

# Sharing investment experience in Turkey

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1. Main Industries in Turkey
2. Introduce famous Turkish products to Taiwan
3. Matters needing attention for doing business in Turkey

# Main Industries in Turkey

## Turkey Industry Distribution Map

2019 GDP 753.7 billion USD

Manufacturing:

Steel

Textile & garment

Automotive

Machinery

White goods

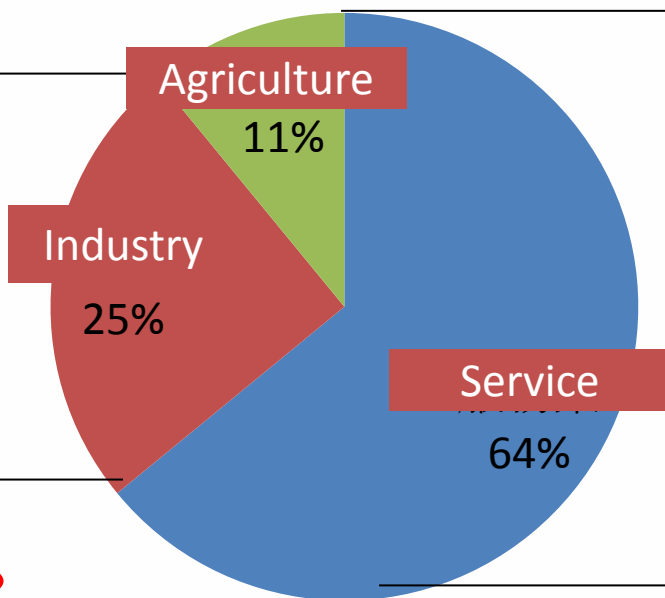
Electronics

Information &

Communication

Safety Equipment

Mining/Cement



Service:

Tourism

Financial

Retail

Construction

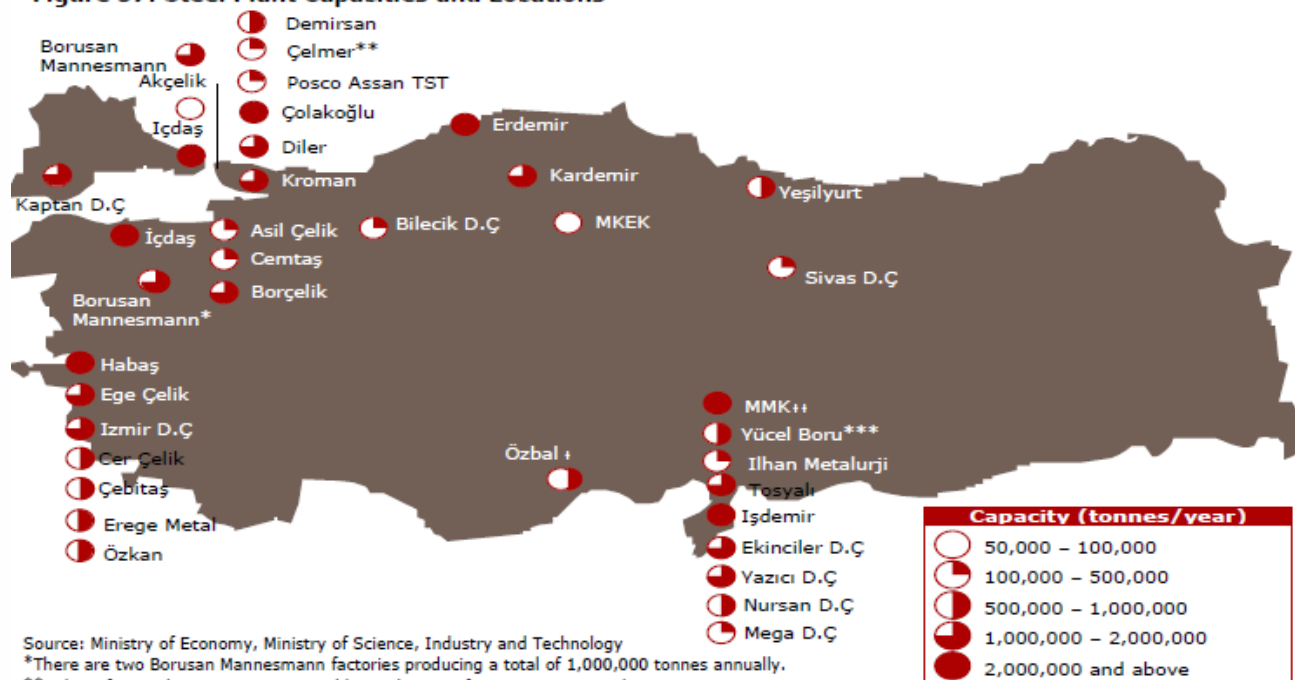
Source : Economic Division, Taipei Economic and Cultural Mission in Ankara

TECO would focus on steel, mining, cement, automotive industries as the main market to penetrate in.

