WHY INVEST IN THE TURKISH AUTOMOTIVE INDUSTRY?
AGENDA

1. Executive Summary
2. Turkish Automotive Industry Outlook
3. Suppliers and Engineering in the Industry
4. Growth Drivers in Turkey
5. Success Stories
TURKEY - A STRONG PRODUCTION AND ENGINEERING HUB FOR THE GLOBAL AUTOMOTIVE VALUE CHAIN

EXECUTIVE SUMMARY

TURKISH AUTOMOTIVE INDUSTRY

- High level of integration with the global automotive industry
- 15th largest automotive producer in the World, with an 85% average export rate
- Vehicles of Turkish origin hold a leading position among the vehicles coming from outside of the EU
- Production, export, and engineering hub of global brands for international markets

SUPPLIERS AND ENGINEERING IN THE INDUSTRY

- Quality products with high export rates
- Hundreds of Tier 1 companies working directly with OEMs
- Center of excellence in automotive engineering and R&D, where new technologies are developed

GROWTH DRIVERS IN TURKEY

- Strong macroeconomic growth with increasing income per capita and a burgeoning middle-class
- Favorable demographics with a dynamic, young, and skilled labor force supporting the industry
- Cost-competitive labor and energy prices
- Strong government support through incentives

STRONG INTERNATIONAL PRESENCE

- Giants of global automotive value chain benefit from Turkey’s location, cost, and competitive advantages
- Because of their profitable business in the country, companies in Turkey continue to invest in the country’s future
TURKEY HAS BECOME AN IMPORTANT PART OF THE GLOBAL VALUE CHAIN OF INTERNATIONAL OEMS OVER THE LAST 25 YEARS

Development of Vehicle Production
(Thousand Units)

<table>
<thead>
<tr>
<th>Period</th>
<th>Average Annual Production of Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-1999</td>
<td>298</td>
</tr>
<tr>
<td>2000-2009</td>
<td>784</td>
</tr>
<tr>
<td>2010-2017</td>
<td>1,274</td>
</tr>
<tr>
<td>2018</td>
<td>1,550</td>
</tr>
</tbody>
</table>

Performance in Recent Years
(Thousand Units)

CAGR: 8%
2009-2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Passenger Cars</th>
<th>Commercial Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>359</td>
<td>511</td>
</tr>
<tr>
<td>2010</td>
<td>491</td>
<td>603</td>
</tr>
<tr>
<td>2011</td>
<td>549</td>
<td>640</td>
</tr>
<tr>
<td>2012</td>
<td>496</td>
<td>577</td>
</tr>
<tr>
<td>2013</td>
<td>492</td>
<td>634</td>
</tr>
<tr>
<td>2014</td>
<td>437</td>
<td>733</td>
</tr>
<tr>
<td>2015</td>
<td>568</td>
<td>791</td>
</tr>
<tr>
<td>2016</td>
<td>535</td>
<td>951</td>
</tr>
<tr>
<td>2017</td>
<td>553</td>
<td>1143</td>
</tr>
</tbody>
</table>

Source: Automotive Manufacturers Association, Automotive World Production Databook
9 R&D centers support not only the local operations, but also the operations in other plants of parent companies.

Ford Otosan’s R&D department is one of Ford’s 3 largest global R&D centers.

Fiat’s R&D center in Bursa is the company’s only center outside of Italy serving the European market.

For Courier, Ford’s light commercial vehicle, the Yeniköy plant is the sole production center in the world.

Toyota’s C-HR and Corolla Hybrid models are produced in Turkey for World markets.

Daimler R&D is the center of competence for some parts and it carries global responsibility.

With more than 50 thousand employees, automotive OEMs are one of the major employers in the manufacturing industry.
TURKEY, THE LEADER OF CEE IN VEHICLE PRODUCTION, CONTINUES TO CLIMB THE RANKS IN WORLD AUTO PRODUCTION

Automotive Production in 2018
(Thousand Units)

World Auto Production in 2018
(Million Units)

#1 in CEE

#5 in Europe

#15 in the World

Source: OICA
**ALMOST $15 BILLION INVESTED BETWEEN 2002-2018; OEMS HONED THEIR R&D SKILLS AND MANUFACTURING CAPABILITIES**

### OEM Investment Stock - Billion USD

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-2005</td>
<td>2.10</td>
</tr>
<tr>
<td>2006-2009</td>
<td>3.94</td>
</tr>
<tr>
<td>2010-2013</td>
<td>3.61</td>
</tr>
<tr>
<td>2014-2018</td>
<td>5.20</td>
</tr>
</tbody>
</table>

