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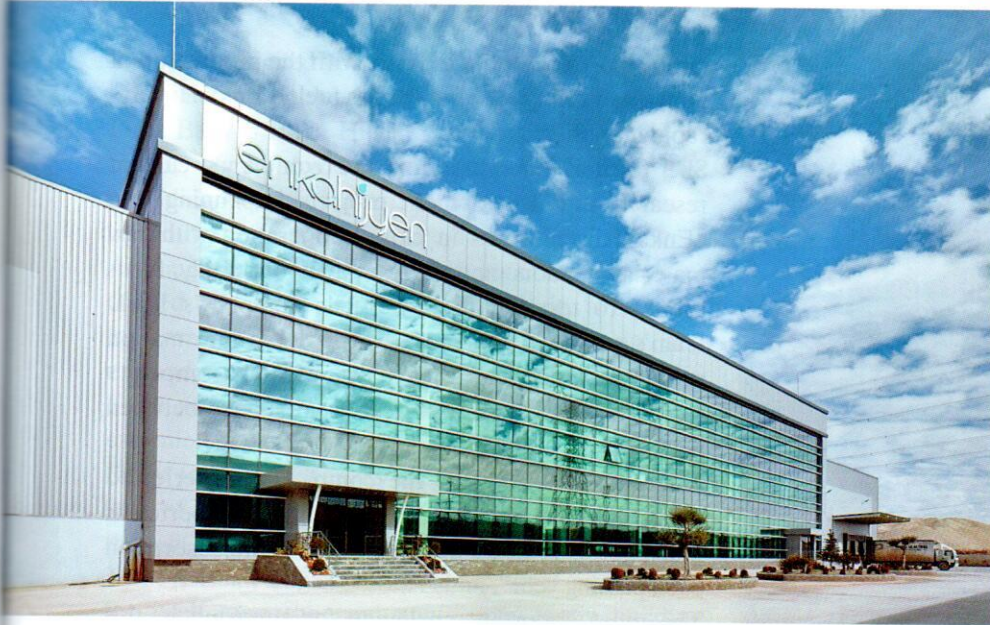
Africa

**Emerging-market
or driver for global growth?**



ENKA HIJYEN
**Turkey's new diaper
producer**

**A look at the future of the tissue
industry in the Middle East
and North Africa**



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Enka Hijyen

Turkey's new diaper producer

Enka Hijyen, a new Turkey-based baby diapers manufacturer, is anticipating a stage of accelerated growth, with the resolute intention of being able to meet local and regional market demand for its services in the next few years.

What started out in 1928 as a small father-and-son store for selling automotive parts has now expanded exponentially into what is known as the Imam Kayali Holding, the parent company of Enka Hijyen, which boasts a diverse workforce of 700 employees.

“Enka Hijyen is now in the development curve. The products are very much appreciated in the market and the biggest challenge is simply reaching more and more customers,” said Fatos Gonsel, Enka Hijyen plant manager, whose deep domain expertise contributed to the company’s steady growth.

Fatos explains that the diapering period could vary from 24 to 30 month, and while the average daily diaper consumption in Europe is 4-5 units per baby, the corresponding value in Turkey is 3-4 diapers. “The number of diapers consumed per day and how long a baby wears a diaper are correlated with the average income level of the family. This means that higher income families tend to change diapers more frequently, and these families do not rush for toilet training as fast as middle income families.” The Imam Kayali Holding group ventured into the diaper industry in the first quarter of 2016, after



appreciating the complexity and profitability of the ever-evolving baby diapers market.

Today, Enka Hijyen is the holding group's manufacturer of baby diapers, according to Fatos, however, Enka Hijyen will also be soon producing adult incontinence, wipes and feminine hygiene products in order to complete the product portfolio of the company's hygienic articles.

Enka Hijyen's current onsite workforce is almost 90 employees, while the financial operations are managed by the parent holding company.

When asked about the current market stance of Enka Hijyen in Turkey, Fatos explained that "the company is still a newcomer to the hygiene industry, but the

family has roots in the industry with the production of nonwoven roll goods," which has fueled Enka Hijyen's rapid growth.

She further elaborated on the company's current research and development projects, explaining that "Enka Hijyen works in close cooperation with raw material vendors and has a panel of family focus groups to test the products. The company's R&D team's results is influenced by these two information sources," indicating that most of the company's research is invested in perfecting a balance between performance and cost.

Since its establishment the company has perfected their diaper technology. "It is thinner, it performs much better in terms of dryness and liquid absorption each passing year", adds Fatos.

The most important challenge for surviving in this sector is identifying the end user's requirements. "different families have different expectations from our diapers," explains Fatos. For this reason, Enka Hijyen developed three brands to be able to serve all possible consumer demographics. The three products are: Paddlers, Cushy Baby, and Lulla Baby.

