

“We

offer global expertise with local insight”

Hayat Kimya

Since 2006 Hayat Kimya has seen a meteoric rise in their production capacity and overseas factory expansion; from their first entry into the Fast-Moving Consumer Goods (FMCG) industry in 1987, to currently becoming the world's 5th largest branded baby diaper manufacturer and the largest tissue manufacturer in the Middle East, Africa, and Eastern Europe by capacity.

The company's success was officially recognized in 2015 when the Ministry of Science, Industry and Technology in Turkey awarded them “The Best R&D Center” due to their innovative product and process development studies in consumer goods. Hayat was also ranked 32nd among Turkey's largest exporters and 45th by Istanbul Chamber of Commerce (ISO) top 500 list. This fast ascend to international success prompts the question of how this was possible in such a short period of time and whether their strategy can be repeated elsewhere. METissue sat down with Global Tissue Production Director, Lutfi Aydin, for a brief talk on their current manufactured goods, international investments, general expansion strategies, and choice of machinery.

Ambitious investments driving growth

Based in Istanbul (Turkey) with additional offices in Iran, Egypt, Bulgaria, Algeria, Morocco, Russia, and Nigeria, Hayat Kimya employs nearly 8,000 workers in 14 factories around the world. The company offers sanitary pads, baby diapers, adult diapers, detergents, tissues, as well as cellulose and flexible packaging. Hayat Kimya brand name products include Bingo (detergents and home cleaning category), Molfix (baby diapers), Molped (feminine care category), Papia, Familia, Focus & Teno (cleansing tissue categories), in addition to Joly and Evony (adult diaper categories). Hayat entered the tissue market in Turkey in 2006, this was followed by foreign expansions in Iran (2013), Russia (2015), Nigeria (2016), and Egypt (2017). Within 10 years, the company managed to become among the market leaders, rapidly growing in categories where they operate, and earning notable international titles on their way to becoming an important player in the global market.

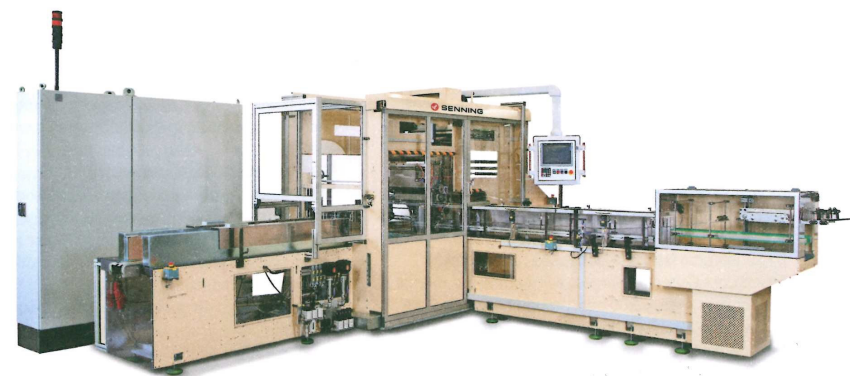
The company believes that “everyone around the world should have access to high-quality products”, and pride themselves on providing “global business expertise and high quality standards”. For that reason, Hayat Kimya uses 100% pure cellulose and no artificial whitening chemicals in tissue production, and “this alone, differentiates their products from local brands as well as global brands”. This was clearly observed in the Russian market with the introduction of Hayat's toilet tissue brands, Papia and Familia, which they view as a distinguish product that can deliver the quality and comfort that their consumers seek. The high caliber of their products is thus enabling Hayat Kimya to succeed in foreign markets by providing distinguished goods and state-of-the-art technologies on an international level, with the affordability of a local company.

The largest tissue manufacturer in the Middle East, Eastern Europe and Africa by capacity

Understanding the local consumer

In addition to their product quality, Hayat Kimya also credit their success to understanding the local consumer. According to Lutfi Aydin, their success stems from “understanding the local dynamics of the market and the consumer need”; in fact, the company's investment in Russia is considered a pioneering move, which became a role model by others in the industry. As stated by Aydin, “the

Facial Wrapping Machine SE 660 designed for HAYAT



innovative technologies used at the tissue plant in Russia were introduced to the market for the first time by Hayat Kimya. The co-generation technology, which allows natural gas to be converted into heat, electricity and vapor energies, provides up to 70% efficiency in the plants, which is an exemplary application". The use of ground-breaking innovative technologies in the tissue business enabled Hayat Kimya to "rise among the top 2 brands in the market in Turkey, Iran, and Russia". Prior to their entrance, the Russian tissue market was dominated by single-ply recycled toilet paper, despite consumer expectation of high quality, new-white products. Upon launching of Papia and Famila in 2015, both brands shot to number two in the branded products market in the span of only six months. This innate understanding of consumer needs and market tendencies can also be seen in Nigeria where the market was dominated by "relatively low quality mostly recycled products". According to Hayat's market study, Nigeria's consumption of tissue is divided into 80% toilet paper and 8% kitchen towel. This is due to the versatility of toilet paper in the Nigerian culture; toilet paper is not only used for sanitary purposes, people use it for cleaning in general. This insightful market approach involving thorough examination of consumer needs, market trends, and providing high-end products at reasonable prices allowed Hayat Kimya to become the largest tissue manufacturer in the Middle East, Eastern Europe and Africa by capacity.

