

Defense and Aerospace Industry in Turkey



A	Overview	<i>Page 03</i>
B	Procurement	<i>Page 04</i>
C	Industry Size	<i>Page 05</i>
D	Foreign Trade	<i>Page 10</i>
E	Main Companies	<i>Page 12</i>







▶ Industry Profile

2013	USD bn	EUR bn
Sales	5.1	3.8
Exports	1.6	1.2
Imports	1.3	1.0
R&D Expenditures	0.9	0.7
Number of Employees	32,368	

Source: Defense and Aerospace Industries Manufacturers Association (SASAD), 2014

▶ History of the Defense Procurement

Historical Development of the Procurement Approaches

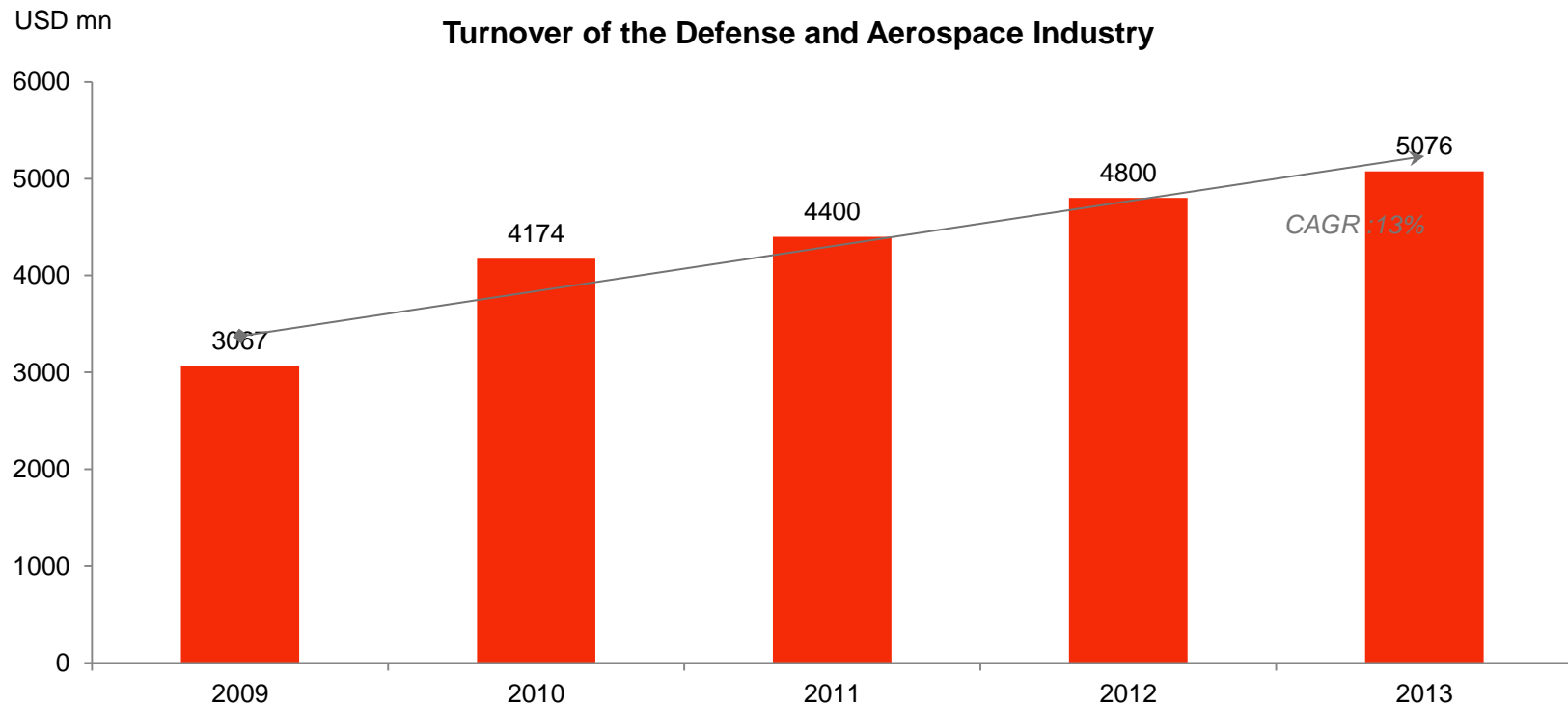
> 1990	1990 - 2000	2000 – 2011	2011 < ...
Direct Procurement	Co - Production	Design	Life Cycle Management
			