# Main industries in Turkey -Steel

- The world's eighth largest steel exporter
- The steel industry accounts for about 1.2% of GDP (US\$9.1 billion)
- There are about 150 steel plants in Turkey

Figure 57: Steel Plant Capacities and Locations



Source: Ministry of Economy, Ministry of Science, Industry and Technology

\*There are two Borusan Mannesmann factories producing a total of 1,000,000 tonnes annually.

\*\*Çelmer factory has an average monthly production of 19,000 tonnes and 1,415 mm.

\*\*\*Yücel Boru has two factories in Gebze and Dörtyol, with a total production capacity of 900,000 tonnes per year.

†Özbal has 3 factories with a total production capacity of 150,000 tonnes per year.

††MMK has two factories in Gebze and Dörtyol with a combined production of over 2,000,000 tonnes.

✓ Assist Turkish steel companies, eg Erdemir, Isdemir, Diler in replacing old motor.



✓ Assist Turkish steel companies, such as Tosyali(its new overseas plant), in obtaining the motors needed for the 'main equipment



Source : ISPAT (Investment Support and Promotion Agency)

# Main Industries in Turkey-Cement

- The world's fourth largest cement exporter
- There are about 69 cement plants in Turkey
- Mainly export to Russia, Iraq, Syria



✓ Assist Turkish cement companies, eg Nuh Cement, Askale Cementin in replacing old motor.



✓ Assist Turkish cement companies, eg Limak in obtaining the motors needed for the main equipment



- ★ TÇMB Üyesi Öğütme Tesisleri/ TÇMB Member Grinding Units (15)
- ▲ TÇMB Üyesi Olmayan Öğütme Tesisleri/ Non-TÇMB Member Grinding Units (3)
- TÇMB Üyesi Entegre Fabrikalar/ TÇMB Member Integrated Plants (51)
- TÇMB Üyesi Olmayan Entegre Fabrikalar/ Non-TÇMB Member Integrated Plants (2)

Bu harita Türkiye Çimento Müstahsilileri Birliği (TÇMB) tarafından hazırlanmıştır  
This map designed by Turkish Cement Manufacturers' Association TÇMB  
Güncellenme Tarihi/ Updated on 21.03.2016

