

AUTOMOTIVE IN TURKEY

BRIEF INTRODUCTION TO TURKISH CAR MARKET

ÇINAR NOYAN – AUTOMOTIVE DEALERS ASSOCIATION GENERAL SECRETARY



TURKEY IN GENERAL

- Population over 83 million, 2nd in Europe after Russia
- Average population age in Turkey: 31,7
Youngest in whole Europe where EU28 average is 43,1
- Gross Domestic Product in 2019: 761,4 billion USD, 13th economy in the World, 6th in Europe
- Top 5 imported goods
 - Gold
 - Vehicles
 - Cast Iron
 - Spare Parts for Vehicles
 - Oil and petroleum
- Top 5 exported goods
 - Vehicles
 - Trucks and busses
 - Spare Parts
 - Gold
 - Oil



AUTOMOTIVE INDUSTRY IN TURKEY



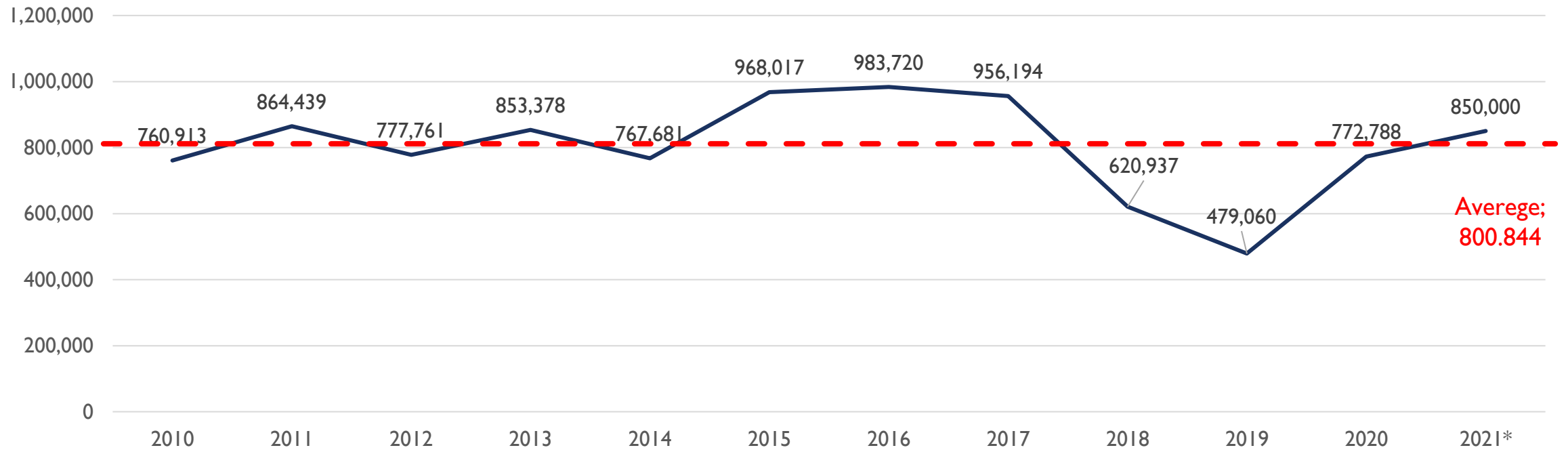
- 44 Brands under 25 Distributor Companies
- 6 Car Manufacturers along with 8 Bus, Truck and Tractor Plants
 - Fiat – Egea (Tipo) Sedan, HB, Cross
 - Renault – Clio and Megane
 - Ford – Courier (LCV) and Transit
 - Hyundai – i10 and i20, recently starting Bayon
 - Toyota – Corolla and CH-R
 - Honda – Civic Sedan
- 880 corporate dealers operating in 1.263 outlets
- 465 automotive suppliers' plants across whole country
- Leading sector in economy
- Over 500.000 direct employment in automotive



MARKET SIZE



Total Sales



2021*: Estimated year end

EUROPEAN MARKETS COMPARISON



Top 10 European Markets - 2020

1.	Germany	3.266.749
2.	France	2.100.021
3.	England	1.967.656
4.	Italy	1.564.670
5.	Spain	1.030.744
6.	TURKEY	796.200
7.	Belgium	511.107
8.	Poland	510.153
9.	Netherlands	426.832
10.	Sweden	330.215
16.	Hungary	153.968