### Development of Production Capacity

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>800,000</td>
</tr>
<tr>
<td>2006</td>
<td>1,250,000</td>
</tr>
<tr>
<td>2012</td>
<td>1,650,000</td>
</tr>
<tr>
<td>2018</td>
<td>2,000,000</td>
</tr>
</tbody>
</table>

Source: Automotive Manufacturers Association of Turkey, ACEA
THE INCREASE IN THE PURCHASING POWER OF TURKISH PEOPLE HAS PAVED THE WAY FOR RECORD SALES

### Change in Vehicle Sales

(Thousand Units)

<table>
<thead>
<tr>
<th>Year Period</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-2005</td>
<td>464</td>
</tr>
<tr>
<td>2006-2009</td>
<td>624</td>
</tr>
<tr>
<td>2010-2013</td>
<td>852</td>
</tr>
<tr>
<td>2014-2018</td>
<td>896</td>
</tr>
</tbody>
</table>

**CAGR 2002-2017**: 14%

### Top Emerging Vehicle Markets

(Million Units)

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>2,86</td>
</tr>
<tr>
<td>India</td>
<td>2,84</td>
</tr>
<tr>
<td>Russia</td>
<td>2,30</td>
</tr>
<tr>
<td>S. Korea</td>
<td>1,51</td>
</tr>
<tr>
<td>Mexico</td>
<td>1,16</td>
</tr>
<tr>
<td>Thailand</td>
<td>0,83</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0,82</td>
</tr>
<tr>
<td>Turkey</td>
<td>0,78</td>
</tr>
<tr>
<td>Argentina</td>
<td>0,67</td>
</tr>
</tbody>
</table>

Source: Turkish Statistical Institute (Turkstat), OICA
PASSENGER CAR SALES OUTNUMBER COMMERCIAL VEHICLES NEARLY 3 TO 1. SMALL ENGINE CARS DOMINATE THE MARKET

Source: Turkstat, Automotive Distributors Association of Turkey
THE MARKETS AROUND TURKEY - FROM WESTERN EUROPE TO CENTRAL ASIA - HAVE COMBINED ANNUAL SALES VOLUME OF OVER 25 MILLION VEHICLES

A Market of 25 Million Vehicles: from Western Europe to Central Asia (2017)

Source: OICA
TURKEY IS THE LARGEST EXPORT BASE OF GLOBAL OEMS OUTSIDE OF THE EU, WITH AN AVERAGE EXPORT RATE OF 85%
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400+ TIER 1 SUPPLIERS WORKING DIRECTLY WITH OEMS CONTRIBUTE GREATLY TO THE HIGH LOCALIZATION RATES OF THE CARS MANUFACTURED IN THE COUNTRY

- Engine
- Body & Structural
- Interior
- Transmission
- Axles, Driveshafts
- Climate Control & Engine Cooling
- Suspension
- Electric Components
- Braking
- Steering
- Wheels & Tires
- Fuel System
- Audio & Telematics
- Plastic Components
- Exhaust
- Body Glass
- Die-casting Parts
- Forging Components
- Raw Material
- Small / General Parts

# of suppliers in the city

<table>
<thead>
<tr>
<th>City</th>
<th># of suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>İstanbul</td>
<td>115</td>
</tr>
<tr>
<td>Bursa</td>
<td>84</td>
</tr>
<tr>
<td>İzmit &amp; Sakarya</td>
<td>129</td>
</tr>
<tr>
<td>İzmir &amp; Manisa</td>
<td>42</td>
</tr>
</tbody>
</table>

Invest.gov.tr
IN LINE WITH GLOBAL DEVELOPMENTS, COMPONENT EXPORTS HAVE INCREASED BY 13% CAGR OVER THE PAST 16 YEARS, REACHING DIVERSIFIED MARKETS ALL AROUND THE WORLD

### Development of Component Exports
*(Million USD)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (Million USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-05</td>
<td>965</td>
</tr>
<tr>
<td>2006-10</td>
<td>2,382</td>
</tr>
<tr>
<td>2011-15</td>
<td>3,805</td>
</tr>
<tr>
<td>2016-18</td>
<td>4,171</td>
</tr>
</tbody>
</table>

