$ 454,910,549
Senpilic	Poultry/Chicken Products/Feed	$ 414,090,097
Bunge Gida	Cooking Oil	$ 388,209,476
Abalioglu Yem-Soya	Feed	$ 386,670,965
C.P Standart Gida	Poultry/Chicken Products/Feed	$ 381,305,111
Erpilic Tavukculuk	Poultry/Chicken Products/Feed	$ 328,912,297
Altinmarka Gida	Chocolate/Cocoa Production	$ 318,396,472
Pinar Sut	Milk & Dairy Products	$ 311,349,158
Panagro Tarim	Dairy and Meat Products	$ 285,496,399
Solen Cikolata	Chocolate	$ 265,391,836
Anadolu Efes	Brewery	$ 255,134,544
Progida Tarim	Nuts/Sesame/Cotton/Cacao	$ 230,288,945
Cargill Tarim	Feed/Agro Products	$ 229,286,139
Tat Gida	Dairy/Tomato Paste/ Canned Vegetables	$ 226,097,811
Dogus Cay ve Gida	Tea/Sugar/Potato Chips/Tomato Paste	$ 213,952,604
Bifa Buskuvi ve Gida	Biscuits/Cakes/Chocolate	$ 211,203,022
Turk Tuborg	Brewery	$ 199,317,414
Aynes Gida	Dairy Products	$ 187,549,119
Cekok Gida	Fruit & Vegetables	$ 183,517,143
Yayla Agro Gida	Boiled Beans/Rice	$ 183,048,039
Elvan Gida	Biscuits/Confectionery/Chocolate	$ 179,242,842
Tadim Gida	Sunflower Seeds/Nuts/Snack Bars	$ 168,756,361
Aves Energi ve Yag	Cooking Oil	$ 166,702,003
Hastavuk Gida	Poultry	$ 165,510,153
Savola Gida	Cooking Oil	$ 165,126,610
Balsu Gida	Hazelnut	$ 158,415,901
Goknur Gida	Fruit & Vegetable Concentrate	$ 158,340,202
Kent Gida	Confectionery/Chocolate	$ 156,760,900
Yonca Gida	Cooking Oil/Tomato Paste/Pickle	$ 139,543,401
Peyman	Sunflower Seeds/Nuts/Snack Bars	$ 114,149,028
Mey Icki	Alcoholic Spirits	$ 102,499,604
Arbel Bakliyat	Pasta/Lentils/Chickpeas/ Wheat/Beans	$ 93,238,208
Ulusoy Un	Flour Milling	$ 73,551,566
Tukas	Tomato Paste/Pickles/Jams/Olives	$ 69,878,838
Penguen Gida	Boiled Beans/Chickpeas/Sweetcorn	$ 38,242,413

Aves

Aves, with close to 25 years of experience in international commodity trade, is a major player in sunflower oil production and supply in Turkey. The company operates in the production and international trade of vegetable oils and biodiesel; vegetable oil storage, real estate sector, offshore ship loading and unloading platform.

Aves owns the largest fully integrated oilseed processing and biodiesel plant in Turkey. It produces through direct extraction and pressed extraction. The facility was built on 120 acres of land in Mersin, one of the biggest port cities in Turkey. It produces 1 million tons of vegetable oil, pulp and biodiesel per year with 1,500 tons of crushing, 700 tons of refinery and 1,100 tons of filling capacity. The facility, can operate 2 different seeds at the same time. There are 62,400 tons of seed storage silos and different seeds can be stored in 12 different silos at the same time. It has a horizontal warehouse with a storage capacity of 25,000 tons of soybean meal. For other oilseed meals, there are three 3,000 tons horizontal pulp tanks. The Facility has 84,000 cubic meters silo and 28,000 cubic meters tanks storage capacity and has a shelf storage system built on 3,000 square meters.

In refinery and filling facilities, Aves produces a wide range of products ranging from 1 litre to 18 litre. The company produces sunflower oil under the Safya brand, corn oil under the Sari Dari brand and cotton oil under the Mersina brand.

