

Biggest price hike seen in olive oil in Turkey in 2015

The price of olive oil rose by one its highest figures ever in 2015, jumping 107 percent compared to the previous year as Turkey's inflation hit 8.8 percent, mainly due to a continuous rise in food and non-alcoholic beverages.

Potatoes saw the largest drop in prices among all food products, with its price declining by 21 percent compared to the previous year, according to data compiled by Anadolu Agency.

Consumer prices rose 8.81 percent year-on-year in December 2015, above estimates, data from the Turkish Statistics Institute (TÜİK) showed on Jan. 4. On the 12-month basis, the average rate was 7.67 percent in December 2015. According to TÜİK data, the largest increase was seen in food and non-alcoholic beverages last month with a 1.24 percent hike.

In this vein, Turkey's main economic challenge this year will be to battle inflation amid a continuing increase in the rate, Turkish Deputy Prime Minister Mehmet Şimşek said Jan. 4.

The price of olive oil has now increased to 28 Turkish Liras per kilo in the market, but producers have been complaining about the atypical price hike, suggesting counterfeit products have become more common with lower costs in the light of inadequate controls.

Meanwhile, while big olive oil producers experienced their worst year in more than a decade, Turkey failed to turn this situation to its advantage despite increasing production, as some merchants stockpiled olive oil and caused prices to rise dramatically, according to sector representatives.

Spain, which accounted for half the world's production of all grades of olive oil last year, had a mediocre year due to a toxic cocktail of scorching temperatures, drought and bacteria. The same reasons hampered France and Italy's productions, whereas Turkey, a leading producer, increased its production by 12 percent compared to last year, when the total production in the world decreased by one-third.

In spite of all the obstacles which emerged, France, Italy and Spain increased their prices by 25 percent, while the price rose by 60 percent in Turkey despite the escalation in production, making oil in Turkey the most expensive in the world.

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