

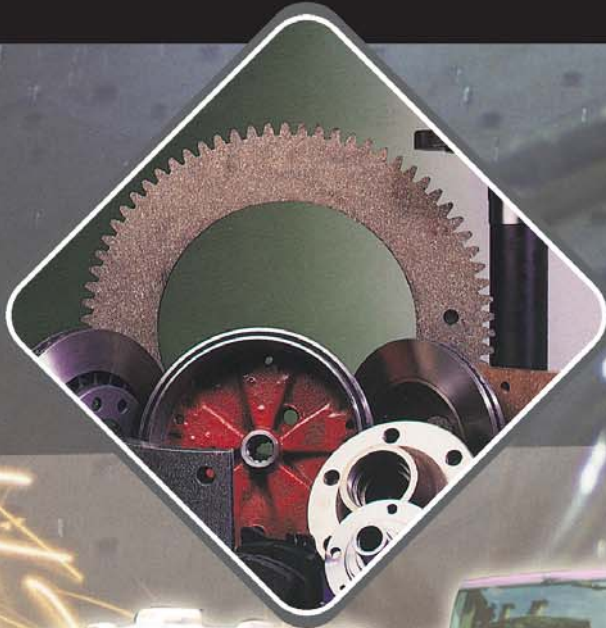


REPUBLIC OF TURKEY
MINISTRY OF ECONOMY

INDUSTRY



AUTOMOTIVE AND SPARE PARTS



TURKEY

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AUTOMOTIVE AND SPARE PARTS

TURKEY'S VEHICLE INDUSTRY

Production

Vehicle industry production in Turkey dates back to the mid-1950s and the industry gained momentum in the early 1960s. After manufacturing some prototype vehicles during the 1950s, the first vehicle assembly company was established in 1954 (Turk Willys Overland Ltd.) for jeep manufacturing. By 1955, trucks, and by 1963, buses were being assembled in Turkey. Then passenger car assembly companies, namely TOFAŞ (FIAT), OYAK (RENAULT) and OTOSAN (FORD) began operations in the next three years. In 1966, the industry also began to assemble its own cars (OTOSAN). The Turkish-made passenger car of those times, "ANADOL", is nostalgia now. The two major producers of cars, TOFAŞ and OYAK-RENAULT, under Italian and French licenses respectively, established their production lines in 1971. Recently, Japanese and South Korean car manufacturers have established joint-ventures in Turkey. In 1999, Turkish truck manufacturer BMC began to export its own design trucks to the United Kingdom, Spain and Portugal. As to passenger cars and light commercial vehicles, Turkish manufacturers are becoming world production centers of global companies, with whom they have license agreements.

At present, Turkey is the biggest light commercial vehicle and bus manufacturer in the European Union.

Today, 16 companies are manufacturing various types of vehicles such as passenger cars, buses, trucks, pick-ups, mini and midi-buses and tractors. Five companies are producing passenger cars (FIAT, HONDA, HYUNDAI, RENAULT, TOYOTA), ten companies are producing pick-ups and trucks (ANADOLU ISUZU, BMC, FORD OTOSAN, HYUNDAI, KARSAN, M.A.N., MERCEDES-BENZ, OTOKAR, TEMSA, TOFAŞ), nine companies are producing buses and mini buses (BMC, FORD, HYUNDAI, ANADOLU ISUZU, KARSAN, M.A.N, MERCEDES-BENZ, OTOKAR, TEMSA) and three companies are the leading producers and exporters in the agricultural tractor sector (HATTAT, ERKUNT, TÜRK TRAKTÖR).