According to 2018 data, Aves has purchased 460 thousand tons of oilseed cereals and it is strengthening its position in the sector by sales revenue over 131 million dollars. Aves ranked 254th in the Istanbul Chamber of Industry Top500 list.

Increasing its international market share with SAFYA branded sunflower oil, AVES realized an export figure of over 65 million USD last year. It mainly exports to the Middle East, Asia Pacific and Africa regions and exports to over 60 countries in total. According to Turkey Exporters Assembly data, it is the 18th largest exporter in its sector.

The company has a significant logistics advantage to its competitors, thanks to Aves' vegetable oil storage facility with 220,000 cubic meter capacity in Mersin and Aves' offshore ship loading/unloading the port.

Image 1: Factory of Aves in Mersin, Turkey

Image 2: Products of Aves

Namet

Namet is a leading meat producer in Turkey, with more than 150 various products from processed meat to fresh meat. The company has been operating since 1929. As the fastest growing company among the biggest 500 firms of Turkey, in 2014 Namet acquired Maret, another leading meat producer. Together under the same roof, Namet became the leading meat producer of Turkey.

Offering product groups like pastrami, sausage roasting, salami, smoked wiener, roast beef, Namet takes a role as the pioneer in the whole sector. Namet keeps developing new products for the market.

Operational since 2013, Şanlıurfa Integrated Fattening and Meat Plant is located on open land of the 740,000 square meters. Holding capacity of breeding farm is 40,000, while the annual breeding capacity is 60,000 cattles. An isolation business for 4,200 heads is available within the plant. The processing section of the plant has the capacity of butchering daily 2,500 ovines and 350 cattles. Being one of the special breeding farms in Turkey, this plant gives the taste of Namet products.

Being equipped with state-of-art-technologies, Namet Çayırova Plant started production in 2010. This giant plant is located on a closed area of 34,600 square meters and produces delicatessen, fresh meat, further processed product, frozen meatball and burger. Being indicated as the technological base of taste world, this plant is fit for European and World standards in all terms.

With around 120 vehicles, Namet fleet has the capacity of carrying 1,200 tons of products at one time. In addition, technological infrastructure and cold air stores in regional directorates are reflections of Namet's perfect quality mentality. Namet accesses to collective consumption and retail channels via Marmara, Mediterranean, Aegean, Anatolia, and East Black Sea Regional Directorates. Namet exports its products to various countries in Asia & Middle East.

Namet Çayırova Factory has quality and food safety system certificates including ISO 9001, IFS, BRC, FSSC 22000 and TSE certificates of product and service compliance. These standards are applied during the production processes of the plant. Namet has also Halal Food Certificate certified by Turkish Standards Institution. Namet always makes all processes of product preparation, all products, and raw materials control firmly. With the help of a retrospective tracking system, auxiliary material and main raw material are monitored automatically and spontaneously via computer systems from the entrance to exit. The products are controlled with micro-biological and chemical analyses carried out in laboratories independent from production sites. Namet always improves its labor force quality with regular personnel trainings .

Image 3: Factory of Namet in Cayirova, Turkey

Image 4: Products of Namet

Kent (Mondelēz International)

Kent is the market leader in gum, candy and G&O with strong brands like First, Falım, Kent, Olips ,Bonibon and Jelibon. The company also has a strong presence in the Turkish market in chocolate and biscuits with iconic global brands such as Milka, Toblerone and Oreo. Mondelēz has a large production facility in Gebze and employs nearly 1,2000 people. The products produced in this plant are exported to more than 50 countries.

Kent started business in 1927 by the Tahincioglu family in Mardin, a small city in southeast Turkey. In 1956, the company moved to Istanbul and carried on its operations in modern facilities. Besides candy, Kent commenced to produce chewing gums in 1960. After the 70's, the company expanded its confectionery product range such as hard candy, soft candy, chocolate, jellybeans.