Source : Turkey Cement Manufacturer Association

## TURKISH AUTOMOTIVE INDUSTRY IN BRIEF

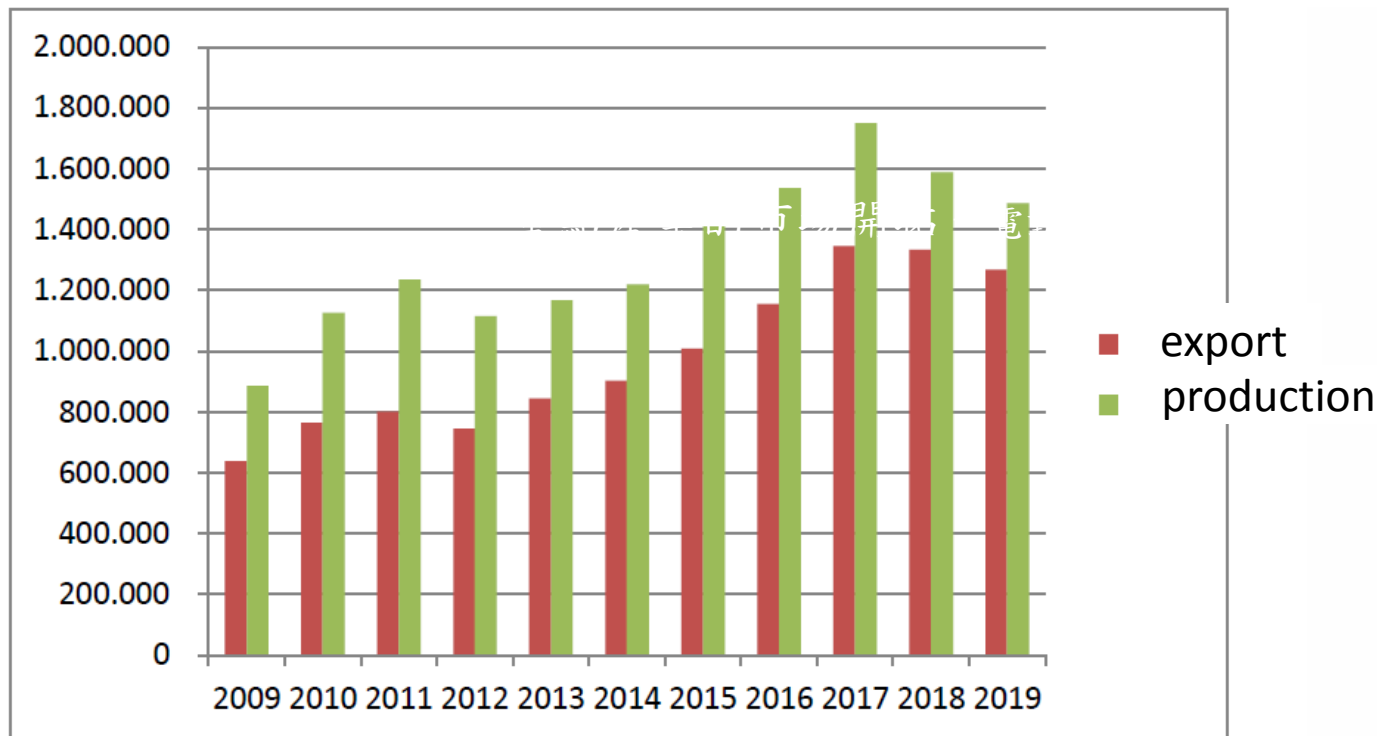
Type	Brand
Car	Otosan(Ford), Reanult, Tofas(Fiat), Toyota, Hyundai, Honda, * TOGG
Truck	Otosan(Ford), Karsan(Peugeot), Otokar, Anadolu-Isuzu, M-Benz, MAN
Bus	Otosan(Ford), Karsan(Peugeot), Otokar, Anadolu-Isuzu, Temsa(Mitubishi)
Tractor	Hattat,, Turk, ZY

- TOGG founded as JV in 2018 and aiming for the first Turkish national EV maker and targeting to manufacture 1,000K cars in 2030.

➤ Expanding automotive industry is a big target in the Eleventh Five-Year (2019-2023) Development Plan of the Turkish government, especially localization of electric vehicle. TOGG was established for this purpose and is directly led by the government. TOGG. Vehicle manufacturers have also begun to develop their own brand of electric vehicles. Five major cities in Turkey have begun to introduce electric buses to their mass transportation systems.

- The 14<sup>th</sup> in the world automotive production
- The second largest commercial vehicle manufacturing bases in Europe