Cobra AH-1 W (Attack helicopter) AB-412 Helicopter MLRS (Rocket System)	Armoured Combat Vehicle Light Transport Aircraft Basic Trainer Aircraft Cougar Helicopter	ALTAY MILGEM ANKA HURKUS	Integration of Design-Production-Logistic Support Logistic Support of Domestic Contractor Performance-Based Logistics

Source: Undersecretariat for Defense Industries (SSM), 2013



▶ Turnover of the Defense and Aerospace Industry

- The compound annual growth rate of the Turkish defense and aerospace industry turnover in terms of USD was **13%** between 2009 and 2013.



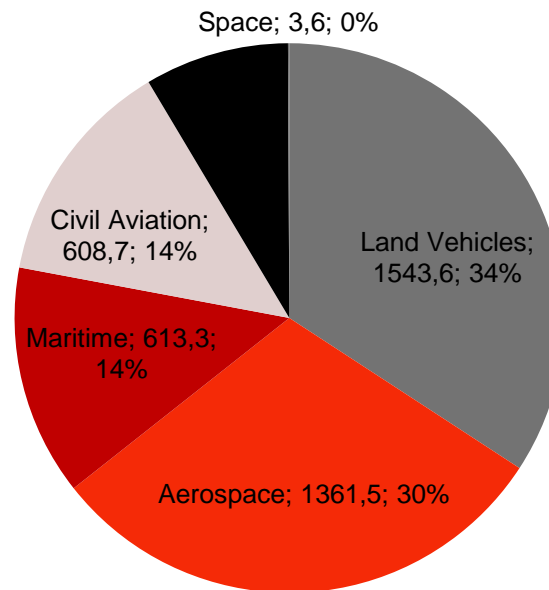


C. Industry Size

▶ Turnover of the Defense and Aerospace Industry

- The compound annual growth rate of the Turkish defense and aerospace industry turnover in terms of USD was **13%** between 2009 and 2013.