After 2000, Kent had some corporate takeovers. In 2002 Cadbury acquired the majority stake of Kent and acquired Intergum, a major Turkish gum producer. Cadbury combined two companies and Kent expanded its product catalogue.

In 2010, Cadbury was acquired by Kraft Foods and Kent became a part of Kraft Foods companies. Two years later, Kraft Foods separated its business division and Mondelez International was created. Today, Kent is part of Mondelez International.

In 2013, Kent was listed in the Top 500 exporters list, and also took place in the Istanbul Chamber of Industry's Top 500 industrial companies list. The factory of Kent in Turkey is the largest factory of Mondelez in the world in terms of size and capacity. The total area is 85,000m2 and the annual production capacity is 110,000 Tons. Mondelez invested $54 Million in 2019 to increase the capacity of sweetener production line, new product development and R&D investment for gum production.

Mondelēz International, the parent company of Kent, empowers people to snack right in approximately 150 countries around the world. With 2019 net revenues of approximately $26 billion, Mondelez is leading the future of snacking with iconic global and local brands such as Oreo, belVita and LU biscuits; Cadbury Dairy Milk, Milka and Toblerone chocolate; Sour Patch Kids candy and Trident gum.

Mondelēz International is a proud member of the Standard and Poor's 500, Nasdaq 100 and Dow Jones Sustainability Index.

Image 5: Factory of Kent in Gebze, Turkey

Image 6: Products of Kent

Mey İçki

Mey was established in 2004 after the privatization of the Tekel's (Nationalized Turkish Tobacco and Alcoholic Beverages Company) alcoholic drinks division. Mey operates as two separate companies in Turkey, one involved in the manufacture and the other responsible for sales and marketing.

Mey has combined the talents of its employees with the strength of its brands to become one of Turkey's biggest companies, boasting a staff of more than 2,000 employees that includes distributors and sales teams.

Mey's product portfolio includes Yeni Raki, Tekirdağ Raki, Istanblue and Binboa Votkas, Kayra, Terra and Buzbağ Wines.

Since 2011, Mey has been working under the umbrella of Diageo, an alcoholic beverage manufacturer trading in close to 180 countries with offices in 80 countries. Thanks to Diageo's know-how and experience in the international scene as a leading producer of distilled alcoholic drinks, beer and wine brands, Mey has strengthened its product portfolio, carrying out the distribution to the domestic market of brands such as Johnnie Walker, Crown Royal, J&B, Windsor, Buchanan's Whiskeys, Smirnoff, Ciroc and Ketel One Votkas, as well as Baileys, Captain Morgan, Don Julio, and Tanqueray.

Mey continues its operations with a total of 9 factories, producing raki in Tekirdağ and Nevşehir, suma (distilled raki) in Alaşehir and Tarsus, alcohol in Karaman, votka, gin and liqueur in Bilecik, also operating an aniseed processing facility in Acıpayam, and wine production facilities at Elazığ and Şarköy.

Since the foundation of Mey, the export of rakı has taken an important place among the company's main strategies. While export was limited to twenty countries in 2004, today rakı is exported to more than forty countries, including Germany, USA, UK, Northern Cyprus, Iraq, Benelux, Switzerland, Greece, France, the Turkic Republics, and the countries of Eastern European countries.

In 2004, Mey's international sales volume was 1.2 million litres. Over the last four years however, the focus on international marketing and operations in many European cities has led to a fourfold increase in international sales, with a volume of 5 million litres in 2014.

The brand Yeni Rakı holds an important position among anise flavoured spirits not only in Turkey, but in the world as well. According to Impact Databank 2012, one of the most important reports in the international sector, Yeni Rakı was the leader brand among anise flavoured spirits market in terms of retail value, and the 13th most valuable spirit brand on the global market. In 2016, Mey had 3.7 billion Turkish Lira revenue.

