

TÜRKİYE

A MARKET OF OPPORTUNITIES AND THREATS

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TURKEY

VITAL STATISTICS

Turkey is a large peninsula that bridges the continents of Europe and Asia. Turkey is surrounded on three sides by the Black Sea, the Mediterranean Sea, and the Aegean Sea. Istanbul, the largest city in Turkey, is built on land in the Bosphorus seaway. The city is partly in Europe and partly in Asia.



TURKEY

OFFICIAL NAME: Republic of Turkey.

FORM OF GOVERNMENT: Parliamentary democracy.

CAPITAL: Ankara.

AREA: 302,535 square miles (783,562 square kilometers)

POPULATION: 85,257,239.

OFFICIAL LANGUAGE: Turkish.

MONEY: Turkish lira

General Culture

What is the culture of Turkey?

Turkey has a collectivist culture whereby strong loyalty is shown to familial and social groups, as well as the broader nation. People's relationships with their neighbours and community are **generally closer** than many English-speaking West experience.

Rich or Poor?

According to the IMF, Turkey has an upper-middle income mixed-market emerging economy. The country is among the world's leading producers of **agricultural products**, textiles, motor vehicles, transportation equipment, construction materials, consumer electronics and home appliances. \$3.573 trillion (PPP, 2023 est.)

Turkish Economy





Exploring the Dynamic Turkish Economy

The last decade has seen Turkey emerge as a global economic powerhouse. This presentation will explore the current state of the Turkish economy and opportunities for foreign investors.

Fostering a Robust Economy



Industrialization

Turkey has successfully diversified its economy, driven by an ambitious industrialization campaign with a focus on manufacturing.



Shipping and Transport

The strategic location of Turkey has made the country a major hub for international transport, which has fueled significant growth in the shipping sector.



Tourism and Real Estate

With a rich culture and history, Turkey has become a popular tourist destination, driving major development in the real estate sector.



Green Energy

Turkey is focusing on renewable energy sources, with investment in solar and wind energy creating major opportunities for growth and innovation.

Youthful Demographics

Turkey has a large and dynamic population that is relatively young, tech savvy, and connected to the world.

Strategic Location

Turkey straddles Europe and Asia, making it a key player in global politics and economics, with easy access to major markets.

Diversity and Innovation

The Turkish market is dynamic and diverse, with a vibrant culture that fosters innovation and entrepreneurship.



New Frontiers for Startups

Turkey is investing in tech startups, offering unique opportunities for foreign entrepreneurs to enter the market.

Turkish Economy: A Promising Future?



Currency Fluctuations

The Turkish economy is facing challenges due to the devaluation of the Turkish lira. However, this has generated new investment opportunities.

Smart City Innovation

Turkey is investing heavily in smart cities with initiatives like "Istanbul Smart City 2019".



Conclusion and Key Takeaways

Turkey's Dynamic Economy

Turkey's economy is rapidly emerging as a truly global player, with impressive growth rates in key sectors like manufacturing, tourism, and shipping.

Promising Investment Opportunities

Investors seeking lucrative returns will find ample opportunities in infrastructure, renewable energy, and technology sectors as the country continues its rapid transformation.

Challenges Ahead

Turkey's economy must address current challenges, including political stability and employment, to ensure long-term sustainable growth and stability.

Digital Transformation: The Future of Turkish Business

Opportunities for Entrepreneurs

The digital transformation of Turkey's economy is creating a wide range of opportunities for entrepreneurs, from e-commerce to mobile payments.

Challenges for Established Companies

Traditional businesses in Turkey are facing significant challenges due to digital disruption. They must innovate and adapt to remain competitive in a rapidly changing market.



Fostering the Solar Energy Industry

With the establishment of modern infrastructures, Turkey is becoming a leading producer of solar cells.

That was the bright side the politicians advertising , bosses supporting but you all know there is dark side in everything.

Two sides of the picture...



