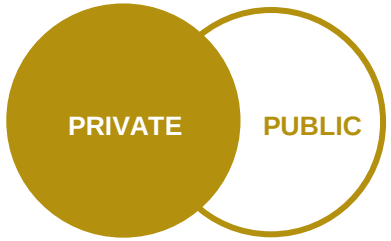
PRESIDENCY OF
THE REPUBLIC OF TÜRKİYE
INVESTMENT OFFICE

MOBILITY INDUSTRY IN TÜRKİYE 2024

INVEST IN TURKİYE

ASSIST YOU BEFORE, DURING AND AFTER YOUR ENTRY INTO TÜRKİYE



PRIVATE SECTOR APPROACH WITH PUBLIC SECTOR CAPABILITIES

A GOVERNMENTAL AGENCY REPORTING TO THE PRESIDENT

ACTING AS YOUR SOLUTION PARTNER

- General & customized business information & Sectoral analysis & reports
- Site selection support to find appropriate location/ land for your investment
- Arrangements of meetings with governmental bodies and other stakeholders
- Aftersales
- Facilitating your investment at all stages
- Matchmaking with local partners & establishing business linkages
- Project launch & Press release Services
- Facilitating your visit to Türkiye

AGENDA

1 - INVESTMENT ENVIRONMENT IN TURKİYE

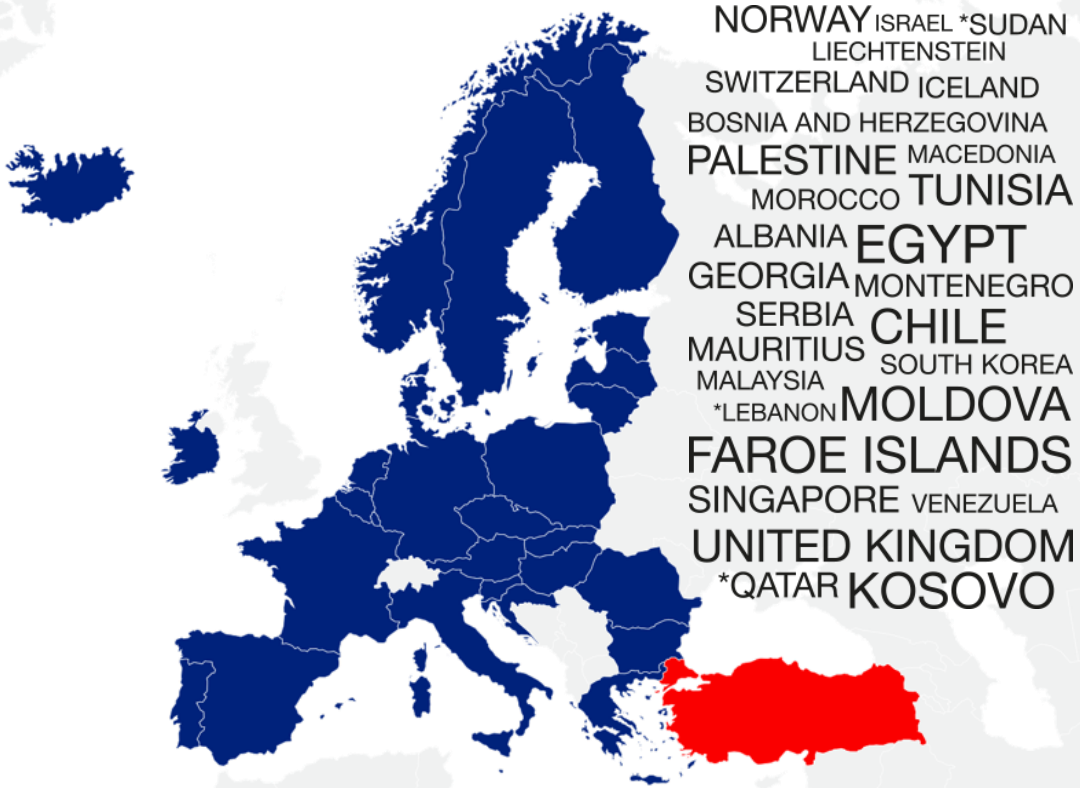
2 - AUTOMOTIVE INDUSTRY IN TURKİYE

3 - E-MOBILITY ECOSYSTEM IN TURKİYE

DOMESTIC + ACCESSIBLE MARKETS

DOMESTIC MARKET + EU MARKET + FREE TRADE AREA