**CAGR 2001-2018** 13%

### Top 15 Export Markets (2018)
*(Million USD)*

1. Germany (1) - 961
2. France (2) - 397
3. Italy (3) - 303
4. England (4) - 285
5. USA (5) - 265
6. Romania (6) - 199
7. Spain (7) - 196
8. Belgium (8) - 196
9. Poland (9) - 182
10. Russia (10) - 178
11. Algeria (11) - 95
12. Czechia (12) - 67
13. Iran (13) - 67
14. Slovenia (14) - 61
15. Hungary (15) - 60

Source: Turkish Statistical Institute (TurkStat)
THERE ARE MORE THAN 250 GLOBAL SUPPLIERS USING TURKEY AS A PRODUCTION BASE. 28 OF THEM ARE AMONG THE 50 LARGEST GLOBAL SUPPLIERS

Employment (x1000)

<table>
<thead>
<tr>
<th>Year</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>37</td>
</tr>
<tr>
<td>2018</td>
<td>200</td>
</tr>
</tbody>
</table>

*Employment data includes all the firms in motor vehicle industry

Source: Social Security Institution (SGK)
### 10 SUPPLIERS SURPASSED USD 200 MILLION REVENUE IN 2017

<table>
<thead>
<tr>
<th>Rank</th>
<th>Major Suppliers</th>
<th>Products</th>
<th>2017 Revenue (Million $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>BOSCH</td>
<td>Brake systems, boosters, power limiters &amp; regulators, repair kits,</td>
<td>1,051</td>
</tr>
<tr>
<td></td>
<td></td>
<td>brake shoes, wheel brake cylinders, drum &amp; disk brakes</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>BRISA</td>
<td>Tires, batteries, coverings</td>
<td>572</td>
</tr>
<tr>
<td>3</td>
<td>YAZAKI</td>
<td>Electrical and electronics components</td>
<td>432</td>
</tr>
<tr>
<td>4</td>
<td>MAXION INCI</td>
<td>Wheels</td>
<td>420</td>
</tr>
<tr>
<td>5</td>
<td>GOOD YEAR</td>
<td>Tires</td>
<td>400</td>
</tr>
<tr>
<td>6</td>
<td>Autoliv</td>
<td>Steering wheels, seat belts, air bags</td>
<td>375</td>
</tr>
<tr>
<td>7</td>
<td>petlas</td>
<td>Tires</td>
<td>366</td>
</tr>
<tr>
<td>8</td>
<td>CMS</td>
<td>Wheels</td>
<td>324</td>
</tr>
<tr>
<td>9</td>
<td>DELPHI</td>
<td>Cables, electrical/electronic architecture systems and components,</td>
<td>300</td>
</tr>
<tr>
<td></td>
<td></td>
<td>fuel pumps, fuel injectors, nozzles, valves</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>OBEYCELIK GESTAMP</td>
<td>Molds, chassis systems, lock technologies</td>
<td>292</td>
</tr>
</tbody>
</table>

Source: Istanbul Chamber of Industry: Top 500 Industrial Enterprises Study
AUTOMOTIVE INDUSTRY LEADS THE COUNTRY IN R&D AND PATENT APPLICATIONS

R&D Spending and Employment in the Automotive Industry

![Bar chart showing R&D spending in billions TRY from 2009 to 2017]

- **Billion TRY**
  - R&D Spending
  - R&D Personnel

![Pie chart showing R&D centers (2018)]

- **R&D Centers (2018):**
  - Automotive: 143
  - Other Sectors: 1013

![Pie chart showing Design centers (2018)]

- **Design Centers (2018):**
  - Automotive: 27
  - Other Sectors: 314

Source: Ministry of Industry, Science & Technology, TurkStat
<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
<th>Operations in Turkey</th>
</tr>
</thead>
</table>
| AVL     | • Established by Hans List in 1948 in Austria.  
• Employs 9000+ engineers in its 40+ affiliates.  
• The world’s largest independent company for the development of powertrain systems with internal combustion engines as well as instrumentation and test systems. | • Has an office in Istanbul with 250+ engineers  
• Aims to become a ‘global engineering hub’  
• One of the two exporting affiliates of AVL started to work on Hybrid and autonomous car technologies. (Electric car for 2019, autonomous car for 2020) 
Is supported by Tubitak for its works on electric and autonomous car projects |
| FEV GmbH | • Established in 1978 in Aachen, Germany  
• Employs 4000+ researchers and developers  
• Focusing on powertrain components engineering (mainly engine design, turbo-charger and transmission) | • Expanded into Turkey in 2011 with 10 engineers working in the Turkey office  
• The main focus is design and R&D consulting of powertrain and ICE for the automotive sector  
• Works on design, simulation, software development, and engine/vehicle calibration with 50+ engineers |
| Idiada  | • Established in 1973 with its headquarters in Santa Oliva, Spain  
• Employs 2100+ employees  
• Present in 25 countries, focusing on design, testing, engineering, and certification services in automotive | • Expanded into Turkey in 2000  
• There are 4 full-time engineers in the Turkey office  
• Focus is on testing of R&D consulting for automotive |
| Ricardo | • Established in 1927 with its headquarters in Shoreham-by-Sea, England  
• Employs ~3000 engineers  
• Operating in 15 countries with focus on engines, transmissions, and intelligent transportation systems | • Works together with Anova (a Turkish engineering house) for powertrain development and R&D consulting in Turkey |

