

Automotive Industry in Turkey



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▶ A Growing Industry

- **17th** largest producer in the world and **6th** largest manufacturer in Europe in motor vehicle production, in 2014. (Source: OICA, 2015)
- **10th** largest producer in the world, and **2nd** largest manufacturer in Europe in commercial vehicle production. (Source: OICA, 2015)
- Together with the parts and components producers, the industry employs more than **230 thousand people**. (Source: OICA, 2015)

Foreign Investment Has Been the Main Driver of the Development:

- The presence of foreign investment in the industry dates back to **1960s**.
- The **Customs Union** agreement with the EU in 1996 boosted both foreign investment and foreign trade.
- **273** manufacturers with foreign capital. (Source: Ministry of Economy, 2015)
- Most of the foreign capital manufacturers are from the **EU**. By far the highest number of manufacturers come from **Germany** (79), followed by Italy (27), UK (20) and France (20). (Source: Ministry of Economy, 2015)



B. Supply

▶ Domestic Production

- The volume of production was over **1.2 mn** units in 2014.
- **60%** of the production is composed of passenger cars and **33%** of LCVs.

Production, units	2010	2011	2012	2013	2014	2014/ 2013
Passenger car	603,394	639,734	577,296	633,604	733,439	16%
LCV	459,386	506,346	458,826	452,801	398,763	-12%
HCV	31,777	43,051	36,856	39,129	38,243	-2%
Tractor	30,425	45,506	42,255	40,509	48,403	19%
Total	1,124,982	1,234,637	1,115,233	1,166,043	1,218,848	5%

Source: Automotive Manufacturers Association, 2015



▶ Domestic Market Sales

- **70%** of the domestic market is composed of passenger cars and **22%** of LCVs.

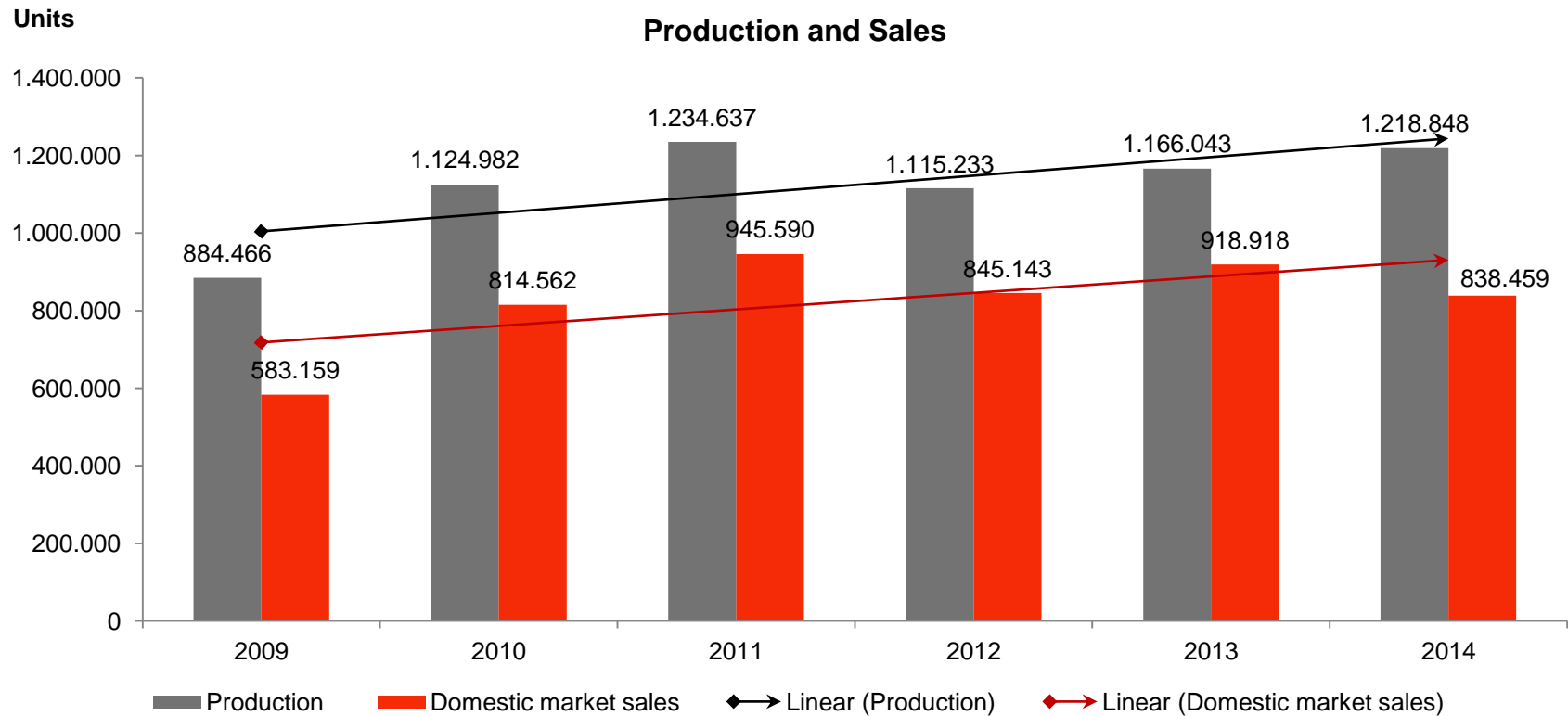
Domestic Market, units	2010	2011	2012	2013	2014	2014/ 2013
Passenger car	509,784	593,519	556,280	664,655	587,331	-12%
LCV	251,129	270,920	221,481	188,723	180,350	-4%
HCV	32,259	46,428	39,859	39,746	39,805	0%
Tractor	21,390	34,723	27,523	25,794	30,973	20%
Total	814,562	945,590	845,143	918,918	838,459	-9%