Customs Union with the EU allows direct access to the EU Market



FREE ACCESS

1 BILLION CONSUMERS

448 MILLION in EU

+

463 MILLION in FTA AREA

FTAs with 30 countries

+

85 MILLION in TÜRKİYE

Source: IMF; Ministry of Trade, TurkStat, Population as of 2021 *in ratification process

STRATEGIC LOCATION

HUB FOR MULTINATIONALS TO MANUFACTURE, EXPORT AND MANAGE

Working Hours Intersect with 16 Time Zones

PROXIMITY TO MAJOR MARKETS
1.3 billion people and $26T GDP in Europe, MENA and Central Asia at 4 hour flight-distance

CONNECTIVITY
Turkish Airlines connects you to 340 destinations in 129 countries

MANUFACTURING & EXPORT HUB FOR MULTINATIONALS

AS WELL AS MANAGEMENT HUB FOR MULTINATIONALS

Cargill
66 countries

Microsoft
70 countries

Nestlé
Production base for MENA

BOSS HUGO BOSS
Its **largest production facility** worldwide

B/S/H/
89 countries

GE Healthcare
22 countries

中国电建 POWERCHINA
63 countries

KNAUF
80 countries

TOYOTA
Exporting **85%** of its production

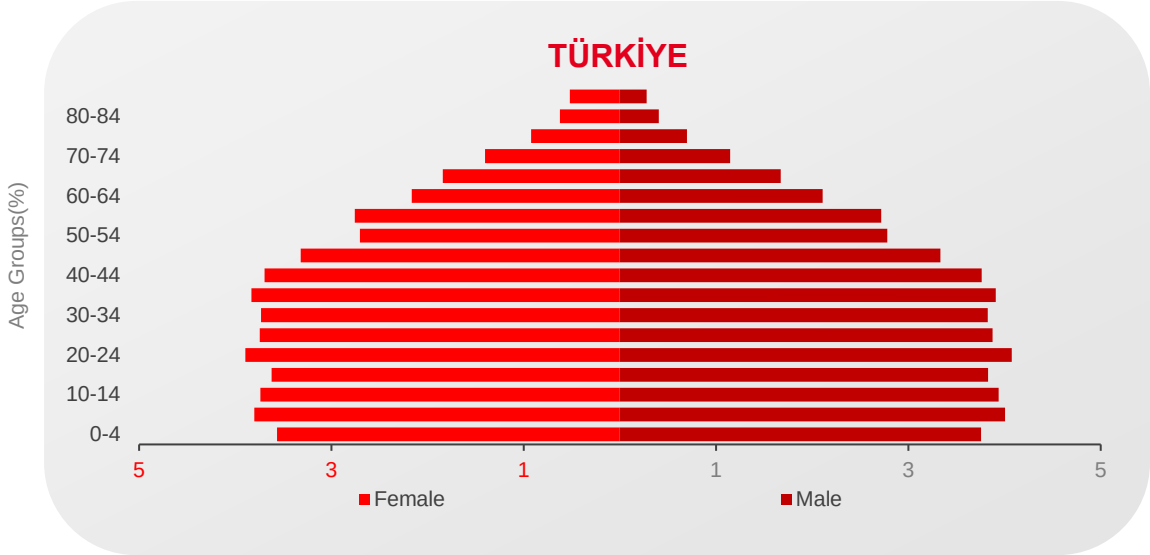
Ford
- Exporting **87%** of its production