Defense and Aerospace Sales Per Category, 2013 (USD mn, % Share)*



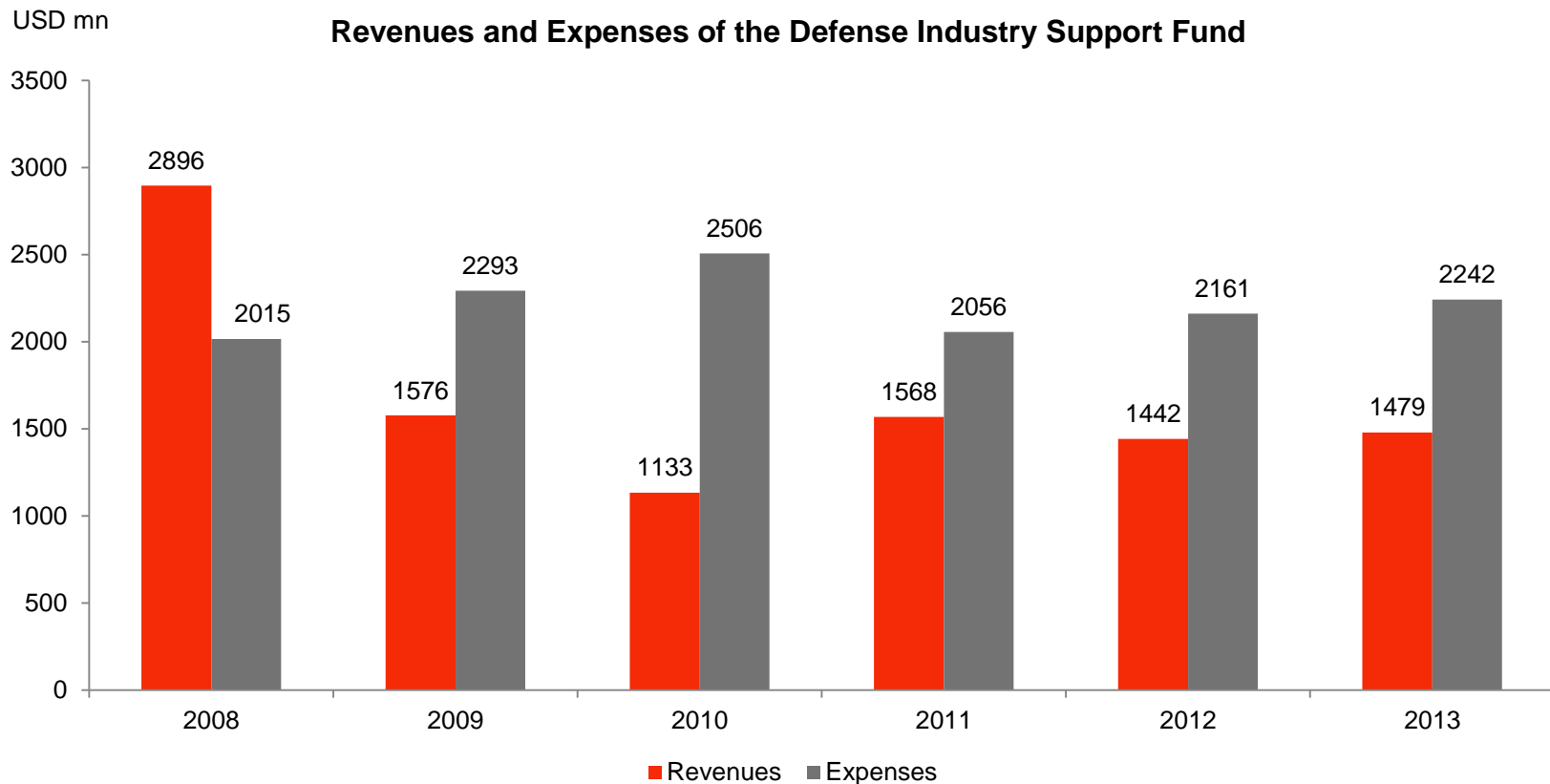
*Excluding military plant and military shipyard sales (USD 550 mn).
Source: SASAD, 2013



C. Industry Size

▶ Defense Industry Support Fund

- **Defense Industry Support Fund** is managed by the Undersecretariat for Defense Industries. Its expenditures include incentives to the industry, loans, capital contributions and project costs.