Major Companies in Automotive Industry

Company	Location	Products
Anadolu Isuzu O.S.	Kocaeli	Trucks, pick-ups, midibuses
BMC	Izmir	Trucks, pick-ups, buses, mini-buses, midi-buses
Erkunt Traktör	Ankara	Tractors
Ford Otosan	Eskisehir/Kocaeli	Trucks, pick-ups, minibuses
Hattat Tarım	Tekirdağ	Tractors
Honda Türkiye	Gebze/Kocaeli	Passenger cars
Hyundai Assan	Kocaeli	Passenger cars, pick-ups, minibuses
Karsan	Bursa	Trucks, pick-ups, minibuses, midi-buses
M.A.N.Türkiye	Ankara	Trucks, buses
M.Benz Türk	Istanbul/Aksaray	Trucks, buses
Otokar	Sakarya	Pick-ups, minibuses, midi-buses
Oyak Renault	Bursa	Passenger cars
Temsa	Adana	Trucks, pick-ups, buses, midi-buses
Tofas-Fiat	Bursa	Passenger cars, pick-ups
TÜMOSAN	Konya	Tractors
Türk Traktör	Ankara	Tractors
Toyota	Sakarya	Passenger cars

The Turkish vehicle industry has a total capacity of 1,6 million vehicles, and total vehicle production in 2013 was 1.125.534 units (excluding tractors).

Vehicle Production by Type 2009-2013 (Units)

	2009	2010	2011	2012	2013
Passenger Cars	510.931	603.394	639.734	577.296	633.604
Trucks	8.246	23.671	37.396	29.129	30.082
Pickups	330.044	442.408	479.110	426.633	410.556
Buses	5.931	5.268	6.907	6.427	8.345
Mini-buses	11.829	16.978	22.475	29.335	37.750
Midi-buses	2.624	2.658	3.509	4.158	5.197
Total	869.605	1.094.377	1.189.131	1.072.978	1.125.534

Source: Automotive Manufacturers Association (OSD)

There are 9 commercial vehicle manufacturers in Turkey. The three major companies (TÜRK TRAKTOR, TUMOSAN and HATTAT TARIM) are the leading producers and exporters in the agricultural tractor sector.

Tractors Production (Units)

	2010	2011	2012	2013
Tractors	39.134	62.250	53.982	55.777

Source: The Turkish Association of Agricultural Machinery and Equipment Manufacturers (TARMAKBIR)

By 2013, Oyak-Renault was the biggest manufacturer with 331.694 units of passenger cars vehicles, followed by FORD OTOSAN with 281.287 units of pickup, minibus and mid trucks. Tofas-Fiat was the third top producer with 244.614 units, followed by Toyota with 102.260 units of passenger cars.

ANADOLU ISUZU is a joint venture between Turkey's Anadolu Group and Isuzu Motors and the Itochu Corporation. Its main area of operations is the production and marketing of commercial vehicles, including light trucks, trucks, pick-ups and midibuses.

BMC, is one of the Turkey's leading commercial vehicle manufacturers active in all commercial vehicle segments. In 1980s, all shares of BMC were acquired by Çukurova Holding. The company manufactures Levend and Megastar light trucks and heavy commercial vehicles; BMC Professional and BMC Fatih. Today, with its production capacity of 22.000 vehicles per annum, BMC export to over 70 countries around the world.

FORD OTOSAN , a joint venture between Ford and Koc Holding which first began assembling Ford cars in 1984. Ford Otosan has three factories in Turkey. Since 2007, the company has been more interested in R&D activities through the establishment of Gebze Technology Center. The company TecFord Otosan, which has a 330,000 unit annually capacity, exports a major part of its production line.

HONDA TURKIYE, with its plant at Gebze near Istanbul, commenced operations in 1998, manufacturing passenger cars.

HYUNDAI ASSAN produces passenger cars, pick-ups and minibuses. The company is a joint venture between South Korea's Hyundai Motor Company and the Turkish company Kibar Holding. The Kocaeli plant is still Hyundai's only passenger car plant in Europe.