Top 10 European Markets – 2021 4 Months

1.	Germany	1.006.545
2.	France	759.489
3.	England	710.740
4.	Italy	665.177
5.	Spain	329.010
6.	TURKEY	271.173
7.	Poland	194.024
8.	Belgium	189.160
9.	Netherlands	136.497
10.	Sweden	130.669
17.	Hungary	52.363

* All figures include heavy commercial vehicles

LEADING BRANDS IN TURKEY



Top 15 Brands as of 2020

1.	FIAT	137.325
2.	RENAULT	101.534
3.	FORD	92.487
4.	VOLKSWAGEN	64.776
5.	PEUGEOT	43.674
6.	TOYOTA	40.375
7.	OPEL	34.296
8.	DACIA	30.800
9.	HYUNDAI	28.531
10.	CITROEN	27.480
11.	SKODA	24.175
12.	HONDA	22.222
13.	MERCEDES	20.792
14.	AUDI	18.168
15.	KIA	15.442

Top 15 Brands as of 2021 5 Months

1.	FIAT	47.194	
2.	VOLKSWAGEN	34.644	↑
3.	RENAULT	32.115	
4.	FORD	29.856	
5.	TOYOTA	25.639	↑
6.	PEUGEOT	16.933	
7.	SKODA	14.056	↑
8.	DACIA	13.577	
9.	OPEL	12.037	
10.	HYUNDAI	11.886	
11.	CITROEN	11.661	
12.	HONDA	11.206	
13.	MERCEDES	9.412	
14.	KIA	8.702	↑
15.	NISSAN	6.687	↑

LEADING MODELS



1. Fiat Egea (Tipo) Sedan 79.556



2. Renault Clio 46.192



3. Renault Megane Sedan 39.917



4. Toyota Corolla 32.958



5. Volkswagen Passat 22.452



6. Honda Civic 19.885

DETERMINANT OF PREFERENCES – TAXATION SYSTEM



- Highest purchasing tax in the World
- The most uncommon ways of calculation, based on engine displacement
- As the price of the car increases, tax rate increase as well
- VAT is calculated after the addition of purchasing tax (ÖTV) is added (Tax of tax...)
- Hybrid or BEV's have almost no incentives

Engine Displacement	Engine Type	Price	ÖTV	VAT	Total
Less than 1.600 cc	Diesel or Gasoline	0 TL - 85.000 TL	45%	18%	71,1%
		85.000 TL - 130.000 TL	50%		77,0%
		130.000 TL +	80%		112,4%
1.600 cc - 2.000 cc		0 TL - 170.000 TL	130%		171,4%
		170.000 TL +	150%		195,0%
More than 2.000 cc		Any Price	220%		277,6%
Less than 85 kW	Electric Vehicle	Any Price	10%	18%	29,8%
85 kW - 120 kW			20%		47,5%
More than 120 kW			60%		88,8%
Less than 1.800 cc & over 50 kW	Hybrid	0 TL - 85.000 TL	45%	18%	71,1%
		85.000 TL - 135.000 TL	50%		77,0%
		135.000 TL +	80%		112,4%
		1.800 cc - 2.000 cc & 50 kW - 100 kW	Any Price		130%

EXAMPLES OF CALCULATION

Engine Displacement	Engine Type	Price	ÖTV	VAT	Total
Less than 1.600 cc	Diesel or Gasoline	0 TL - 85.000 TL	45%	18%	71,1%
		85.000 TL - 130.000 TL	50%		77,0%
		130.000 TL +	80%		112,4%
1.600 cc - 2.000 cc		0 TL - 170.000 TL	130%		171,4%
		170.000 TL +	150%		195,0%
More than 2.000 cc		Any Price	220%		277,6%
Less than 85 kW	Electric Vehicle	Any Price	10%	18%	29,8%
85 kW - 120 kW			20%		47,5%
More than 120 kW			60%		88,8%
Less than 1.800 cc & over 50 kW	Hybrid	0 TL - 85.000 TL	45%	18%	71,1%
		85.000 TL - 135.000 TL	50%		77,0%
		135.000 TL +	80%		112,4%
		1.800 cc - 2.000 cc & 50 kW - 100 kW	Any Price		130%