Image 7: Factory of Mey in Mersin, Turkey

Image 8: Products of Mey

Arbel Group

Arbel Group, consisting of Arbel S.A. and Turkpulse, has been a leader in the production, processing and export of grains, pulses, and other food products, for over 50 years from its base in Mersin, Turkey.

In 2009, all food related operations of Arbel Group were acquired by AGT Food and Ingredients Inc., adding to a total of 21 facilities in Canada, the U.S., Australia and Turkey.

Arbel now is the largest pulses exporter in Turkey. Arbel maintains its production facilities in Mersin, Turkey with a daily capacity of 4,000 metric tons.

Arbel Group's facilities are located on a 100,000m^2 parcel of land equipped with 50,000 metric tons storage capacity steel silo facilities and more than 70,000 metric tons storage capacity in horizontal production and processing through a continuous Research and Development program. A full-line of commercial packaged pulses, bulgur and beans are available for the domestic Turkish market and for export.

Arbel facilities include cleaning, calibration, peeling, splitting and colour sorting lines for the production, processing and export of red split lentils, whole red lentils, green lentils, chickpeas, dried peas, white beans, bulgur. Trading activities include edible oils and sugar, vegetable oil, salt, high energy biscuits, potatoes, fresh fruit and vegetable; construction materials, such as cement, bricks, steel, wood, electrical cable and electrical equipment, marble, pipes, furniture and housewares.

Arbel Group facilities are located eight kilometres from the Port of Mersin, Turkey's largest port for the export of agricultural and food products, and include duty-free warehousing facilities in the Mersin Free Zone. This location provides logistical advantages in sea and land connections for the shipment of products to global markets.

Arbel Group ranked number three in the 2009 Turkish Export Rankings by the Istanbul Chamber of Industry, on its annual Second 500 List of Industrial Enterprises.

Other Arbel Group activities include trading of goods such as vegetable oils, crystal sugar, iodized table salt, vitamin-added biscuits, fresh fruits and vegetables. Non-food products traded include poly propylene sacks, jute bags, plastic cover sheets, textiles, blankets, construction materials, timber, iron, cement, briquettes, electric cables, marble, installation pipes, fittings and other home supplies.

Image 9: Factory of Arbel in Mersin, Turkey

Image 10: Products of Arbel

Banvit

Starting as a feed producer in 1968, Banvit gradually went into the production of broiler chickens. Today, the company is able to carry out all stages of vertical integration regarding poultry production.

As a result of restructuring that began in 1996, Banvit extended its vision and focused on investments that would lead it toward becoming one of the foremost food producers in Europe. In the wake of the establishment of Banvit Romania, construction of a processed food production facility in Bandırma began in 1999; this facility began operations in May 2001. With the establishment of this further processing plant, the product range broadened to include other meat-based products such as cooked meatballs, kebabs, gyros, burgers and coated products as well as salami, sausages and franks.

Banvit has carried out production in compliance with the HACCP, an important inspection program regarding food safety. In addition, the scope of the ISO 9001 Certificate issued by the BVQI in November 2000 was expanded to include live production; the certificate was updated in January 2002. Furthermore, the renewed waste treatment facility with a daily capacity of 3.500 cubic meters and 200 tons liquid and solid waste respectively, began operation in December 2001. On September 16, 2003, the ISO 14001 Environmental Management Systems Certificate was awarded separately for chicken and turkey production, a rare accomplishment in the sector even in European Union member countries.

Chickens are delivered from the breeder farms to the processing plants where they are processed and packed under the most hygienic conditions. The products are finally ready to reach the shelves and kitchens. Refrigerated trucks carry them to the sales units with cold-storage facilities. Banvit’s sales network includes 18 branch offices, 41 main distributors and 10 secondary distributors in Turkey.

Banvit purchased the Tadpi facility in Armutlu, Izmir in 2000 and since May 2001 has been producing turkey products. Currently Banvit’s major markets for exports are Eastern Europe, Middle East and the Far East, there has also been an increased share of exports going to former Soviet Republics. The export team is targeting to expand Banvit’s sales into European countries.