Based in Bursa, KARSAN, is engaged in the manufacture of Peugeot Partner, Hyundai HD 35/75, Renault Trucks Premium and Premium Lander under the Renault license, Citroen Berlingo under the Citroen license, its own brand Karsan J Series and BredaMenarinibus brand busses.

MAN Turkiye, based in Ankara, produces buses and trucks as part of a joint venture with German MAN.

MERCEDES-BENZ TURK was founded in 1967 as a joint venture between Daimler-Benz A.G., Mengerler Ticaret and Has Otomotiv under the name of Otomarsan. Mercedes-Benz Türk produces trucks and buses in two plants in Aksaray and Hoşdere/Istanbul. Today, foreign partners of the company are Daimler-Chrysler and Overseas Lending Group. The company is the largest full-size bus producer in Turkey.

OTOKAR manufactures a range of commercial vehicles. It produces passenger vans, mini-buses, pick-ups, police team vehicles and mobile patrol vehicles.

OYAK RENAULT, the largest producer of passenger cars in Turkey. Oyak Renault is a joint venture between the Turkish Oyak Group and the French carmaker Renault.

TEMSA, being one of Turkey's leading automotive companies, manufactures and distributes Temsa brand buses and coaches in domestic and international markets. At the same time, the Company represents Mitsubishi and Komatsu as their distributor in Turkey. The production capacity of Temsa Adana plant is 3,250 buses and coaches per year and 7,500 light trucks, which is annually 10,750 vehicles in total.

TOFAŞ is a joint venture between Fiat Auto and Koc Holding. In October 2000, Tofaş began production of the new Fiat model called Doblo, a light van/multi-purpose vehicle, which is aimed largely for the export market. The Doblo is exported mainly to European Countries. In 2007, TOFAŞ started its Minicargo project which includes producing the same light commercial vehicle for three different brands which are Fiorino (FIAT), Bipper (PEUGEOT) and Nemo (CITROEN).

TOYOTA Motor Manufacturing Turkey is one of Toyota's vehicle production bases in Europe. Located in Arifiye, Sakarya/Turkey, Toyota Turkey manufactures Verso and Auris models.

Most of the vehicle manufacturing companies are organized under the Automotive Manufacturers Association (OSD, Otomotiv Sanayicileri Derneği, <http://www.osd.org.tr>)

Vehicle Park by Type 2006-2011 (Units)

	2009	2010	2011	2012	2013
Pass. Cars	7.093.964	7.544.871	8.113.111	8.648.875	9.283.923
Trucks	727.302	726.359	724.458	751.650	755.950
Pickups	2.204.951	2.399.038	2.611.104	2.794.606	2.933.050
Buses	201.033	208.510	219.906	235.949	219.885
Minibuses	384.053	386.973	389.435	396.119	421.848
Tractors	1.368.032	1.404.872	1.466.208	1.515.421	1.565.817
Total	11.979.335	12.670.623	13.524.222	14.342.620	15.180.473

Source: Turkish Statistical Institute (TUIK)

Exports of The Automotive Industry

Turkey's total automotive vehicle exports in 2013 reached 843.033 units, corresponding to a 12,4% increase in value compared to 2012. The export value of passenger cars, trucks and buses was US\$ 6,9 billion, US\$ 3,9 billion and more than US\$ 1 billion respectively. The main export markets for the automotive industry in 2013 were France, the United Kingdom, Italy, Germany, Belgium, USA, Russian Federation, Spain and Slovenia.