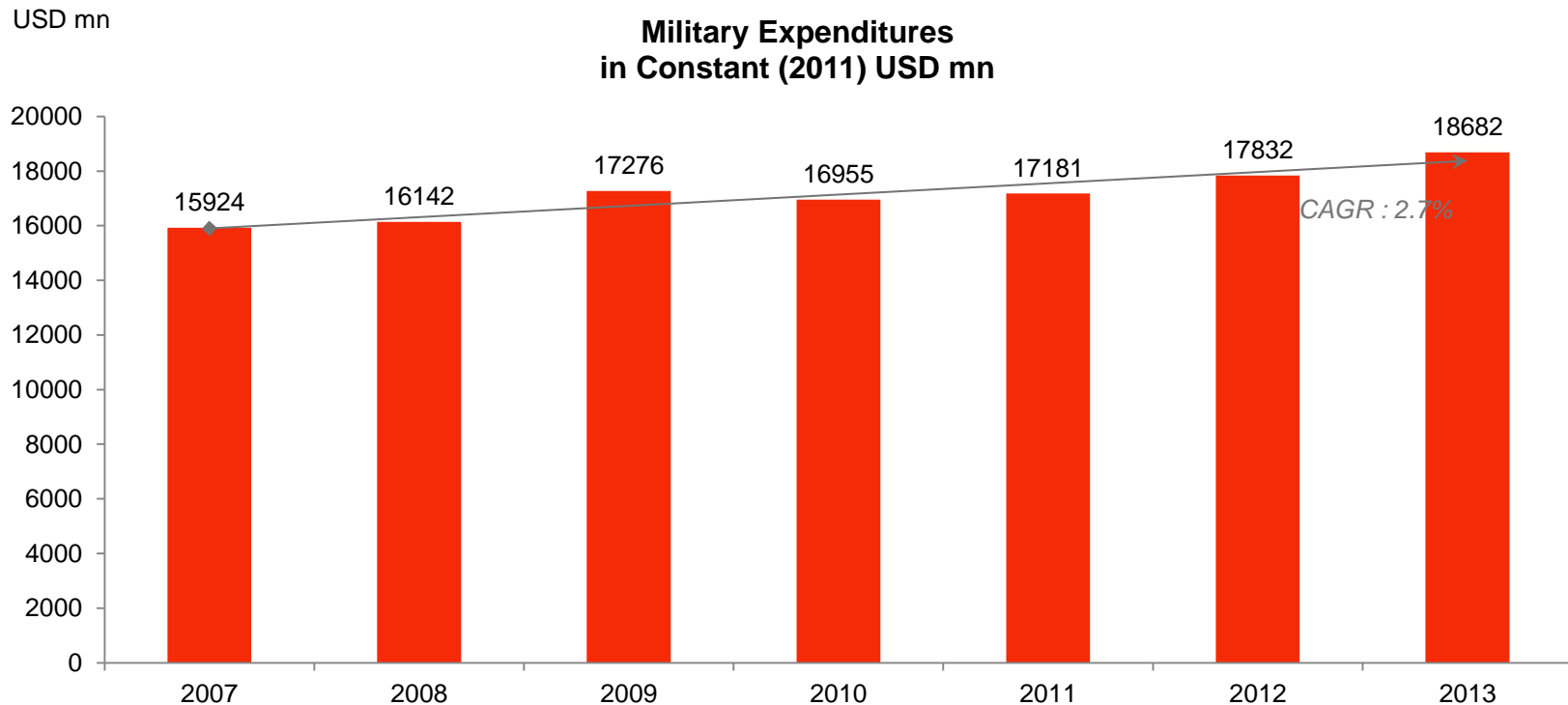




C. Industry Size

▶ Military Expenditures

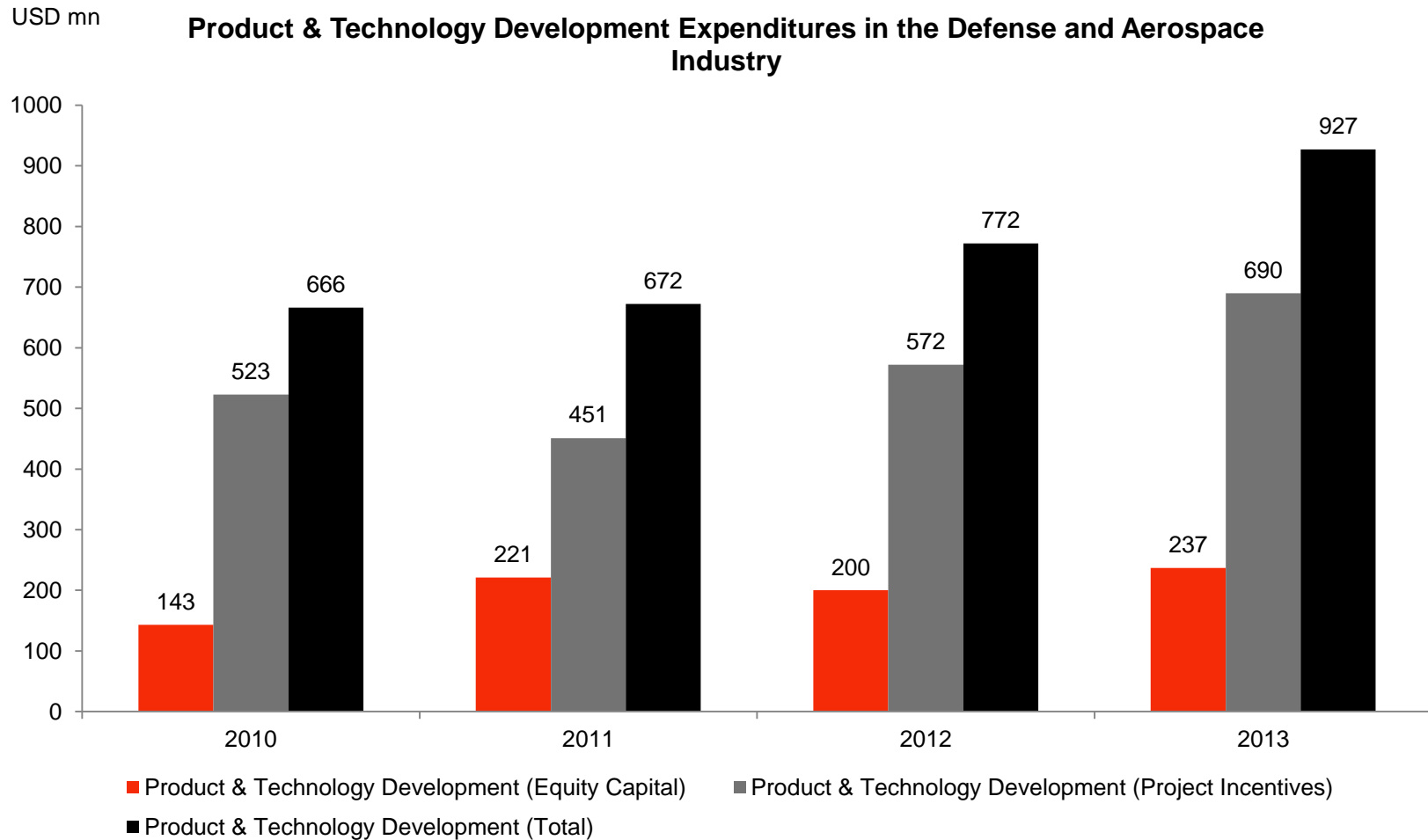
- Turkey ranks **14th** in the world in terms of military expenditures in 2013.
- Military expenditures have **2.3%** share in GDP in 2013.
- The compound annual growth rate btw. 2007 and 2013 was **2.7%**.





