

## TOP REASONS TO ENTER THE TURKISH AUTOMOTIVE MARKET

### The Region:

- **Strategic location** between Europe, the Middle East, and the CIS region.
- **17<sup>th</sup> largest economy in the world** with an average GDP growth of 5% over the last 20 years
- **Favorable conditions for partnerships** between Turkish and international companies. Nearly \$34 billion of foreign direct investment, made by more than 9,500 foreign companies. Relatively inexpensive production costs still exist in Turkey.
- **Attractive domestic market** with 130 different brands/models of passenger cars supplied in the domestic market. The share of imported vehicles in the total domestic market is 58 %. The total annual commercial and passenger vehicle production capacity is more than 1 million units.
- **Increasing Turkish exports to the global markets.** The automotive industry is ranked number 1 on the exports list with a total export volume of \$7,5 billion.



### Top 10 Countries for Turkish Exports (Million \$)

COUNTRIES	January - August		
	2005	2006	Change. %
1- GERMANY	6.039	6.127	1,5
2- ITALY	3.338	4.351	30,4
3- ENGLAND	3.738	4.218	12,8
4- U.S.A	3.220	3.376	4,9
5- FRANCE	2.509	3.022	20,5
6- SPAIN	1.904	2.337	22,7
7- RUSSIA	1.457	1.844	26,6
8- IRAQ	1.750	1.670	-4,6
9- THE NETHERLANDS	1.638	1.590	-2,9
10- ROMANIA	1.115	1.357	21,7

### Top 10 Countries for Imports to Turkey (Million \$)

COUNTRIES	January - August		
	2005	2006	Change. %
1- RUSSIA	8.064	11.011	36,6
2- GERMANY	8.743	9.658	10,5
3- CHINA	4.133	6.099	47,6
4- ITALY	4.942	5.651	14,3
5- FRANCE	3.831	4.502	17,5
6- IRAN	2.000	3.828	91,4
7- U.S.A	3.612	3.687	2,1
8- ENGLAND	3.067	3.309	7,9
9- SWITZERLAND	3.064	2.610	-14,8
10- SPAIN	2.249	2.544	13,1

### Top 5 Exporting items (1000 \$)

ITEMS	January - August		
	2005	2006	% Ch.
1 VEHICLES OTHER THAN RAILWAY	6.275.185	7.444.574	18,6
2 ARTICLES OF APPAREL AND CLOTHING ACCESSORIES	4.441.322	4.546.465	2,4
3 ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF	3.189.472	3.723.765	16,8
4 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	3.354.483	3.988.948	18,9
5 IRON AND STEEL	3.293.120	3.917.860	19,0

### Top 5 Importing items (1000 \$)

ITEMS	January - August		
	2005	2006	% Ch.
1 MINERAL FUELS, MINERAL OILS	12.822.214	18.552.105	44,7
2 NUCLEAR REACTORS, BOILERS, MACHINERY	10.456.122	12.023.773	15,0
3 VEHICLES OTHER THAN RAILWAY	6.312.721	7.679.628	21,7
4 ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS	5.949.252	6.766.717	13,7
5 IRON AND STEEL	6.285.356	7.074.920	12,6

### Automotive market:

- Presence of 15 major international car manufacturers. Local production plants of car manufacturers like Toyota, Ford, Honda and Daimler-Chrysler. Production of brands for the world markets, such as Fiat Doblo or Renault Megane
- Due to the presence of the 15 vehicle manufacturers and the need for replacement parts, there is a great potential for OEM and aftermarket producers. There are 8 million vehicles in Turkey, 90 % of them are older than 3 years.
- In terms of its production capacity, product range and standardization, the industry can now supply at least 80 % of all parts and components required for motor vehicles manufactured in Turkey.