

# Automotive Industry in Turkey



*FMConsulting prepares market snapshot reports from selected trusted sources in Turkey which are regularly updated. These reports are brief presentations overviewing available facts & figures on major industries in Turkey. If you need a specific research on different segments, please contact with our Head of Market Research Department Mrs. Berna Gurleyen ([b.gurleyen@fmconsulting.com](mailto:b.gurleyen@fmconsulting.com)). We would be happy to support you.*



<b>A</b>	Overview	<i>Page 04</i>
<b>B</b>	Supply	<i>Page 05</i>
<b>C</b>	Demand	<i>Page 06</i>
<b>D</b>	Growth	<i>Page 07</i>
<b>E</b>	Foreign Trade	<i>Page 08</i>
<b>F</b>	Main Companies	<i>Page 09</i>
<b>G</b>	Automotive Parts & Components	<i>Page 11</i>
<b>H</b>	New Projects	<i>Page 14</i>



## ▶ A Growing Industry

- **14<sup>th</sup>** largest producer in the world and **5<sup>th</sup>** largest manufacturer in Europe in motor vehicle production, in 2017. (Source: OICA, 2018)
- **9<sup>th</sup>** largest producer in the world, and **2<sup>nd</sup>** largest manufacturer in Europe in commercial vehicle production. (Source: OICA, 2018)
- Together with the parts and components producers, the industry employs more than **360 thousand people**. (Source: Social Security Institution and Association of Automotive Parts and Components Manufacturers, 2018)

### ***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.
- **325** manufacturers with foreign capital. (Source: Ministry of Economy, 2018)
- Most of the foreign capital investors are from the **EU**. By far the highest number of companies are from **Germany** (82), followed by Italy (28), Syria (26), France (22) and the UK (21). (Source: Ministry of Economy, 2015)



# B. Supply

## ▶ Domestic Production

- The volume of production was over **1.8 mn** units in 2017.
- **65%** of the production is composed of passenger cars and **30%** of LCVs.

Production, units	2013	2014	2015	2016	2017	CAGR 2017/2013
Passenger car	633,604	733,439	791,027	950,888	1,142,906	16%
LCV	452,801	398,763	520,881	508,800	521,541	4%
HCV	39,129	38,243	46,888	26,239	31,284	-5%
Total	1,125,534	1,170,445	1,358,796	1,485,927	1,695,731	11%

Source: Automotive Manufacturers Association, 2018



## ▶ Domestic Market Sales

- **69%** of the domestic market is composed of passenger cars and **22%** of LCVs.