Fatos explains that "Paddlers were created to provide premium comfort and dryness". The diaper is designed to give maximum protection and provide a comfortable fit for babies. It features elastics ears, high absorption rates and retention capacity, as well as a cream lotion and a wetness indicator.

Cushy Baby diapers were mid-range diapers made for consumers looking for an affordable diaper without sacrificing quality. These diapers also feature elastics ears, cream lotion and a wetness indicator, along with good liquid absorption and retention capacity. This



line was designed for middle class consumers, and offers a comfortable, dry solution for a good value.

Lulla Baby is Enka Hijyen's economical baby diaper brand, which provides an elastic ear option, thus providing good comfort, decent performance at a budget.

Although Enka Hijyen offers its own three brands, a limited portion of its production capacity is reserved for private labels interested in purchasing and rebranding their diapers.

Fatos tells us that the Turkish diaper market is extremely competitive, but this does not constitute a threat to Enka Hijyen, as the company exports almost 95% of its diapers manufactured in the country. Even though there is still room for penetration within Turkey, Enka Hijyen has set very high expectations for itself, and the company is constantly building international partnerships, and currently exports both to neighboring countries and a wider international audience.

In fact, Enka Hijyen has its eyes set on dominating the surrounding region at first, but also covering distant places such as China. The current plan for the company's three diaper brands is to begin with penetrating markets that do not have excessive duties or taxes and other restrictions, and then expanding to tougher, more stringent markets.

Fatos explains that the company's state-of-the-art factory in Turkey's Gaziantep industrial zone currently produces an impressive 1,000 baby diapers per minute per production line. "Enka Hijyen's initial investment was about 27 million Euro and is just the first part of multi-phase project," she adds, signaling that this first phase currently has a production capacity of 800 million diapers per year.

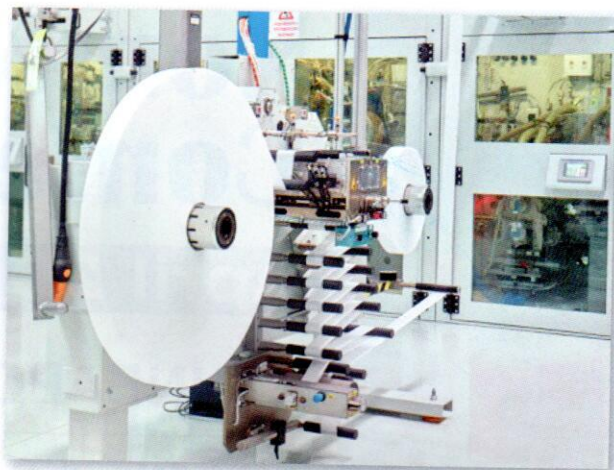
The factory in Gaziantep sources several raw materials for its baby diaper production, all of which – bar for two – are widely available in Turkey.

Enka Hijyen has an advantage of having the support of its sister company, General Nonwovens, which specializes in manufacturing of different nonwoven fabrics (spunbonds, SMS, ADL, ATB) for the hygiene industry.

Having funded in-depth cost/benefit market research, Fatos proudly stated that all three of the company's brands are successful, as they cover all local consumer demographics.

The biggest influence on the price of diapers in Turkey is the number of steps between the manufacturer and the end user. That's why according to a recent market study, baby diapers currently rank online as the most item sold in e-commerce websites.

Regarding compliance with GMP and EU regulations,



Fatos explained that Enka Hijyen quality assurance and product safety teams make sure that the raw materials used comply with all regulations and restrictions for health use.

"Enka Hijyen's products pass cytotoxicity, skin irritation test and the products made can be sold to any market including EU and US. These tests are done periodically in both the dermatological and microbiological extent. Armed with this information, ENKA's R&D team continues their hard work to develop our products and improve customer satisfaction."

When looking at new technologies and baby diaper market trends, Fatos sees that the development of thinner diapers is being prioritized every day in most competing diaper manufacturers. Other trend setting ideas focus on softer products that let baby skin breathe.

Fatos is not worried about the global increase in energy prices, which have been relatively stable in Turkey, at least. "The lines at Enka Hijyen have state of the art equipment, with motors and drives that consistently produce the highest efficiency ratings". She further explained that the Enka Hijyen Engineering team is working around the clock on projects to reduce energy consumption and improve productivity.

The company is also constantly fine-tuning their systems to reduce raw material usage, increase efficient use of the energy sources, and is even considering the future use of renewable materials in their diaper manufacturing.

The near future is exciting for Fatos. She believes that within 5 years, Enka Hijyen's products will have a successful background in the markets the company serves. "Because, with almost 90 years of roots, Enka Hijyen has never relied on short-term profits and temporary business partnerships. For this reason, the company finds itself to be a solution partner of babies and mothers in their hygiene expectations". ■