

# [Automotive industry in turkey](https://assignbuster.com/automotive-industry-in-turkey/)

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Matching and surpassing international quality and safety standards, today's Turkish automotive industry is highly efficient and competitive with its value-added production. The sector's export and R&D capacity is supported by high radioactivity levels, thanks to cooperation between the key components of the industry, with its subdivisions, positive interaction created in the Joint university- industry projects and advanced logistics facilities. The Turkish automotive industry fully complies with EX. environmental and technical standards, as well as other international legislations.

A production capacity that easily meets customer expectations is one of the industry strong points. Improving in a way that preserves its innovative and flexible structure in the intensely competitiveenvironment, the Turkish automotive industry has elevated the country to a prestigious global position, ranking 16th among automotive manufacturing countries in 2010, producing more than 1 million vehicles, while it is the largest commercial vehicle producer in Europe. Around 70 percent of the domestic production is being exported.

Meanwhile, the number of vehicles sold in the domestic market was around 800, 000 in 2010. The Turkish automotive industry, consisting of 17 domestic and foreign principal producers supplemented by approximately 4, 000 sub-industry companies, directly employs some 300, 000 qualified workers. Turkeys GAP per capita in recent years has exceeded USED 10, 000 due to its growing economy and stable fiscal structure, with capacity increasing in line with domestic demand. The number of vehicles per 1, 000 persons, which was approximately 200 in 2010 (100 cars per 1, 000 people), indicates the strong potential of the sector.

In addition to the professional associations and unions, such as the Automotive Manufacturers Association (SOD), the Association of Automotive Distributors (ODD), the Association of Automotive Parts and Components Manufacturers (DAYS), the Union of Luda Automotive Parts and the Components Exporters Associations (Outstays), research and promotion platforms, including the Automotive Technologies Research and Development Center (TAM) and the Automotive Industry Promotion Committee (TOOK), actively guide the sector.

International relations and the representation power of these institutions contribute to the global strength of the Turkish automotive sector. Ambitious targets for the near future have been set for the Turkish automotive industry, including achieving woo million units in vehicle production, an export volume amounting to USED 50 billion, the realization of various R&D and P&D operations worth billions of US dollars and the formation of an " automotive production hub" that employs 600, 000 workers and manufactures globally recognized quality and value-added products.

Strengths I \* Geographic proximity to Europe and Asia makes Turkey a strong production base \* Lower labor costs compared with EX. countries and a well-trained workforce \* Four of the country's top 10 overall exporters are automotive firms, reflecting the riffs on exports \* R; D experience on MOM and GOES levels I I Weaknesses I \* Special Consumption Tax and VAT raise the domestic purchase price of a vehicle to 60 - 100 percent+ above the pre-tax price. Taxes on petrol are also high. However, if such taxes were ever to fall, faster domestic growth would be likely.