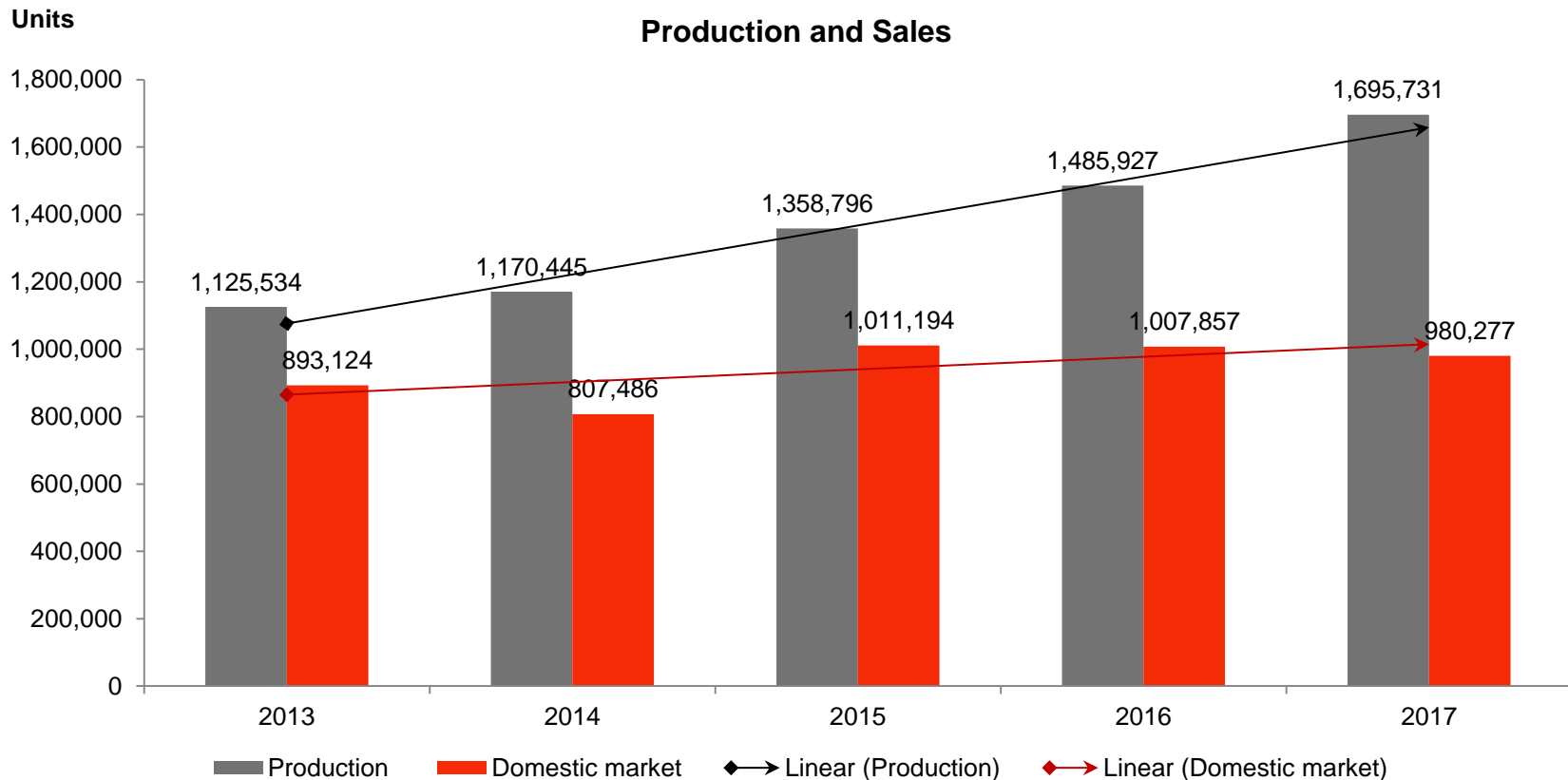
Domestic Market, units	2013	2014	2015	2016	2017	CAGR 2017/2013
Passenger car	664,655	587,331	725,596	756,938	722,759	2%
LCV	188,723	180,350	242,421	226,782	233,435	5%
HCV	39,746	39,805	43,177	24,137	24,083	-12%
Total	893,124	807,486	1,011,194	1,007,857	980,277	2%

Source: Automotive Manufacturers Association, 2018



## ► Growth in Production and Sales

- Compound annual growth rate btw. 2013-2017:
  - Domestic market: **2%**
  - Production: **11%**