C. Industry Size

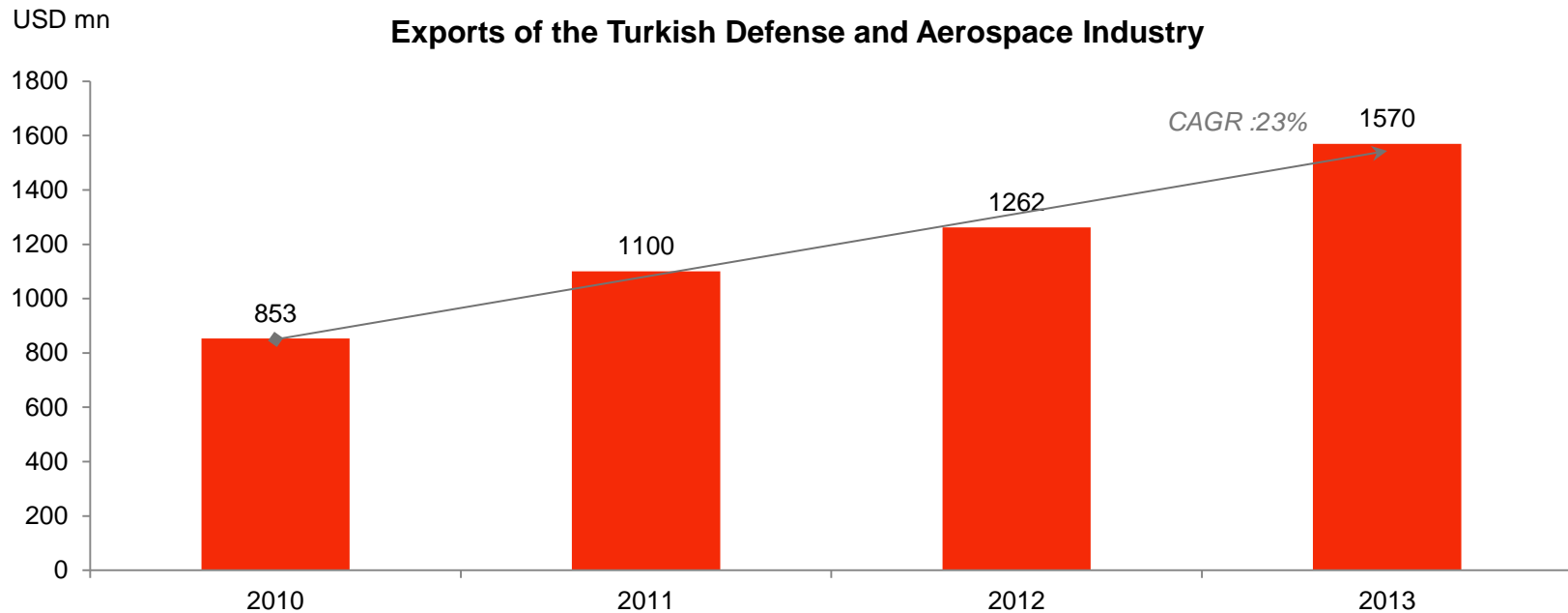
▶ Product and Technology Development





▶ Defense and Aerospace Exports and Imports

- The volume defense and aerospace exports was **USD 1.6 bn** in 2013. The compound annual growth rate of the Turkish defense and aerospace industry exports volume in terms of USD was **23%** btw. 2010 and 2013.
- Main destinations of exports were USA (**43%**) and Europe (**21%**) in 2013.
- Turkey is a net exporter in defense and aerospace industry, where import volume was **USD 1.3 bn** in 2013.