Source: Press Excerpts, ISPAT Team Analysis
A TRACK RECORD OF GROWTH AND A BRIGHT FUTURE

13TH LARGEST ECONOMY IN THE WORLD

2018 GDP (USD Trillion, PPP)

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP (Trillion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>18.7</td>
</tr>
<tr>
<td>US</td>
<td>15.2</td>
</tr>
<tr>
<td>India</td>
<td>7.8</td>
</tr>
<tr>
<td>Japan</td>
<td>4.1</td>
</tr>
<tr>
<td>Germany</td>
<td>3.2</td>
</tr>
<tr>
<td>Russia</td>
<td>3.1</td>
</tr>
<tr>
<td>Indonesia</td>
<td>2.6</td>
</tr>
<tr>
<td>Brazil</td>
<td>2.5</td>
</tr>
<tr>
<td>UK</td>
<td>2.3</td>
</tr>
<tr>
<td>France</td>
<td>2.2</td>
</tr>
<tr>
<td>Mexico</td>
<td>1.9</td>
</tr>
<tr>
<td>Italy</td>
<td>1.8</td>
</tr>
<tr>
<td>Turkey</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Source: TurkStat, OECD, World Bank, IMF

Actual AVERAGE ANNUAL GDP GROWTH (%), 2003-2018

<table>
<thead>
<tr>
<th>Country</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>5.6</td>
</tr>
<tr>
<td>Poland</td>
<td>4.0</td>
</tr>
<tr>
<td>Romania</td>
<td>3.9</td>
</tr>
<tr>
<td>Czechia</td>
<td>2.8</td>
</tr>
<tr>
<td>Hungary</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Robust Economy

18,7
15,2
7,8
4,1
3,2
3,1
2,6
2,5
2,3
2,2
1,9
1,8
1,7

China (1)
US (2)
India (3)
Japan (4)
Germany (5)
Russia (6)
Indonesia (7)
Brazil (8)
UK (9)
France (10)
Mexico (11)
Italy (12)
Turkey (13)
BOURGEONING MIDDLE CLASS

TURKEY’S ECONOMIC GROWTH HAS PAVED THE WAY FOR THE EMERGENCE OF A SIZEABLE MIDDLE-CLASS...

TRIPLING INCOME PER CAPITA
(GDP PER CAPITA, CURRENT PRICES)

Among countries with population over 50 million, only 9 countries have GDP per capita over USD 10,000

Source: IMF, TurkStat, Euromonitor

GDP PER CAPITA IN COUNTRIES WITH POPULATION OVER 50 MILLION

2002 INCOME GROUPS 2016

<table>
<thead>
<tr>
<th>2002</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Million</td>
<td>High (&gt;$55K)</td>
</tr>
<tr>
<td>3.3 Million</td>
<td>Upper-Middle ($25K-$55K)</td>
</tr>
<tr>
<td>17.8 Million</td>
<td>Middle ($10K-$25K)</td>
</tr>
<tr>
<td>23 Million</td>
<td>Low ($5K-$10K)</td>
</tr>
<tr>
<td>21.3 Million</td>
<td>Poor (&lt;$5K)</td>
</tr>
</tbody>
</table>

Source: IMF, TurkStat, Euromonitor
FAVORABLE DEMOGRAPHICS

...HALF OF POPULATION UNDER AGE 30

TURKEY

EUROPE

Source: Turkstat, Eurostat, UN, 2016
SKILLED & COST-COMPETITIVE LABOR FORCE

TURKEY’S EDUCATION SYSTEM HAS BEEN UPGRADED TO SUPPORT A SKILLED LABOR POOL

ANNUAL NUMBER OF UNIVERSITY GRADS IN AUTOMOTIVE RELATED FIELDS (2017)