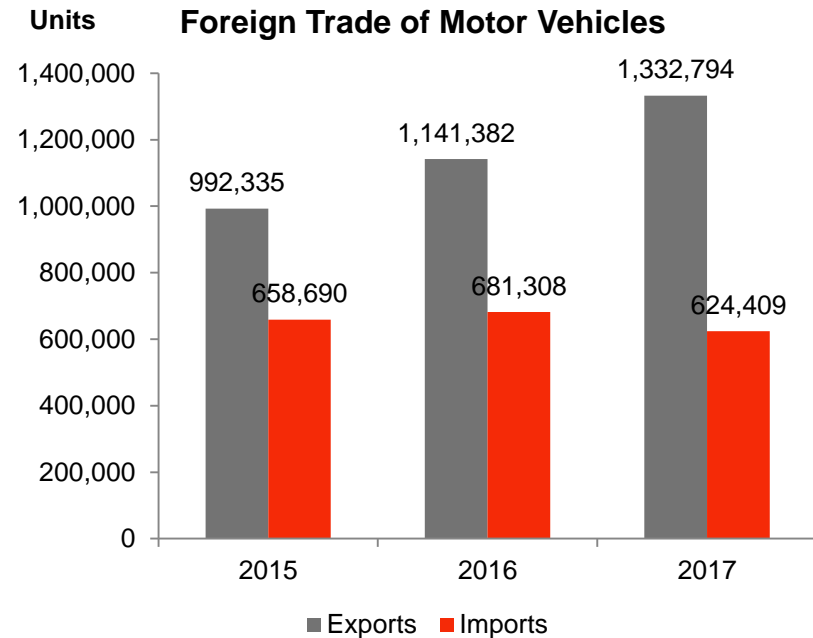


## ▶ Exports & Imports of Motor Vehicles

- In 2017, **79%** of the production was exported, whereas **64%** of the domestic market was composed of imported vehicles. (Source: Automotive Manufacturers Association, 2018)
- Change in 2017: Exports (**17%**), Imports (**-8%**)
- In HS:87, EU's share was **78%** in exports and **74%** in imports in 2017. (Source: Turkish Statistical Institute, 2018)

2017, units	Exports	Imports
Passenger car	921,354	505,968
LCV	395,902	109,920
HCV	15,538	8,521
<b>Total</b>	<b>1,332,794</b>	<b>624,409</b>

Source: Automotive Manufacturers Association, 2018



Source: Automotive Manufacturers Association, 2018





## ▶ Largest Producers



**Ford Otosan (JV of Ford & Koc Group)**

**TOFAŞ**

**Tofas (JV of Fiat & Koc Group)**



**Oyak Renault (JV of Renault & Oyak Group)**



**Toyota (100% FDI)**



**Hyundai Assan (JV of Hyundai & Kibar Group)**



# F. Main Companies

## ▶ Largest Producers

Production, 2017	Passenger car	LCV	HCV	Total	Capacities
FORD OTOSAN	25,844	341,161	6,000	373,005	455,000
TOFAS	216,437	167,737	-	384,174	450,000
OYAK RENAULT	365,002	-	-	365,002	375,000
TOYOTA	279,902	-	-	279,902	280,000
HYUNDAI ASSAN	226,979	-	-	226,979	245,000
KARSAN	-	5,520	507	6,027	52,225
HONDA TURKIYE	28,742	-	-	28,742	50,000
M.BENZ TURK	-	-	17,143	17,143	22,000
A.I.O.S.	-	2,542	3,824	6,366	19,012
TEMSA	-	-	3,539	3,539	10,500
OTOKAR	-	465	2,242	2,707	10,300
MAN TURKIYE	-	-	2,145	2,145	2,400
<b>TOTAL</b>	<b>1,142,906</b>	<b>517,425</b>	<b>35,400</b>	<b>1,695,731</b>	<b>1,971,437</b>

Source: Automotive Manufacturers Association, 2018



## ► Overview

- Highly competitive exporting manufacturers, providing parts & components to global companies: **GM, Mercedes-Benz, BMW, Toyota, Ford**, etc.
- Around **300** 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
- Goodyear
- Autoliv
- Yazaki
- Maxion
- Delphi
- Beycelik Gestamp
- Prometeon/Pirelli
- Federal Mogul
- Toyota Boshoku
- Mutlu Aku
- Assan Hanil
- Aunde Teknik
- Inci GS Yuasa
- Leoni
- Cevher Jant
- Stackpole