Export of The Automotive Industry (Value: US\$ 1,000; Quantity: Units)

Products	2011		2012		2013	
	Units	Value	Units	Value	Units	Value
Passenger Cars	499.083	6.485.592.250	487.434	6.069.128.018	551.460	6.856.715.373
Trucks-Pickups	273.741	3.963.070.253	238.676	3.385.633.201	260.028	3.850.763.951
Buses-Minibuses-Midibuses	11.688	1.043.760.470	13.640	1.024.678.641	13.431	1.103.206.000
Tractors	16.148	369.037.816	19.999	400.851.334	18.114	421.782.646
Total	800.660	11.861.460.789	759.749	10.880.291.194	843.033	12.232.467.970

Source: Ministry of Economy of Turkey

Automotive Industry Exports Of Turkey By Countries (First 20 Countries) (Value: US\$)

Country	2012	2013	2012/2013 Change (%)	2013 Share (%)
FRANCE	1.709.488.523	1.647.574.785	-3,6	13,5
UNITED KINGDOM	836.158.067	1.504.633.433	79,9	12,3
ITALY	1.253.509.164	1.242.745.074	-0,9	10,2
GERMANY	980.831.108	966.899.062	-1,4	7,9
BELGIUM	514.239.154	693.361.212	34,8	5,7
U.S.A.	706.084.625	551.127.683	-21,9	4,5
RUSSIAN FEDERATION	444.536.773	503.614.223	13,3	4,1
SPAIN	448.674.022	479.603.783	6,9	3,9
SLOVENIA	348.913.867	477.631.491	36,9	3,9
NETHERLANDS	433.212.306	373.309.234	-13,8	3,1
ALGERIA	348.679.002	373.256.580	7,0	3,1
ISRAEL	270.424.358	363.869.313	34,6	3,0
POLAND	246.541.949	275.948.954	11,9	2,3
SWEDEN	195.128.005	203.270.311	4,2	1,7
ARGENTINA	162.859.462	179.758.725	10,4	1,5
MOROCCO	102.301.557	177.123.633	73,1	1,4
DENMARK	112.191.325	166.800.406	48,7	1,4
AUSTRIA	133.036.899	153.742.838	15,6	1,3
REP. OF SOUTH AFRICA	16.239.016	139.723.127	760,4	1,1
UKRAINE	126.372.683	121.943.513	-3,5	1,0
OTHERS	1.490.869.329	1.638.457.717	9,9	13,4
Total	10.880.291.194	12.234.395.097	12,4	100,0

Source: Ministry of Economy of Turkey

AUTOMOTIVE SPARE PARTS INDUSTRY

Production

Turkish spare parts industry produces parts and pieces for the vehicles manufactured in our country and in the global market, as well as for the OEM and After Market.

Turkey has a strong component sector and in recent years, it has developed a highly competitive components industry providing products compatible with brands such as GM, Mercedes, BMW, Opel, Toyota, Fiat and Ford. The Turkish spare parts industry, with its large capacity, and a wide variety of production and high standards, supports automotive production and the vehicle park in Turkey (15 million vehicles), and has ample potential for exports.

The Turkish automotive and spare parts industry is concentrated in the Marmara Region, mainly in Bursa. Two major car factories and two “Organized Industrial Zones” are located in Bursa. Other important cities are Istanbul, İzmir, Kocaeli, Ankara, Konya, Adana and Manisa. Another development in the Turkish Auto Parts Industry is the establishment of the TAYSAD Components Manufacturers Industrial Zone (TOSB). The “Association of Automotive Parts and Components Manufacturers” (TAYSAD, <http://www.taysad.org.tr>), began the TOSB project for its members in 1999. TOSB, covering a 2500 hectare area in Kocaeli, provides its members with larger production sites, modern environmental facilities, proximity to vehicle manufacturers, training and conference facilities, inter-enterprise cooperation, and a technology and innovation center.

Due to the high export potential of the sector and Turkey’s regional advantages, the spare parts sector has been attracting foreign investors. At present, the number of foreign investors in the spare parts sector is 200. Most of the world leaders in the sector have joint-ventures with Turkish companies.