- Electronics & Automation: 7,274
- Mechanical Engineering: 17,888
- Motor Vehicles, Ships, etc.: 25,637
- TOTAL: 50,799

NUMBER OF GRADS FROM VOCATIONAL & TECHNICAL HIGH SCHOOLS

- 2002: 177,437
- 2017: 505,465

LABOR FORCE BY EDUCATION LEVEL

- University: 2002: 23%, 2017: 10%
- High School and below: 2002: 77%, 2017: 90%

Source: Higher Education Council of Turkey, Turkish Statistical Institute
SKILLED & COST-COMPETITIVE LABOR FORCE

AVAILABILITY OF QUALIFIED ENGINEERS, 2018
(10=Available; 0=Unavailable)

LABOR COST PER HOUR IN MANUFACTURING (USD), 2018

REQUIRED SKILLS ARE READILY AVAILABLE IN TURKEY ALONG WITH A COMPETITIVE COST ADVANTAGE...

AVAILABILITY OF COMPETENT SENIOR MANAGERS, 2017 (10=Available; 0=Unavailable)

REMUNERATION OF MANAGEMENT/ENGINEER
Total base salary plus bonuses and long-term incentives  USD K, 2017

Source: IMD World Competitiveness Yearbook Executive Opinion Survey based on an index from 0 to 10; Eurostat, OECD, BLS, Turkstat
STRONG COLLABORATION BETWEEN INDUSTRY AND EDUCATION INSTITUTIONS

İhsaniye Automotive Vocational High School

• In 2014, a 2-year automotive vocational high school affiliated with Kocaeli University was established as a result of strong cooperation of the university, an OEM, a foundation, and the local municipality.

• Now, the high-school provides the company and the whole industry with qualified employees having strong capabilities.

• There are many examples of that kind of collaboration in the Turkish automotive industry.

• Qualified employees, qualified products...
AUTOMOTIVE INVESTMENTS IN MANUFACTURING AND R&D CAN BENEFIT FROM VARIOUS LUCRATIVE INCENTIVES…

Investment parameters

- Sector & Product
- Investment Amount
- Region

LUCRATIVE INCENTIVES

Investment Support Schemes
- General Scheme
- Regional
- Priority
- Strategic

Regions
- Region 1
- Region 2
- Region 3
- Region 4
- Region 5
- Region 6

Source: Ministry of Economy
TAILOR-MADE INCENTIVE MECHANISMS ARE AVAILABLE FOR SELECTED INVESTORS...

### Tax Supports
- VAT Exemptions
- Custom Duty Exemptions
- Tax Deduction or Exemptions
- VAT Refund

### Employment Supports
- Social Security Premium Support (Employer’s Share)
- Income Tax Withholding Support
- Qualified Personnel Employment Support

### Financial Supports
- Energy Support
- Interest or Grant Support
- Capital Contribution Support

### Land Supports
- Infrastructure Support
- Land Allocation

### Other Supports
- Exemptions from Permissions, Allocations, Licenses and Registrations
- Purchasing Guarantee

---

PROJECT-BASED INCENTIVE SCHEME
Support measures granted to the company:

- VAT Exemption
- Customs Duty Exemption
- VAT Refund
- Corporate Income Tax Reduction (tax reduction rate: 100%, rate of contribution: 80%, rate of support that can be used during investment period: 100% of the rate of contribution)
- Social Security Premium Employers’ Share Support (10 years)
- Income Tax Withholding Support (10 years)
- Qualified Personnel Support (maximum 42,000,000 TL)
- Energy Support (50% of its consumption for 10 years (from the date when the company starts activity and up to 40,000,000 TL)
Support measures granted to the company:

- VAT Exemption
- Customs Duty Exemption
- Corporate Income Tax Reduction (tax reduction rate: 100%, rate of contribution: 95%, rate of support that can be used during investment period: 100% of the rate of contribution)
- Income Tax Withholding Support (10 years)
- Social Security Premium Employers’ Share Support (10 years)
- Qualified Personnel Support (maximum 20,000,000 TL)
- Energy Support (50% of its consumption for 10 years (from the date when the company starts activity and up to 100,000,000 TL)