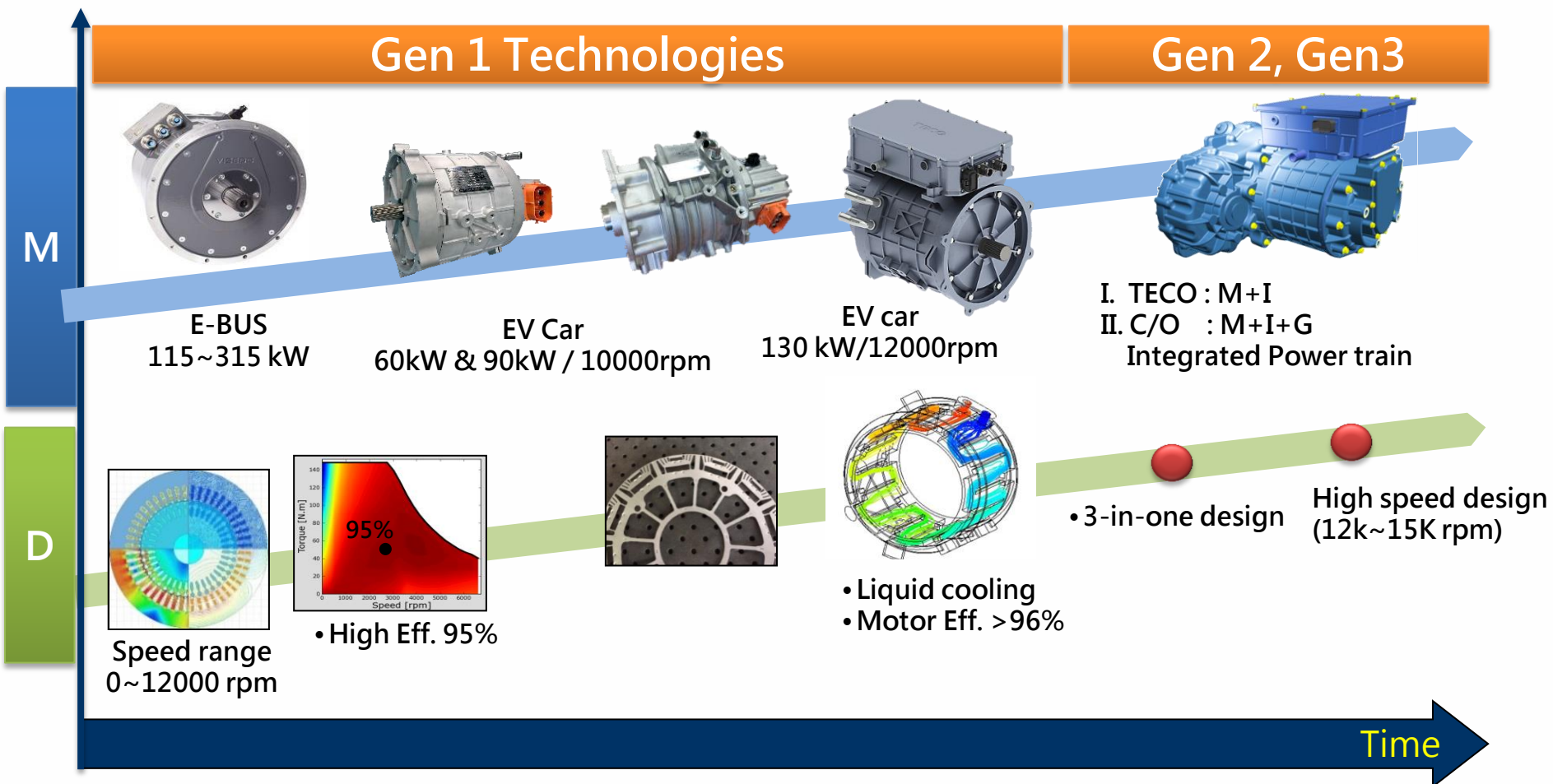
Chart- Turkey's automobile production and export volume over the years