■ Example 1

■ The car you want to purchase is:

- 1,4 TSI Volkswagen Polo; Price 12.000 Euro

■ Calculation:

12.000 Euro + %50 ÖTV = 18.000 Euro

18.000 Euro + %18 VAT = 21.240 Euro (Turn Key Price)

■ Example 2

■ The car you want to purchase is:

- 2.0 lt Mercedes E200; Price 38.000 Euro

■ Calculation:

38.000 Euro + %220 ÖTV = 121.600 Euro

121.600 Euro + %18 VAT = 143.488 Euro

TURKISH CUSTOMER PREFERENECES

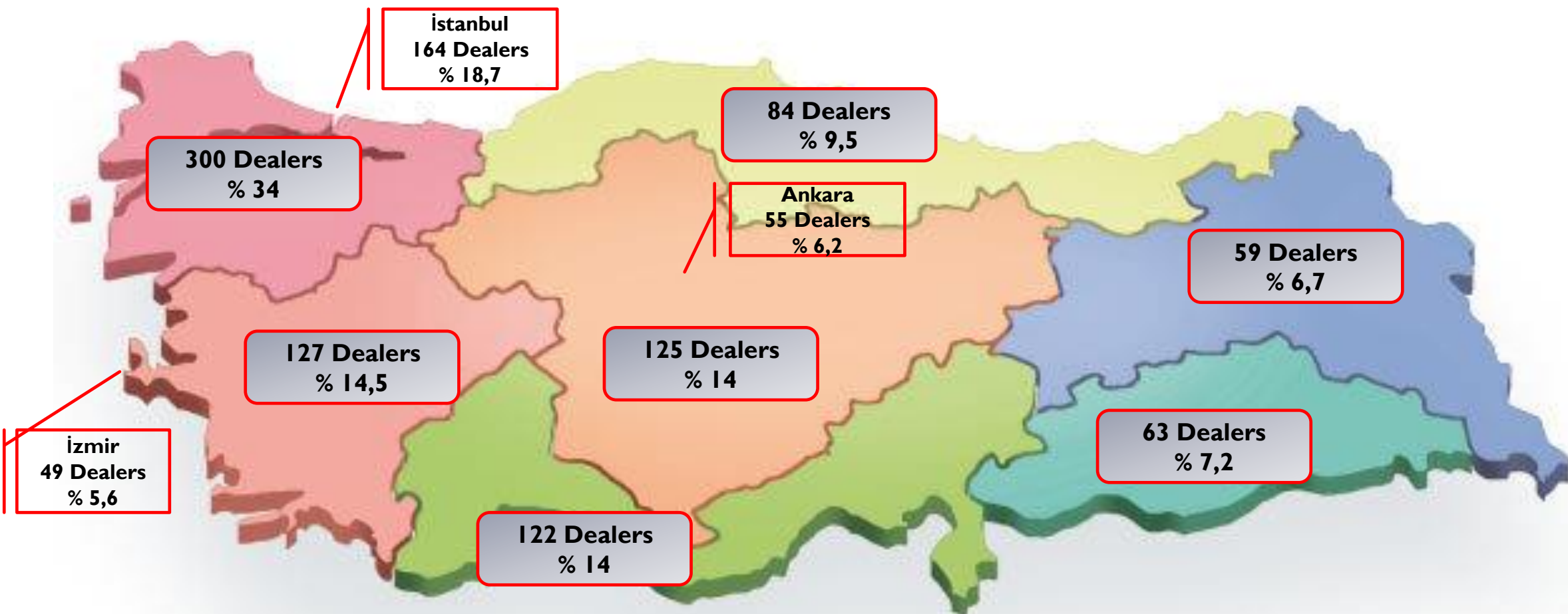


MOTOR HACMİ	MOTOR CİNSİ	Ocak-Nisan 2020		Ocak-Nisan 2021		Değişim	ÖTV %	KDV %
		Adet	Pay	Adet	Pay			
≤ 1600cc	B/D	114.863	94,6%	126.183	90,9%	62,1%	45, 50, 80	18
1601cc - ≤ 2000cc	B/D	2.422	2,0%	2.539	1,2%	4,8%	130, 150	18
≥ 2001cc	B/D	221	0,2%	572	0,3%	158,8%	220	18
B/D Ara Toplam		117.506	96,7%	189.294	92,4%	61,1%		
≤ 1600cc	HİBRİT	40	0,0%	5.623	2,7%	13957,5%	45, 50, 80	18
1601cc - ≤ 1800cc (≤ 50KW)	HİBRİT	0	0,0%	0	0,0%		130, 150	18
1601cc - ≤ 1800cc (> 50KW)	HİBRİT	2.997	2,5%	7.688	3,8%	156,5%	45, 50, 80	18
1801cc - ≤ 2000cc	HİBRİT	689	0,6%	1.655	0,8%	140,2%	130	18
2001cc - ≤ 2500cc (≤ 100KW)	HİBRİT	95	0,1%	112	0,1%	17,9%	220	18
2001cc - ≤ 2500cc (> 100KW)	HİBRİT	11	0,0%	2	0,0%	-81,8%	130, 150	18
> 2500cc	HİBRİT	2	0,0%	21	0,0%		220	18
Hibrit Ara Toplam		3.834	3,2%	15.101	7,4%	293,9%		
≤ 85 kW	ELEKTRİK	70	0,1%	120	0,1%		10	18
86kW - ≤ 120kW	ELEKTRİK	0	0,0%	21	0,0%		25	18
≥ 121kW	ELEKTRİK	45	0,0%	303	0,1%	573,3%	60	18
Elektrik Ara Toplam		115	0,1%	444	0,2%	286,1%		
Toplam		121.455	100,0%	204.839	100,0%	68,7%		

MOTOR TİPİ	Ocak-Nisan 2020		Ocak-Nisan 2021		Değişim
	Adet	Pay	Adet	Pay	
Benzin	58.142	47,9%	131.463	64,2%	126,1%
Dizel	54.003	44,5%	48.417	23,6%	-10,3%
Otogaz	5.361	4,4%	9.414	4,6%	75,6%
Hibrit	3.834	3,2%	15.101	7,4%	293,9%
