

Turkey

Capital: Ankara
Population: 70,586,256 (2007)
GDP:* \$941.6 billion (2008 estimate)
Currency: New Turkish Lira
Language: Turkish



Summary

Passenger Vehicles

Passenger Car sales: 357,465 units
Light commercial vehicles sales: 237,297 units

Turkey's position at the crossroads of Europe and Asia and Turkey's Customs Union agreement with the EU make it an ideal location to penetrate markets in Central Asia, the CIS and the Caucasus for the automotive manufacturers. Most international vehicle producers already have production in Turkey. Presently, there are 19 international vehicle producers in the Turkish market including; Ford, Toyota, Renault, Fiat, Chrysler, Opel, Honda, Hyundai, Peugeot, MAN, Mercedes, Isuzu, Mitsubishi, through J/V partnerships with local firms, direct investment, or license agreements.

There is a wide variety of vehicle models available in Turkey. In addition to the large number of models manufactured in Turkey, a significant large number of models are imported. Almost all models from every brand find a good market in Turkey.

Turkish consumers have a special interest and respect for U.S. vehicles, especially SUVs.

Trucks and Buses

Turkish consumers look for commercial vehicles with low fuel consumption, trucks being able to carry heavier payloads and tractor-trailer units. 1.5 ton pick-up trucks are among the best prospects.

More than one-third of the Turkish market is met by imports. The market for vehicles with carrying capacities below 3.5 tons is expanding. Opportunities exist for manufacturers of vans (50% of the market) and pick-up trucks (30% of the market).

Motorcycles

Turkey has a promising motorcycle market and exceeded 13 million units. Only back in 2004, there were 10 internationally known brands present in Turkey, including BMW, Yamaha, Honda, Suzuki, Kawasaki. With the additional imports from China, the number of brands boomed, reaching 220. These units do not take shares from other internationally known brands, but increase the market by supplying cheaper products.

There are 20 distributors and close to 180 importers serving the market, in addition to the five local producers. Yamaha, BMW, Triumph, KTM, Harley, Vespa, Piaggio, Gilera, Derbi, Motoguzzi, Honda, Jinlun, Skyteam, Aeon, SYM, FYM, Suzuki, MV Agusta, Cagiva, Husqvarna are among the imported brands. The rest of the market is local production, and imports from China, Korea, such as: Hyosung, Indian TVS, and Mondial.

The majority of the sales is in the lower engine size, including scooters. Currently, number of motorcycles per 1000 persons in Turkey is much lower compared to other countries: Turkey - 16, Bulgaria – 40, Greece – 70, Italy – 150, France – 180. This clearly shows the potential of growth in the motorcycles market in Turkey. American companies are encouraged to consider this young and growing market very closely.

Aftermarket Chemicals and Lubricants

The 2007 Turkish market exceeded \$500 million for purchasing automotive chemicals, lubricants, greases, fuel additives and general car care products. U.S. producers only accounted for of the import market, or approximately USD 3 million.



4.5%

The current market trend is for greater sales of semi-synthetic lubricants that are used in diesel engines and high-performance products. Light commercial vehicles market is also increasing in Turkey, and this increase results in an increase of mineral and semi-synthetic lubricants used in such vehicles. Another item that affects this market is the significant increase in the motorcycles market. Lubricants and motorcycles care products are also becoming interesting markets for suppliers.

Aftermarket Parts and Components:

Tires, brake linings, gearboxes, and clutches are the major imported items in the parts industry. Generally, imported parts are used in supplying imported vehicles, to OEMs for vehicles to be exported, or where there is no local production, such as for CV drive shafts, catalytic converters and tapered roller bearings. Imports are also found where production shortages occur. Examples include power steering hydraulic systems, bearings, and v-belts. Parts, which need to be replaced frequently because of poorly maintained roads, heavy traffic, traffic accidents, and poor fuel quality, can also be considered as "best prospects." Examples include: shock absorbers, brakes, clutches, rings, filters, bumpers, lights, and signaling equipment.

U.S. firms that supply parts/services to the diesel engine vehicles should also pay more attention to the Turkish market, and the changing habits of the Turkish customers.

Aftermarket: Testing Equipment

The demand for auto repair garages and related equipment has increased, making this one of the most attractive subsectors in the automotive industry. The market in 2007 for auto repair and maintenance equipment reached USD 577 million, and industry experts forecast a two-three percent increase every year. Of this segment of the market, 86% is met by imports. German and Italian equipment are dominant in the market. U.S. equipment has 4.4 percent share of the total market.

There is no local production of the diagnostic equipment, therefore this equipment continues to be of best prospects.

Another equipment/tool that is expected to have a remarkable share in the near future is baroscope, which is used to find out problems with the cylinder, segment, etc. without taking the engine down to save time. There is also a good number of people, who are not able to afford a new automobiles, but are happy with a second-hand car, resulting in a wide market for used vehicles in Turkey. Centers to inspect such automobiles are widening, and such equipment like baroscope may find a very good market in such auto inspection centers.

Barriers

The Turkish import regime only prohibits importation of remanufactured/rebuilt/used/reconditioned vehicles. Only the current year or the following year models are allowed to be imported. This is true for all kinds of vehicles and parts.

Trade Events

Automechanika Istanbul

April 16-19, 2009

<http://www.automechanika.com.tr>

Available Market Research

Turkish Automotive Chemicals and Lubricants Market (Mar 2007)

Diesel Engine Vehicles Market in Turkey is Booming (Oct 2007)

Garage Repair and Maintenance Equipment Industry (May 2008)

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