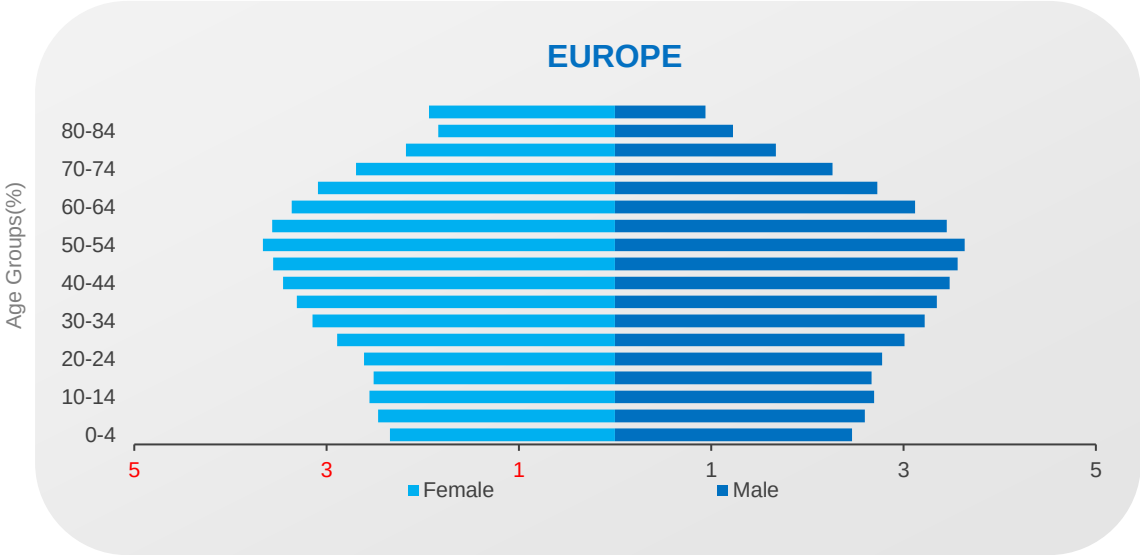
SANOFI
14 countries

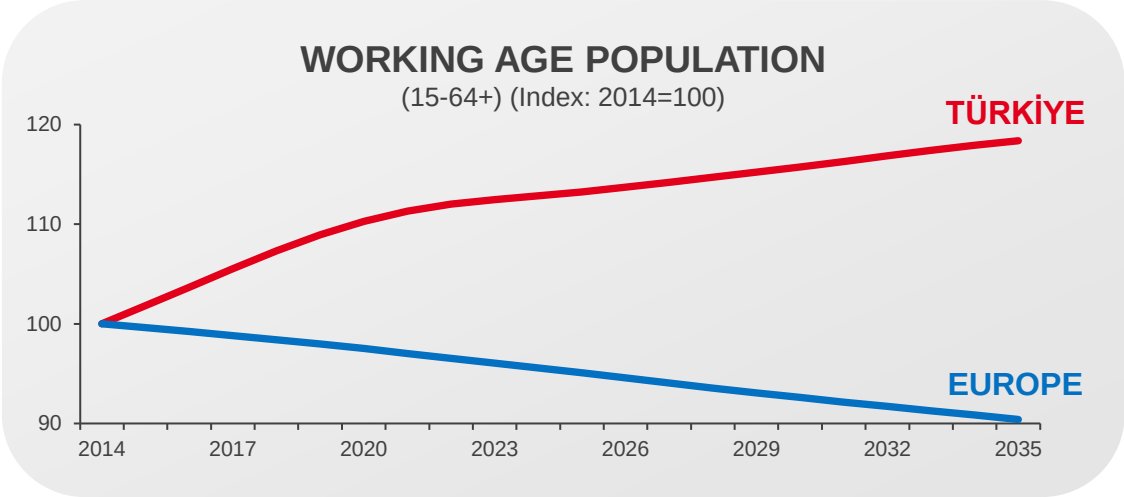
gsk
30 countries

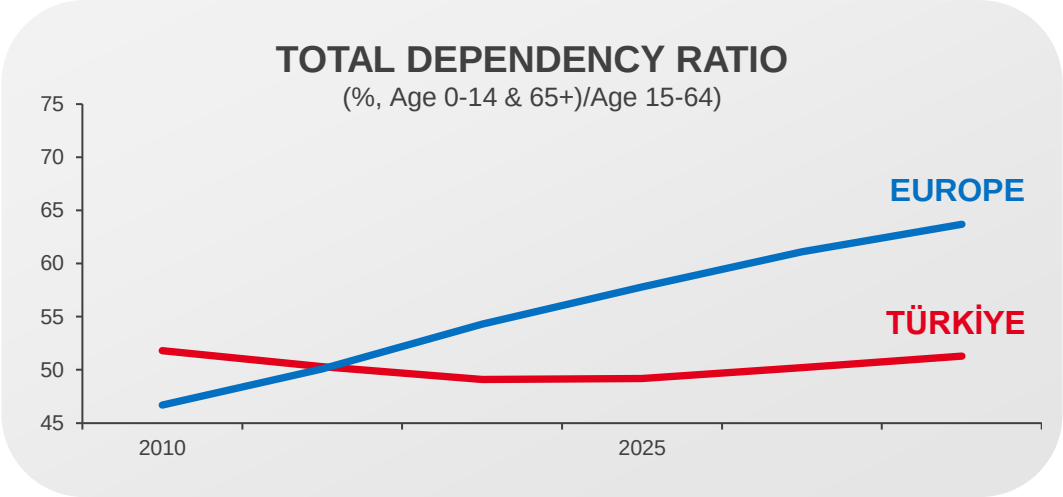
FAVORABLE DEMOGRAPHICS

HALF OF POPULATION UNDER AGE OF 32.7 CREATING DYNAMIC LABOR FORCE AND FISCAL DISCIPLINE







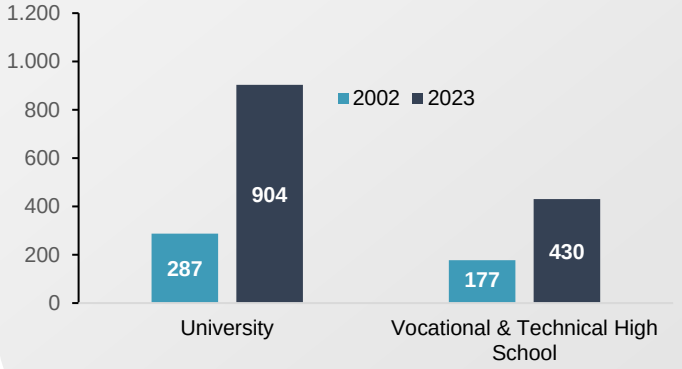