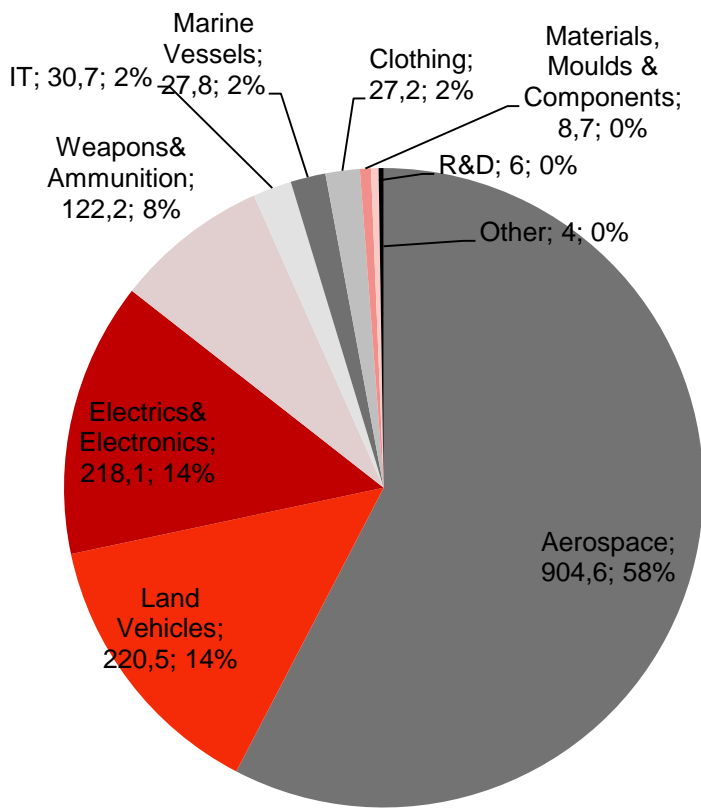




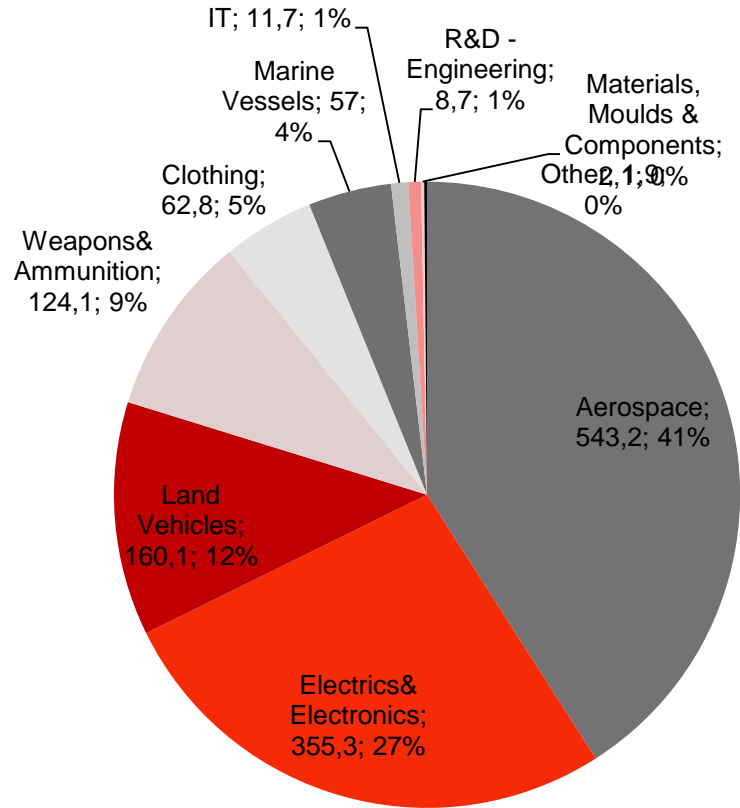
D. Foreign Trade

▶ Defense and Aerospace Exports and Imports

Defense and Aerospace Exports Per Category, 2013 (USD mn, % Share)



Defense and Aerospace Imports Per Category, 2013 (USD mn, % Share)



Source: SASAD, 2013



E. Main Companies

▶ Largest Manufacturers

Rank*	Company	Net Sales (2012), TRY**	Number of Employees
46	Aselsan Elektronik	1,369,210,137	4,600
83	TUSAS-Turk Havacilik ve Uzay Sanayii	1,140,904,440	4,172
87	Otokar Otomotiv ve Savunma Sanayi	894,411,628	2,004
103	Makina ve Kimya Endustrisi Kurumu (M.K.E.K.)	818,287,569	5,574
193	ROKETSAN Roket Sanayi	414,460,483	1,432
209	Tusas Motor Sanayii	404,468,697	1,327
223	HAVELSAN Hava Elektronik Sanayi	372,614,302	1,177
298	FNSS Savunma Sistemleri	287,972,375	610

*Rank among top 500 manufacturing companies in TR

**EUR 1 = TRY 2.31 in 2012.

Source: Istanbul Chamber of Industry, 2013

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