Total domestic sales and export increased by 30% compared to 2018 and reached 4 Billion Turkish Lira in 2019.

Image 11: Factory of Banvit in Bandirma, Turkey

Image 12: Products of Banvit

Penguen Gida

Penguen Gida was established by Gençoğlu Family in 1989 in an area of 7,500 square meters in Bursa. Penguen Gıda which was established entirely for exportation has grown tenfold in 30 years with its factory designed in line with European standards, machine parks and warehouses. Heading towards the domestic market in 1996, Penguen Gıda is currently making production on a closed area of 75 thousand square meters as well as an open area of 150 thousand square meters.

Penguen Gıda offers the preserved products in hygienic glass jars at first hand and enriches its 100% local product range consisting of jam, preserved vegetables, ready meals, preserved boiled legumes, tomato and pepper paste, pickles and frozen food. The company delivers all of its products to all parts of Turkey with its distribution channel composed of 8 regional directorates and 40 dealerships.

Exporting 50 % of its production and being one of the most important exporters of its sector, Penguen Gıda has exported its products to 35 countries including Germany, the USA, France, the Netherlands, Switzerland, Russia and Sweden.

With about 10 thousand farmers, 70 % of those are contracted, and its cultivation fields covering an area of 40 thousand decares, Penguen Gıda is one of the biggest agricultural raw material buyers of Turkey. Having one of the most modern plants of Europe in its sector, Penguen Gıda has great advantages owing to its strategic position in Bursa that is close to regions and ports where raw materials of fruit and vegetable are intensely supplied as well as big cities where intensive consumption occurred within the internal market.

About 80 % of domestic sales is made to national and local market chains whereas the rest of the production is sold to middle sized retailers as well as mass consumption channels including hotels, restaurants and cafeterias. Besides, Penguen Gıda makes Private Label productions for store chains both in the domestic and foreign markets and it also meets intermediate product-treated raw material needs of many food firms.

Shares of Penguen Gıda have been open to the public since 1998 and the firm strengthened its financial structure by concluding successful partnerships with Deutsche Investitions und Entwicklungsgesellschaft mbH (DEG) affiliated to KFW which is one of the leading financial institutions of Germany in 2001 by 12.74 % of its capital and ADM Capital in 2006 by 13.04 % of its capital.

Penguen Gıda was selected as the 927th within the 1000 Big Industrial Organizations 2015 ranking of ISO Turkey. According to the figures of the BTSO (Bursa Chamber of Commerce and Industry), in 2015 Penguen is ranked 130 in the listing of the “Biggest Companies in Bursa” and is ranked 22 in its own sector. Moreover, it is also listed among the first 3 exporters of its sector.

Image 13: Factory of Penguen in Bursa, Turkey

Image 14: Products of Penguen

Abalıoğlu Group

Abalıoğlu Group started business in 1969 to build "Turkey's first private feed manufacturer". Abalıoğlu Group, which has achieved sustainable growth with its investments, is one of the leading industrial organizations from Turkey in the food sector.

Abalıoğlu Group, which has been maintaining the spirit of industrialism and entrepreneurship for 50 years with the excitement of the first day, produces more value in labor-intensive sectors and always makes continuous investments to achieve better. The company operates with 3 main brands Abalım Yem (Feed), Lezita (Poultry), Lezita Balık (Fishery).

The company, which produces feed with high quality brand "Abalım" for cattle, sheep and poultry farming, contributes significantly to the sustainable development of livestock with an annual production capacity of 2.5 million tons.