Source: Automotive Manufacturers Association, 2015



► Growth in Production and Sales

- Compound annual growth rate btw. 2009-2014:
 - Domestic market: **8%**
 - Production: **7%**





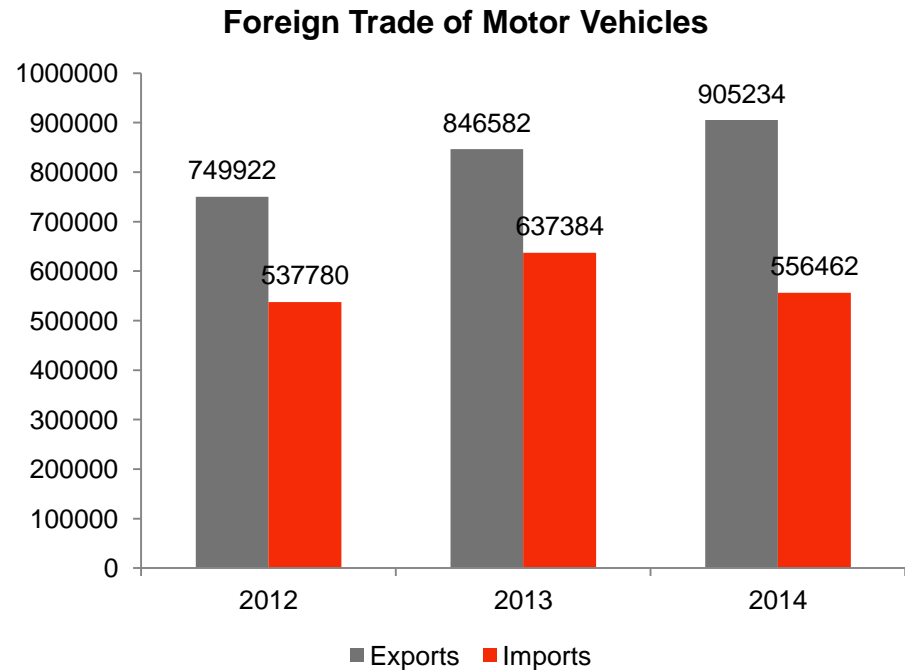
E. Foreign Trade

▶ Exports & Imports of Motor Vehicles

- In 2014, **74%** of the production was exported, whereas **65%** of the domestic market was composed of imported vehicles. (Source: Automotive Manufacturers Association, 2015)
- Change in 2014: Exports (**7%**), Imports (**-13%**)
- In HS:87, EU's share was **73%** in exports and **78%** in imports in 2014. (Source: Turkish Statistical Institute, 2015)

2014, units	Exports	Imports
Passenger car	581,993	429,982
LCV	296,453	82,126
HCV	6,734	10,734
Tractor	20,054	33,620
Total	905,234	556,462

Source: Automotive Manufacturers Association, 2015 (Tractor data is taken from Turkish Statistical Institute, HS: 8701)



Source: Automotive Manufacturers Association and Turkish Statistical Institute, 2015



▶ Largest Producers



Oyak Renault (JV of Renault & Oyak Group)



Ford Otosan (JV of Ford & Koc Group)



Tofas (JV of Fiat & Koc Group)



Hyundai Assan (JV of Hyundai & Kibar Group)



Toyota (100% FDI)



F. Main Companies

▶ Largest Producers

Production, 2014	Passenger car	LCV	HCV	Tractor	Total	Capacities
OYAK RENAULT	318,246	0	0	0	318,246	360,000
FORD OTOSAN	9,790	226,937	7,955	0	244,682	410,200
TOFAS	59,109	163,698	0	0	222,807	400,000
HYUNDAI ASSAN	203,157	0	0	0	203,157	200,000
TOYOTA	131,504	0	0	0	131,504	150,000
TURK TRAKTOR	0	0	0	45,823	45,823	40,000
M.BENZ TURK	0	0	22,205	0	22,205	18,500
HONDA TURKIYE	11,633	0	0	0	11,633	50,000
A.I.O.S.	0	5,765	1,915	0	7,680	13,155
OTOKAR	0	794	2,472	0	3,266	8,800
HATTAT	0	0	0	2,580	2,580	15,000
TEMSA	0	0	2,500	0	2,500	11,500
KARSAN	0	1,569	145	0	1,714	52,225
MAN TURKIYE	0	0	1,051	0	1,051	1,700
TOTAL	733,439	398,763	38,243	48,403	1,218,848	1,731,080