Turkish automotive manufacturers are in direct contact with local spare parts manufacturers for procurement and 70% of these companies are SMEs. The total number of spare parts manufacturers in Turkey is about 4000. The export volume of spare parts sector reached US\$ 8.3 billion for the year 2011. The Turkish spare parts industry produces almost all parts and components. At present, the local parts and components production consists of:

- Engine and engine parts
- Power train parts and components
- Brake and clutch parts and components
- Hydraulic and pneumatic systems
- Suspension systems
- Security systems
- Rubber and plastic parts
- Chassis frame and parts
- Castings and forgings
- Electrical equipment and parts, lighting systems
- Batteries
- Auto glass
- Seats

Spare parts industry manufacturers are exerting intense efforts to obtain quality certificates. Most members of TAYSAD have quality certificates such as the ISO 9000 Series and others. In fact, Turkish spare parts manufacturers are the pioneers of Turkish companies for “The European Quality Award”. BRISA, a tyre producing company, was the first winner of “The European Quality Award” in 1996. Then, BEKSA won the “The European Quality Award” in the category of small and medium sized enterprises in 1997. BEKSA, which was established in 1987, produces steel cord and bead wire for tyre reinforcement and hose wire for high pressure hoses. In 2002, BOSCH Sanayi ve Ticaret A.S. was awarded with a prize in the “operational units category” in 2003 by European Foundation for Quality Management. The Bursa Bosch Diesel plant received the European Quality Award in the field of Organisational Excellence, the most prestigious award in the category. Bosch Bursa Diesel Plant has received the EFQM Excellence Award 2008 on the 28th of October during the Award Ceremony held in the Louvre Museum, Paris. Bosch Bursa Diesel plant is the first company in Turkey to win the EFQM Excellence Award for the second time. Bosch Sanayi ve Ticaret A.Ş. produces injectors, nozzle holder assemblies and injectors for common-rail systems.

Exports of the Autoparts Industry

Turkey's spare parts industry exports are increasing significantly with the focus on replacement components. The main spare parts products exported are engine parts, tyres and tubes, accessories for bodies, road wheels and parts, rubber parts for motor vehicles, transmission shafts and cranks. In fact, Turkey exports many cars, buses and trucks in parts. In terms of the breakdown of spare parts exports by province, Bursa, Istanbul, Kocaeli and Izmir have the major share. The number of companies in the spare parts industry is about 4000. Approximately 400 auto parts exporters operate in the country, and around 70% of their output is exported to the European Union.

Turkish spare parts products are destined for a wide range of countries in the world. The main export markets are Germany, France, the United Kingdom, Italy, Romania, Iran, Spain, the United States, Belgium, the Russian Federation, Poland, Brazil and the Netherlands.

Turkish spare parts exporters follow European and international standards and norms. Many supplier companies have important, high-level customers like Porsche, Bentley, BMW, Jaguar, Land Rover, Audi, Daimler Benz and Mercedes and major European producers such as OPEL, VW, FORD and GM.

Exports of The Spare Parts Industry (Value: US\$)