### **Globally competitive Turkish manufacturers**

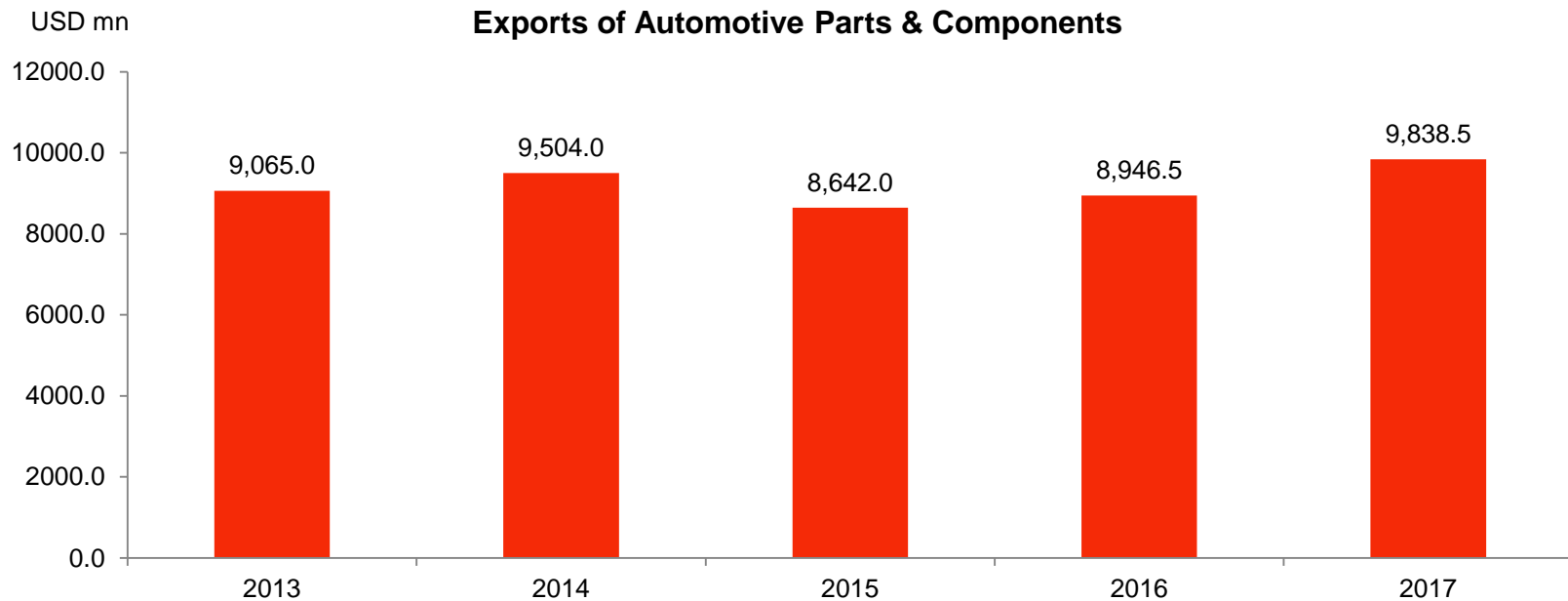
- Petlas
- Hema Endustri
- Doktas
- CMS Jant
- Farba
- Farplas
- Coskunoz
- Teklas
- Yigit Aku
- Aydinlar Yedek Parca
- Trakya Dokum
- B-Plas Bursa
- AKA Otomotiv
- Teknorot
- Rollmech
- Ermetal
- Ferro Dokum
- Opsan



# G. Automotive Parts & Components

## ▶ Exports

- **USD 9.8 bn** exports of parts and components in 2017.
- The main export market is the **EU**, led by Germany. (TSKB [Industrial Development Bank of Turkey], 2018)
- **6%** share in the total exports of Turkey. (Source: Turkish Statistical Institute, 2018)



Source: Uludag Exporters Association and Automotive Manufacturers Association, 2018



## ▶ National Automobile Project

- In November 2017, President Erdogan has announced a consortium of domestic manufacturers that is to develop and produce a “national automobile”, which will be an electric vehicle, and declared government’s full support for the project.
- The participants in the consortium:
  - BMC (Commercial and armoured vehicle manufacturer)
  - Anadolu Isuzu (Commercial vehicle manufacturer)
  - Vestel (Electronics manufacturer)
  - Turkcell (Telecommunication operator)
  - Kiraca Holding (Commercial vehicle and automotive component manufacturer)
- The first prototype of the electric car is planned to be ready in 2019, with the first commercial sale scheduled for 2021.

## ▶ Hyundai Assan’s SUV

- In May 2018, Hyundai Assan has announced its third model to be manufactured in Turkey.
- The model shall be a SUV, to be only manufactured in Turkey and exported to Europe and other markets.
- Production is planned to start in 2021.

## **Confidentiality**

*Foreign Market Consulting Ltd Sti handles all data and information confidentially and also asks all information to be handled confidentially, especially regarding the sources used.*

## **Liability**

*FMConsulting receives information and data from third parties and presents the gathered data to its customers. Thus, FMConsulting does not take any responsibility for the accuracy of any declaration or precision of any gathered data.*