Source: Turkstat, Eurostat, UN, 2019

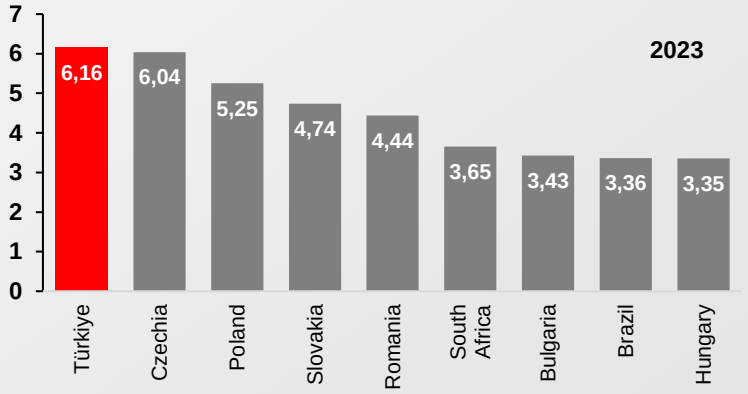
SKILLED AND COMPETITIVE LABOR FORCE

UPGRADED EDUCATION SYSTEM TO ENABLE A SKILLED LABOR POOL AND ADDRESS BUSINESS REQUIREMENTS

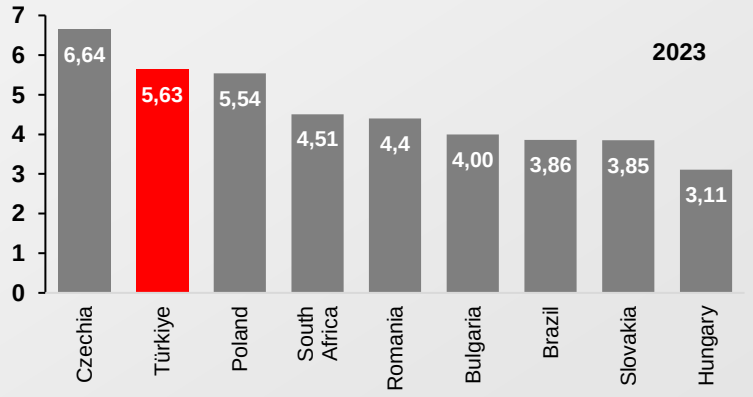
ANNUAL NUMBER OF GRADUATES
(thousands)