Source: Automotive Manufacturers Association , OSD

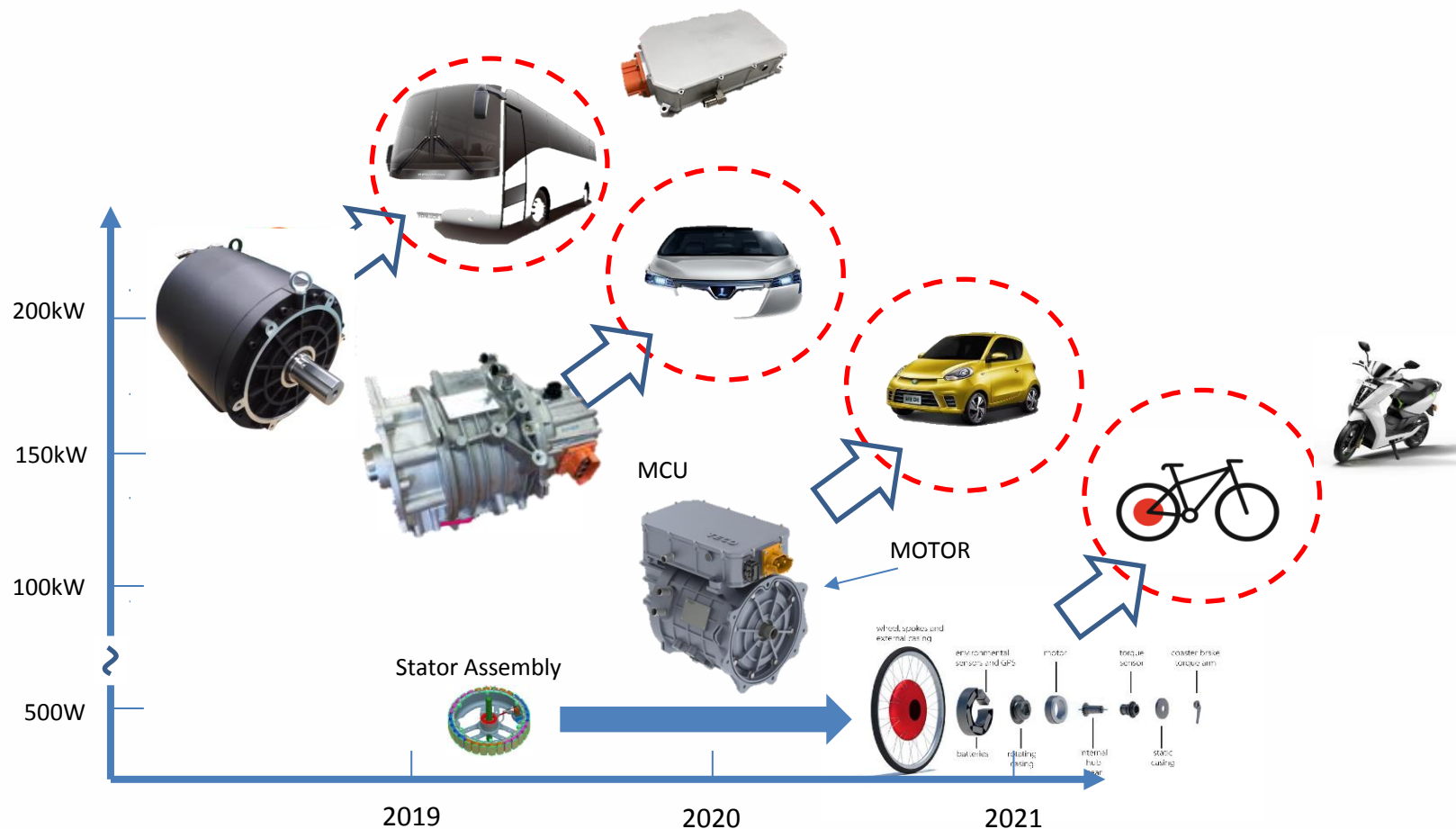


## TECO's Integrated powertrain





# Main industries in Turkey-Electric Vehicle



- TECO can provide the powertrain solutions for all type of vehicles and is in preliminary discussion with some Turkish vehicle makers.

- Establish a joint venture to promote Turkish cuisine



- Other distinctive Turkish products will be introduced gradually

# Matters needing attention for doing business in Turkey- risk assessment



## ➤ **Political Risk :**

AKP still takes the helm of state. The politics is stable; no election would be held in the short time.

## ➤ **War Risk :**

The wars in Syria and Libya are suspended, and the disputes in the Eastern Mediterranean have yet to be resolved.

## ➤ **Public Security Risk :**

Resettled a large number of refugees, but keep in good public security.

## ➤ **Financial Risk :**

Perfect banking system ; Quantitative easing policy with low interest rate.

## ➤ **Operating Risk :**

Make wage adjustment legalized; few strikes happened.

## ➤ **Currency Risk :**

No exchange control, but the exchange rate is easy to depreciate.

# The trend of exchange rate - Turkish Lira to US Dollars

The trend of EX of Turkish Lira as of 9/30/2020

**Turkish Lira** 1992-2020 Data | 2021-2022 Forecast | Quote | Chart | Historical | News

Summary

Forecast

Stats

Download ▼

Alerts

USDTRY 7.5632 +0.0852 (+1.14%)



SOURCE: TRADINGECONOMICS.COM

# Matters needing attention for doing business in Turkey-trade practice



## ➤ **Work Permit**

## ➤ **Language barriers (English is less common): :**

Turkish people mostly use Turkish. Some Turkish manufacturers that engaged in international trading business are not able to speak fluent English. We should pay attention to avoiding possible misunderstandings and even trade disputes caused by language barriers.

## ➤ **Choose safer payment method :**

Turkey is one of the emerging markets; it is a potential market, but with relatively higher risk. When trading with Turkish enterprises, it is recommended to conduct credit investigation first, and strictly implement risk control in terms of trading conditions. Operating business conservatively is better.

### ➤ **Establish product image, actively participate in exhibitions or increase media advertising exposure :**

The brand image of Taiwanese products is not as good as Korean products in Turkey. Taiwanese companies should use advertising to enhance brand awareness of their products, increasing product value. Taiwanese companies can participate in international professional exhibitions held in Turkey to obtain business opportunities, promote or purchase products, seek ideal trading partners or agents, suppliers, and to explore new customers and markets.

### ➤ **Set up marketing base :**

Taiwanese companies can set up offices or branches in Turkey, or establish an agency system, so that they can plan marketing and grasp market trends as soon as possible. Turkey has a vast territory, and Taiwanese companies should pay attention to marketing channels and after-sales services, which will help market development.

### ➤ **Seize the procurement opportunities as Turkish companies visit Taiwan :**

Large-scale Turkish importers often visit international exhibitions in neighboring European or Middle Eastern countries every year to develop different suppliers, which become potential suppliers for new procurement in the future. In recent years, they extend business to Asia, looking for new products and business opportunities in China, Southeast Asia and Taiwan.



Thanks  
Q & A