Products	2011	2012	2013
Engine parts	1.413.079.919	1.394.882.368	1.513.864.479
Tyres and tubes	1.382.733.783	1.239.775.465	1.183.448.127
Other automotive components	946.998.316	997.678.427	1.130.527.480
Accessories of bodies	691.424.885	727.172.178	891.142.743
Road wheels and parts	632.073.918	604.084.820	702.566.193
Rubber parts for motor vehicles	494.992.711	479.977.975	526.373.311
Transmission shaft and cranks, bearings	273.972.260	315.219.653	343.060.258
Diesel or semi-diesel engines	240.067.199	258.292.644	308.164.618
Batteries and parts	227.455.663	247.262.197	305.423.921
Brake and servo brakes	244.728.718	218.531.162	237.598.880
Electrical lighting or signaling equipment	142.015.369	151.876.816	188.480.532
Bodies for the motor vehicles	52.958.038	137.314.581	181.040.567
Suspension shock-absorbers	131.623.968	141.495.472	169.568.258
Clutches	166.578.092	158.716.758	169.265.755
Axles	108.705.467	125.553.164	144.261.103
Seats of a kind used for motor vehicles	143.118.820	121.112.008	135.277.117
Electrical ignition or starting equipment of a kind used for spark-ignition or compression –ignition internal combustion engines	86.965.087	118.790.730	134.850.967
Ball Bearings	115.854.844	106.229.187	122.258.281
Filters	104.024.880	110.691.419	120.295.439
Auto Glasses	78.184.448	86.060.768	101.566.966
Steering wheels, steering columns and steering boxes	62.141.857	67.916.092	93.548.889
Safety seat belts	103.833.517	92.558.834	92.506.513
Silencers and exhaust pipes	60.265.970	72.214.105	72.498.685
Gear boxes	56.154.523	67.231.250	64.938.544
Bumpers and parts there of	39.190.378	37.519.297	50.615.981
Radiators	53.012.838	49.239.985	50.356.811
Airbags	74.306.036	41.855.102	36.715.199
Spark-ignition reciprocating or rotary internal combustion piston engines	54.461.301	50.007.663	31.786.915
Engine pumps	26.383.164	30.601.537	31.784.088
Gaskets	21.745.192	23.213.706	25.738.780
Rear-view mirror for vehicles	13.799.592	12.262.068	13.933.785
Air condition for motor vehicles	20.354.388	11.091.742	12.650.647
Brake linings	986.392	724.498	547.125
Chassis fitted with engine for motor vehicles	384.683	1.780.811	353.455
Instrument panel clocks and clocks of a similar type for vehicles	184.021	188.098	331.049
Total	8.268.639.454	8.305.411.724	9.195.220.491

Source: Ministry of Economy of Turkey

Spare Parts Industry Exports of Turkey by Countries (First 20 Countries) (Value: US\$)

Country	2012	2013	2012/2013 Change (%)	2013 Share (%)
GERMANY	2.075.639.393	2.286.093.659	10,1	24,9
FRANCE	619.180.454	732.574.770	18,3	8,0
RUSSIAN FEDERATION	439.151.566	602.768.546	37,3	6,6
UNITED KINGDOM	513.214.008	569.377.708	10,9	6,2
ITALY	492.625.452	553.797.622	12,4	6,0
ROMANIA	439.748.555	479.436.636	9,0	5,2
SPAIN	226.201.653	297.866.362	31,7	3,2
U.S.A.	278.480.533	291.868.633	4,8	3,2
BELGIUM	200.639.515	224.758.802	12,0	2,4
IRAQ	183.564.268	192.723.105	5,0	2,1
POLAND	157.308.613	176.101.816	11,9	1,9
BRAZIL	147.468.304	176.001.868	19,3	1,9
IRAN	293.514.051	138.834.883	-52,7	1,5
EGYPT	124.229.673	118.874.278	-4,3	1,3
NETHERLANDS	113.036.967	106.997.235	-5,3	1,2
AUSTRIA	85.013.630	92.798.943	9,2	1,0
SAUDI ARABIA	96.724.808	92.640.738	-4,2	1,0
CZECH REPUBLIC	80.778.061	90.871.375	12,5	1,0
BULGARIA	78.547.782	88.739.547	13,0	1,0
ALGERIA	75.946.938	81.738.739	7,6	0,9
OTHERS	1.584.397.500	1.800.355.226	13,6	19,6
Total	8.305.411.724	9.195.220.491	10,7	100,0

Source: Ministry of Economy of Turkey

TRADE FAIRS

All of the trade fairs held in Turkey related to the automotive and auto parts industry are listed at the <http://www.fairguide.org.tr> website which is an official website of the Union and Chambers of Commodity Exchanges of Turkey (TOBB).

USEFUL LINKS

- Uludag Exporter's Union
www.uib.org.tr
- Automotive Manufacturers Association
www.osd.org.tr
- Association of Automotive Parts and Components Manufacturers
www.taysad.org.tr



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