Unemployment, high inflation, currency value deficit, corruption, trade deficit, uneven wealth distribution and deep political Polarization of people are real problems that are very effective in last 4/5 years.

On top of these a massive earthquake and Refugee problems completes the picture

There is a war for survival now. This is a fact for all individuals and organizations big or small. Please note that There are a few stern companies/ groups which are getting stronger even in these conditions. I am not talking about politically protected ones. But namely Koc group, Eczacıbasi, and Some internationally active companies are getting bigger and stronger just because they play by the rules, global and universal.

This is where we enter your scope of business.

Turkish ancillary automotive supply business is big , surprisingly well organized and respected globally.

They supply OEM, Services and Aftermarket

Some history is necessary to understand today.

Although some vehicles were assembled in Turkey since 1920s Turkey's Industrial debut was only in 1966 when Anadolu a Reliant Ogle designed Fiberglass Car with Ford mechanicals was introduced.



Anadol production reached a total of 72.000 units until 1971 when FIAT and Renault started large scale production.

The goal and sanctions to have a higher local content ignited a lot of start ups in spare parts industry. By 1975 there were many individual or joint investments -either big or small , slowly growing and getting better in quality.

For example MAKO (Magnetti Marelli+Koc) Opar (otomotiv parçaları) were both Koc group initiatives who owned shares of Anadolu. Ford, Fiat operations in Turkey

Until 1984 importing cars were very hard and the governmental intervention on pricing causing low profits/ losses for the industry made it even harder to survive. Turkey somehow changed its strategy and chose to apply free trade economy with a convertible currency and also started pushing EC membership. By mid 1990s GM OPEL, TOYOTA, Hyundai and Honda joined the 3 founding Factories and pushing them to modernize their line ups and technology.

This movement resulted in a significant growth which also created a big need for parts suppliers with higher quality .

Result:

Annual Capacity is over 2million vehicles

Domestic Market floats around one million units

Automotive industry is leading the Exports in Turkey

It is fed by 516 parts suppliers who still mostly work for conventional vehicles

OEM BRANDS IN TURKEY

- Fiat
- Ford
- Renault
- Toyota
- Hyundai
- Mercedes
- MAN
- CASE IH
- NEW HOLLAND
- TOGG
- (Opel and Honda stopped Production in 2001 and 2020 respectively)

Turkish Automotive Today

- Leveraging a competitive and highly-skilled workforce combined with a dynamic local market and favorable geographical location, the vehicle production of 8 global OEMs in Türkiye has increased by almost five times from 300,000s in 1990's to over 1.3 million units in 2021. This represents a compound annual growth rate (CAGR) of around 6 percent during that period.
- Significant growth posted by Türkiye's automotive sector led to the country's becoming the 13th largest automotive manufacturer in the world and 4th largest in Europe by the end of 2021.
- Türkiye has already become a center of excellence, particularly with respect to the production of commercial vehicles. By the end of 2021, Türkiye was the number one producer of commercial vehicles (CVs) in Europe.

SWOT ANALYSIS

• **STRENGTHS**

- Lively market
- Multi end customers
- Conventional goods expertise
- Aftermarket opportunities high
- Secure transactions
- Open to new technologies
- Established corporates /good partners
- Available legal, customs and business experts

WEAKNESSES

- Cultural-Lingual contrasts
- Volatile economy
- New technology transfer weak
- Tendency to foul play exist
- Rising costs
- Governmental interventions
- Nepotism
- Complicated and frequently changing bureaucracy

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• **OPPORTUNITIES**

- Short term transactions
- Long term Partnerships
- Choosing the right partners
- Mutual exploitation of strong markets
- Possibilities of larger ops

• **THREATS**

- Foul players, middlemen
- Day dreamers
- Legally weak agreements
- Currency crisis in short tem

MUST KNOW,MUST MEET

- TAYSAD
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HAVE A LOOK!

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