

## Press Release

### Turkish technical consumer goods market grew 5.7% in the third quarter of 2019.

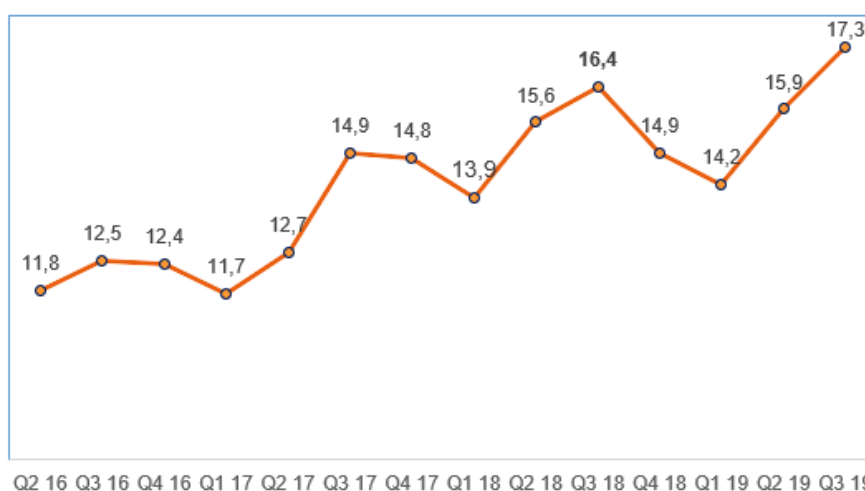
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#### GfK TEMAX results for Turkey, Q3 2019

Istanbul, November 25, 2019 – The technical consumer goods (TCG) market in Turkey grew 5.7% in Q3 2019, compared to the same quarter of 2018 and generated a revenue of 17,3 billion TL. Major domestic appliances, small domestic appliances and information technology sectors were the drivers of this growth.

#### Turnover Development



#### Telecommunications: Decline continues

In the third quarter of 2019, the telecom sector contracted by 0,3% compared to the same period of the previous year and reached TL 7.0 billion turnover. The high prices and US-China Trade War were effective in this contraction.

Smart watches and headsets were able to maintain their performance in the previous quarter with double digit turnover growth.

### **Information technology: Slowdown in gaming**

The overall IT sector increases 5.3% during the 3rd quarter of the year compared to the same period in 2018 and generated 1.176 billion TL revenue.

The increase in sales mostly triggered from the keyboard and desktops.

Gaming segment had two-digit growth in 2018 vs 2017 comparison, while it has one digit increase rate compared to Q3 2018.

### **Office equipment and consumables: CISS continues to grow**

Turkey's OE sector has recorded two digits decline by 29.4% in Q3 2019, compared to the same quarter in 2018 and had a value of 93 million TL.

When the third quarters of 2019 and 2018 are compared, main loss is coming from printers and cartridges with double-digit decline rates.

CISS segment had two digits growth in 2018 due to price / performance ratio and continue to grow in the third quarter of 2019 but by one digit.

### **Major domestic appliances: End of SCT campaign in June**

Special consumption tax reduction on categories for Major Domestic Appliances had been introduced in the beginning of November and ended in the end of second quarter of 2019, in June.

In the third quarter of 2019, sector generated 5.7 billion TL and showed 13.7% growth in terms of value compared to Q3 of 2018.

Almost all product groups of major domestic appliances recorded double-digit growth rates, and freezer product group has the highest growth rate. Regarding washing machine product group, 7 KG reached quite high growth rate.

### **Small domestic appliances: Innovation brings growth!**

The SDA sector grew by 17,5% in Q3 2019, compared to the same quarter in 2018 and reached 1,6 billion TL.

The developments in technology helps to enhance the models offered in the market which led to an increase in demand. Consumers seek for practical, high-tech products.

Handstick rechargeable vacuum cleaners, new generation Turkish coffee

makers, espresso & filter coffee machines and toasters are categories which grew most.

### Consumer electronics: UHD TV continues growth trend

Consumer electronics sector recorded 1,7 Billion TL in the third quarter of 2019 and achieved 1% growth compared to the third quarter of 2018.

In the sector, only PTV and Mini Bluetooth speakers product groups showed growth. While mini bluetooth speakers product group performed better than the other product groups in consumer electronics of growth with 27%, PTV showed slight increase with 0,8% in terms of sales value.

UHD TV's continued to show double-digit growth rates in the third quarter of 2019. 60+ inch display size had the highest growth rate in PTV product group.

### Summary: Technical Consumer goods growth speeding up

The technical consumer goods market grew by 5.7% in Q3 2019, compared to the same quarter in 2018.

Although growth speed of major domestic appliances slowed down with the end of Special Consumption Tax reduction, information technology achieved growth rate after a long time and thus speed up the whole market. Small domestic appliances maintained its growth speed in the last quarter.

### Turkey: Technical consumer goods – sales value by category

TEMAX Q3-2019

	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q3 2019 vs Q3 2018	2019 (milyar TL)	Q1-Q3 2019 vs Q1-Q3 2018
	in Mio. TL	in Mio. TL	in Mio. TL	in Mio. TL	+/- %	in Mio. TL	+/- %
Consumer Electronics	1.999	1.695	1.780	1.740	1,0%	5.215	-0,7%
Photo	18	19	19	17	-22,9%	55	-18,9%
Major Domestic Appliances	4.417	3.483	4.759	5.738	13,7%	13.980	24,1%
Small Domestic Appliances	1.491	1.407	1.715	1.566	17,5%	4.688	17,1%
Information Technologies	1.127	1.042	884	1.176	5,3%	3.102	-9,1%
Telecommunication	5.666	6.487	6.732	7.017	-0,3%	20.237	-5,8%
Office Equipment & Consumables	152	117	96	93	-29,4%	307	-21,4%
GfK TEMAX Turkey	14.871	14.250	15.987	17.347	5,7%	47.584	3,7%

Source: GfK Turkey

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