As a leader in the Feed Industry, Abalım Yem has an advanced distribution network. With over 500 dealers and specialist sales teams who deliver their products all over Turkey. Abalım Yem has 8 plants to produce different types of feed:

- Denizli Feed Factory (1969): The group's first factory was established on a land of 66,500 m²; 360,000 tons of feed are produced annually, and 144,000 tons of corn are dried in the factory.
- Biga Feed Factory (2000): 130,000 tons of feed are produced annually at the Biga Feed Factory, which built on a 41,000 m² land.
- Polatli Feed Factory (2006): 200,000 tons of feed are produced annually at the Polatlı Feed Factory, which built on a 25,000 m² land.
- Mersin Feed Factory (2010): 200,000 tons of fodder are produced annually at the Mersin Feed Factory, which built on a 37,600 m² land.
- Samsun Feed Factory (2012): 200,000 tons of feed are produced annually in Samsun Feed Factory, which built on a 40,000 m² land.
- Turgutlu Feed Factory (2013): 480,000 tons of feed are produced annually in Turgutlu Feed Factory, which built on a 56,000 m² land.
- Konya Feed Factory (2017): 200,000 tons of feed and 43,200 tons of flake are produced annually at the Konya Feed Factory, which built on a 21,400 m² land.
- Burdur Feed Factory (2017): 400,000 tons of feed are produced annually at the the Burdur Feed Factory, which built on a 58,000 m² land.

Besides the Feed Industry, Abalıoglu runs the business as one of Turkey's biggest chicken meat manufacturers. The group's brand Lezita is in top 5 chicken meat producers in Turkish market. With a total 100,000 m² area Factory located in Izmir, Turkey; the company has the chicken processing capacity over 400,000 units per day.

Image 15: Factory of Abalioglu in Izmir, Turkey

Image 16: Products of Abalioglu

Sütaş

Sütaş was founded in 1975 in Bursa, Turkey. While it was founded with a daily milk processing capacity of 5 tons, today its daily milk processing capacity has reached 1,200 tons at the Karacabey facilities, 1,500 tons at the Aksaray facilities and 1,000 tons at the Tire facility. From 1975 onward, Sütaş has been operating with a focus on milk and dairy products only. Today, the company processes 900 million liters of milk per year in its four production facilities located in Turkey, Macedonia and Romania, and offers 78 different products to its consumers. 8 of every 10 households in Turkey has at least one Sütaş package. Sütaş employs 5,000 people and generates 3.8 billion TL annual revenue.

Sütaş operates in an integrated structure consisting of feed plants, dairy cattle breeding farms, dairy plants, education centers and application farms, waste water treatment and biogas production facilities. In Turkey, Sütaş owns three factories in three different regions. (Marmara, Anatolia and Aegean)

Sütaş procures the highest quality milk from 27,500 milk producers in 1,161 villages in 32 cities in Turkey. The company constantly monitors the naturalness and the quality of the milk by testing it with 14 different tests until they reach Sütaş Milk Production Facilities in Karacabey and Aksaray. Sütaş delivers natural flavors every day to 25 regional directorates, 88 distributors and 150,000 sales points with their fleet of 1,550 distribution vehicles. Sütaş continuously monitors vehicle temperatures through satellites to secure the integrity of the cold chain and make sure that the loading doors of the vehicles are always closed except at delivery locations.

Sütaş ensures sustainable food safety and quality performance through the implementation of effective quality management systems compliant with ISO 9001:2015 and FSSC 22000 in all operations. Quality at Sütaş is not only managed during the production process, but in the whole of the supply and distribution chain, as required by a valuable and fragile food like milk. In May 2014, Sütaş converted its existing Food Safety Management System to FSSC 22000 Food Safety Management System that provides stronger GMP management than ISO 22000 Food Safety Management System.

According to its regional export strategy, in 2019, Sütaş exported 16.5 million USD worth of products to 29 countries, including the U.S., Japan, UAE, Qatar, Libya, Iraq, Kuwait and Egypt.

Image 17: Factory of Sütaş in Aksaray, Turkey

Image 18: Products of Sütaş

Altınmarka

First founded in 1992, Altınmarka has grown exponentially in the past 25 years to become a major global player. Today Altınmarka is one of the world's leading manufacturers of industrial cocoa and chocolate, and a trusted solutions partner to leading global brands in over 50 countries worldwide.