Elektrik	115	0,1%	444	0,2%	286,1%
Toplam	121.455	100,00%	204.839	100,00%	68,7%

Ocak-Nisan 2021	1	2	3	4	5	6	7	Toplam	Pay
Segment	S/D	H/B	S/W	MPV	CDV	Spor	SUV		
A (Mini)	0	1.355	0	0	0	21	0	1.376	0,7%
B (Entry)	2.612	36.808	8	380	1.053	29	19.835	60.728	29,6%
C (Compact)	61.391	8.851	295	462	131	741	41.628	113.499	55,4%
D (Medium)	15.812	61	418	1	0	339	5.671	22.302	10,7%
E (Luxury)	3.559	0	148	4	0	100	1.830	5.641	2,8%
F (Upper Luxury)	334	0	0	0	0	107	855	1.296	0,6%
Toplam	83.708	47.075	869	847	1.184	1.337	69.819	204.839	
Pay	40,9%	23,0%	0,4%	0,4%	0,6%	0,7%	34,1%	100,00	

DEALER NETWORK IN TURKEY



DEALER INVESTMENTS



DEALER INVESTMENTS



TOGG – ALL NEW TURKISH CAR BRAND



CONCLUSION



- Turkey with its manufacturing capability and young population demand, has a huge potential in automotive business. We will reach Europe's top 5 ranking in less than 5 years.
- Despite the weird taxation system, Turkish car market continues to expand every year. Economic and political stability is the main issue to empower this potential
- Turkey is one of the biggest automotive manufacturers in Europe (6th in ranking) New model agreements and new technology investments will trigger expansion in the close future
- Dealer investments have been completed to serve a market of 1,5 million new car sales
- Used car trade with Europe and all other countries is preserved by law. No importation and no exportation is allowed in used car and used spare parts
- A new all Turkish car brand (TOGG) is under way, expected to be on roads by 2022. TOGG is an all electric vehicle with level 4 automation. This will lead our manufacturing ability to new technologies



THANK YOU FOR LISTENING !

READY FOR ANY QUESTIONS...