Source: Automotive Manufacturers Association, 2015



► Overview

- Highly competitive exporting manufacturers, providing parts & components to global companies: **GM, Mercedes-Benz, BMW, Toyota, Ford**, etc.
- Around **200** foreign capital companies
- Various products:
 - Engines and engine parts
 - Power train parts
 - Brake and clutch parts
 - Hydraulic and pneumatic systems
 - Suspension systems
 - Safety systems
 - Rubber and plastic parts
 - Chassis frames and parts
 - Castings and forgings
 - Electrical equipment and lighting
 - Tyres and wheels
 - Batteries
 - Glass
 - Seats
 - ...



▶ Main Companies

Increasing number of foreign manufacturers and partnerships

- Bosch
- Brisa Bridgestone
- Turk Pirelli
- Delphi
- Goodyear
- Autoliv
- Componenta
- Yazaki
- Federal Mogul
- Beycelik Gestamp
- Hayes Lemmerz
- Standard Profil
- Diniz Johnson Controls
- Aunde Teknik
- Gates Powertrain
- Toyota Boshoku
- BPO B-Plas

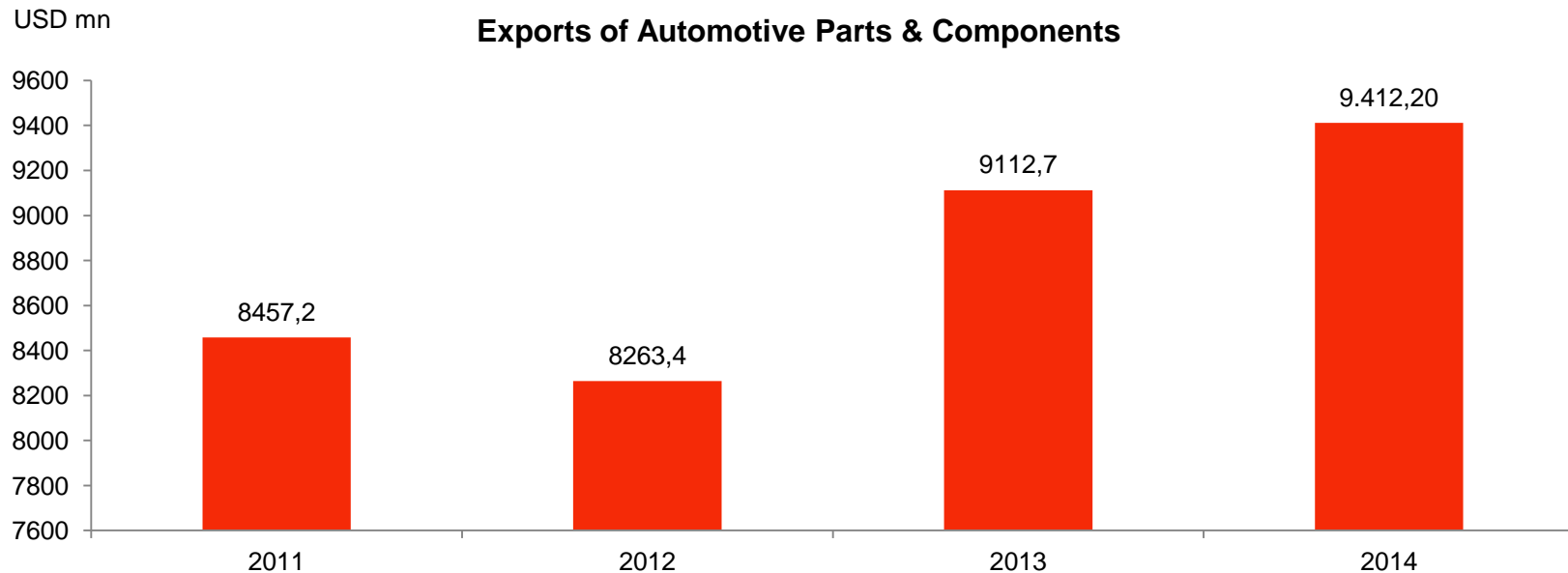
Globally competitive Turkish manufacturers

- Petlas
- CMS Jant
- Hema Endustri
- Coskunuz
- B-Plas Bursa
- Teknorot
- Ermetal
- ...



▶ Exports

- **USD 9.4 bn** exports of parts and components, annually increased by **4% btw. 2011-2014 on average**. (Source: TIM [Turkish Exporters Assembly] and TAYSAD [Association of Automotive Parts & Components Manufacturers], 2015)
- The main export market is the **EU**, led by Germany. (TAYSAD, 2015)
- **6%** share in the total exports of Turkey. (Source: Turkish Statistical Institute, 2015)



Source: TIM and TAYSAD, 2015

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