Special feature: inline take-over with "guide runners" for an ideal inline transfer



Innovative natural gas conversion technology into heat, vapor, and electricity at Hayat premises became role model in Russia

Targeting new markets

Hayat's foray into Russia, Nigeria, Egypt, and Iran has been a calculated one; the company is further boosting their geographical presence and opening up additional markets in Africa and the Middle East. Regardless of the relatively small market size of Nigeria where the total tissue market is estimated at 80,000 tons, compared to a whopping 6.3 million tons in Western Europe, the new factory in Nigeria will serve and open up the Central and West African market providing high quality consumer goods in hygiene and tissue categories. As for Iran: facial tissue constitutes the largest segment in the market with approximately 200 sub-brands taking up 60% of volume share. Additionally, according to Nielsen data, facial tissue usage in Egypt makes up more

than half of the tissue market by volume (%55) thus providing more room for competition; in comparison, the same category in Europe comprises a relatively smaller portion. Interestingly, facial tissue in Egypt is not only offered in boxes but in plastic covers as well.

Coping with overcapacity

Given current global trends, as well as energy problems and regional instability, one might wonder, how can the company cope with the Tissue Paper Market overcapacity? The answer to this is adopting the right sustainability measures such as energy efficiency and water conservation; as Lutfi Aydin explains: "sustainability lies at the heart of our business", by favoring cutting edge 'co-generation' technology, natural gas is converted into

three other sources (i.e.: heat, vapor, and electricity), which are in turn all used in the manufacturing of tissue; thus saving up to 70% of their power consumption. In addition, due to several water conservation measures taken during the production process, Hayat is the third least water consuming tissue producing company in Europe. Moreover, Lutfi Aydin sees that "understanding market needs is very important for a sustainable business. Up until now, Hayat has been growing steadily in the field, with strong steps taken towards globalization. With all investments at hand, and deep understanding of changing market needs, Hayat will continue to work to strengthen its position as a leading manufacturer in the global market."

it was great support and devotion given by SENNING

Hayat-Senning success story

Hayat's choice for new equipment supplier fell on SENNING due to the efficiency, state-of-the-art-technology, high speed and robustness of their equipment and the supplier's high quality aftersales support and contact. However, choosing SENNING was not a coincidence; the two companies have worked together for years as strategic partners, developing trust and confidence in each other: the start was in 2005 when Hayat Kimya installed a SENNING handkerchief line at its Kocaeli/Izmit factory in Turkey. In total, Hayat Kimya owns more than 20 SENNING machines at different locations, producing handkerchief, napkins and facial tissue. This strong partnership was tested during the installation and trial of Hayat's new machine, when apparently "no challenges were encountered". According to Lutfi AYDIN "if you negotiate with SENNING during the technical discussions, you don't encounter any surprise". Aydin praised the meticulous work provided by SENNING and their dedication to "increase the performance of the project". When asked about their experience with SENNING's machines and their aftersales support, Aydin confirmed their full trust in the support provided by SENNING, which was evident in one of their installation in Egypt: the set-up of one line had to be completed and started up within two weeks instead of four weeks. SENNING technicians worked over time to provide their support during the installation and start-up stages, and in fact the installation was up and running within the two-week deadline, "it was great support and devotion given by SENNING" lauded Aydin.

SENNING in brief

Founded in 1949 by Christian Senning in Bremen, Germany, SENNING is a first-class manufacturer of state-of-the-art high speed technology machines, implementing packaging machines for napkins, facial tissues, towels and nonwoven products and complete production lines for handkerchiefs, with speeds reaching up to 850 packages per minute, encompassing single machines and/or complete lines.

Due to the modular design of SENNING machines, the napkin wrappers can also be used for wrapping facial tissue, towel, and nonwoven products.

With nearly 70 years of experience in packaging technology, SENNING offers packaging machines with highest precision, reliability and with innovative high-end solutions for customers' specific needs, the company is also well-known for its comprehensive after-sales service, including technical service on customers' site, upgrades and trainings.