Production of new generation high-pressure gasoline injector

Location: Bursa
Starting date: 28/5/2018
Investment duration: 5 years
Type of investment: Product diversification
Fixed investment amount: ~270,000,000 USD
Employment: 314
Qualified personnel: 14
Support measures granted to the company:

- VAT Exemption
- Customs Duty Exemption
- VAT Refund
- Corporate Income Tax Reduction (tax reduction rate: 100%, rate of contribution: 72%, rate of support that can be used during investment period: 100% of the rate of contribution)
- Income Tax Withholding Support (10 years)
- Social Security Premium Employers’ Share Support (10 years)
- Qualified Personnel Support (maximum 69,000,000 TL)
- Interest Rate Support and/or Dividend Support (10 years from the date when the loan has been used and up to 141,000,000 TL)
- Energy Support (50% of its consumption for 10 years from the date when the company starts activity and up to 12,000,000 TL)

Production of diesel engine, transmission and sub-systems

Location: Sakarya (including R&D investments in Istanbul and Ankara)
Starting date: 1/6/2017
Investment duration: 8 years
Type of investment: Greenfield
Fixed investment amount: ~ 166,000,000 USD
Employment: 600
Qualified personnel: 24
AUTOMOTIVE INVESTMENTS IN MANUFACTURING AND R&D CAN BENEFIT FROM VARIOUS LUCRATIVE INCENTIVES...

**R&D Law**

Minimizing the cost of in-house R&D operations of companies

- Deduction of R&D spending from tax
- Tax support to minimize the cost of personnel

**Technoparks**

Easing innovation by providing the right ecosystem

- Minimizing the cost of doing R&D
- Best platform for public private collaboration
- Ready and cost effective infrastructure

**Project Base Support**

R&D projects do enjoy a support rate of 60%+

- Overhead expenses
- Travel expenses
- Expenses for equipment and tools, software, publications
- Supplies and consumables
- Purchase of consulting services
SUCCESS STORIES

TURKEY AS AN INTERNATIONAL CENTER OF EXCELLENCE FOR AUTOMOTIVE GIANTS

Source: Company Websites, Press Excerpts

Ford
- Foundation of first factory was laid in 1959
- Has total capacity of production of 415,000 cars per year
- Commercial vehicle manufacturing hub of Ford Europe
- Has Turkey’s largest R&D center located in a single campus in Istanbul
- Exports worth USD 4.8 billion in 2017 to 83 countries
- One of the 3 largest R&D centers of Ford Global

Toyota
- Invested over USD 2 billion since entrance into Turkey
- Over 5,500 staff and annual production capacity of 280,000 units
- More than 90% of production destined for exports to around 150 countries
- Started production of first 2 hybrid vehicles in Turkey, C-HR and Corolla Hybrid, with an investment exceeding EUR 630 million in total

Fiat
- The facility was established in 1968
- Has the capacity of 450,000 vehicles per year
- Employs more than 9000 workers
- Only factory in the country that manufactures both passenger and light commercial vehicles
- R&D center in Bursa is the only center of Fiat outside Italy serving the European market

Honda
- Operational in Turkey since 1992
- Production of Civic model started in 1997
- Izmit factory, 50,000 annual production capacity with over 1500 employees
- Invested almost USD 500 million since the beginning
- Exports ‘Civic’ to 46 countries throughout the World
SUCCESS STORIES

TURKEY AS AN INTERNATIONAL CENTER OF EXCELLENCE FOR AUTOMOTIVE GIANTS

- Operational since 1967
- First production in 1968, first export in 1970
- Has two facilities: Bus factory in Istanbul, Truck factory in Aksaray
- Almost EUR 1 billion total investment with 6000 employees

- One of the biggest factories of Renault with annual production capacity of 375,000 cars and 750,000 engines
- Total exports in last 15 years exceed USD 30 billion
- Flagship company in passenger car production for years
- 6300+ employees, almost 1500 of which are white-collar

- The German giant began operations in Turkey in 1966
- MAN’s first factory outside Germany
- Largest integrated bus company of MAN Global
- Has 2000 annual bus production capacity, 2000+ employees
- Production base of premium Neoplan bus brand
- Exports to 41 countries including European ones.

- Stepped into Turkish market in 1990
- Started to manufacture in 1997 in Izmit factory
- Has production capacity of 245,000 vehicles annually
- 3000+ employees
- Positioned as the manufacturing hub for European markets

- Source: Company Websites, Press Excerpts
SUCCESS STORIES

STRONG INTERNATIONAL PRESENCE IN TURKEY...
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