The state-of-the-art production plants in Istanbul encompass cocoa processing and industrial chocolate production facilities with a combined annual capacity of 270,000 tonnes, making Altınmarka the 6th largest producer of cocoa and the 2nd largest producer of industrial chocolate in the world. The company supplies highest-grade cocoa powder, cocoa butter and cocoa mass while our chocolate product offer ranges across literally hundreds of liquid or moulded chocolate recipes for chocolate ingredients, inclusions, decorations and finished chocolate products.

Altınmarka sources the majority of all its' bean imports from "main crop" Ghana and Ivory Coast cocoa preferred by all major chocolate producers for the classical, rich cocoa taste these beans provide. Altınmarka also imports a small percentage of beans from Trinidad and Tobago, Guatemala, Venezuela, Colombia, Ecuador, Madagascar and Cameroon for coloring and taste accents.

Located on a 215,000 square metre site on the outskirts of Istanbul, Altınmarka's cocoa factory first became operational in 1994. This was followed in 2005 by the establishment of Altınmarka's chocolate factory - a fully automated, latest generation facility - creating a vertically integrated, high-tech, high-capacity production system. Product freshness is critical to the taste and quality of any chocolate product. Altınmarka supplies chocolate in the shape of 2.5 and 5 kg block, coin, stick and different sizes of drop, chunk and splinter.

Efficiency and speed in internal processes and logistics can significantly prolong a product's shelf life. Altınmarka's delivery fleet includes 75, heated liquid road tankers special high-tech refrigerated trucks, vans and silobuses.

The plant's location in Istanbul is ideal for direct overland delivery to most destinations in neighbouring countries and the wider geographic region within a few days. The convenient geographic location in Istanbul provides an additional logistic advantage for deliveries to countries across the entire European region as well as Russia, the Caucasus, Central Asia, the Near East and North Africa. At present, the company supplies clients in more than 50 countries in the region and beyond as more and more food and chocolate manufacturers discover the concrete benefits of working with Altınmarka.

Image 19: Factory of Altinmarka in Istanbul, Turkey

Image 20: Products of Altinmarka

Final Notes

African consumer market is developing rapidly thanks to their demographic outlook and increase in average household budget. Local and global companies benefit from the growing market size. The local manufacturers are using their market knowledge and network to their advantage, while the global companies have more marketing budget and global know-how. We believe that the FMCG companies should take a closer look at the African market and promote their products to local consumers.

While analyzing the target country, global companies should give importance on these three factors:

- **Income Level:**
  The income level of the targeted population affects their spending behavior. In many African countries, people in the lower-income level do not have spending budget for buying packaged food and many other FMCG products from groceries. FMCG companies should target the growing middle-income class and high-income class.
- **Urban and Rural Population:**
  Trends in the urban areas and rural areas are very different. Most people in the rural areas source their food from their land and they only buy essential items from shops. However, urban areas in African countries have a busy lifestyle and urban dwellers give importance on convenience. Middle-income and high-income people in African cities prefer to shop from supermarkets and buy packaged food.
- **Formal and Informal Retailing Channel:**
  In African countries, most of the products are sold through informal channels, such as open markets, independent grocery stores and street vendors. However, there is a trend towards formal retailing thanks to new shopping malls with modern retailing space. Supermarkets are becoming more popular among middle-income people in African countries.

Turkey is an important trade partner for African countries in the FMCG sector. Turkish manufacturers have expertise in producing high-quality products with excellent packaging at reasonable price level. Turkish products are mainly exported to the European countries and Middle East. Africa is a fast-growing region for Turkish corporations and we observe increasing bilateral trade between Turkey and African countries.

African retailers and distributors should consider Turkey as one of their sourcing markets. Istanbul Africa Trade Company is a reliable partner for your company in Turkey and African markets. For your business inquiries, you can reach our headquarters in Turkey and our regional partners in Ghana and Zimbabwe. We hope that you found this report useful for your business goals.

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