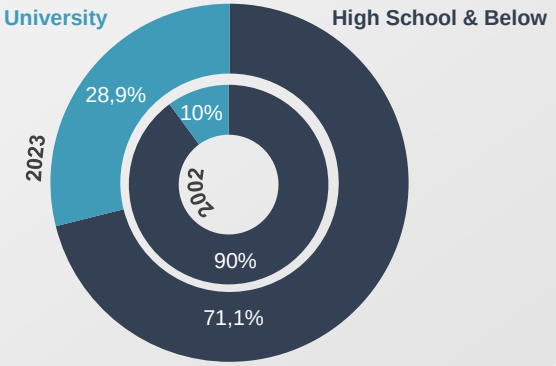
AVAILABILITY OF SKILLED LABOR FORCE
(10=Available; 0=Unavailable)



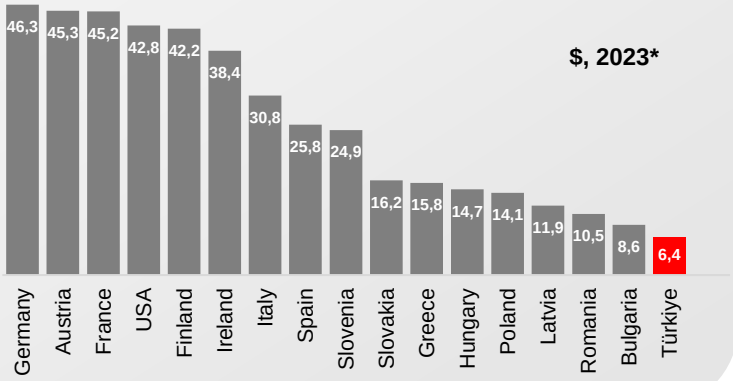
AVAILABILITY OF COMPETENT SENIOR MANAGERS
(10=Available; 0=Unavailable)



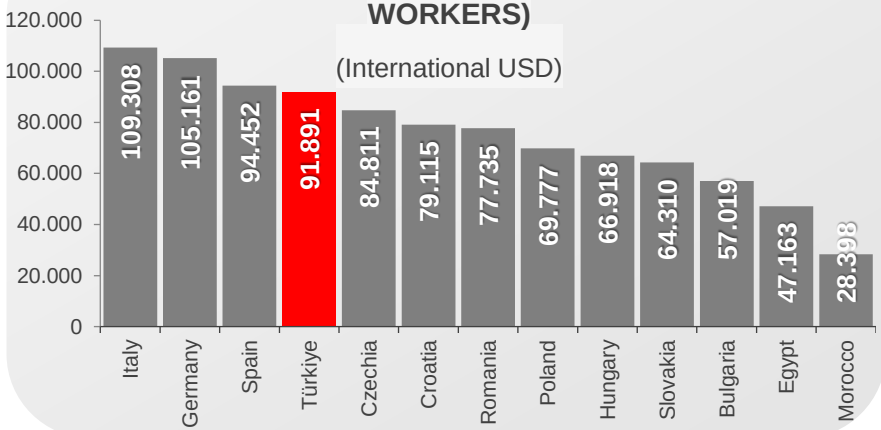
LABOR FORCE BY EDUCATION LEVEL



LABOR COST PER HOUR IN MANUFACTURING



LABOR PRODUCTIVITY, 2023 (GDP in PPP/TOTAL WORKERS)
(International USD)



Source: Ministry of National Education, Council of Higher Education, Turkstat, IMD World Competitiveness Yearbook Executive Opinion Survey based on an index from 0 to 10, Eurostat, ILO
* Most countries' data is as of 2023. For those whose data has not been published yet by ILO, 2022 data have been used. Türkiye's data is for 2023.

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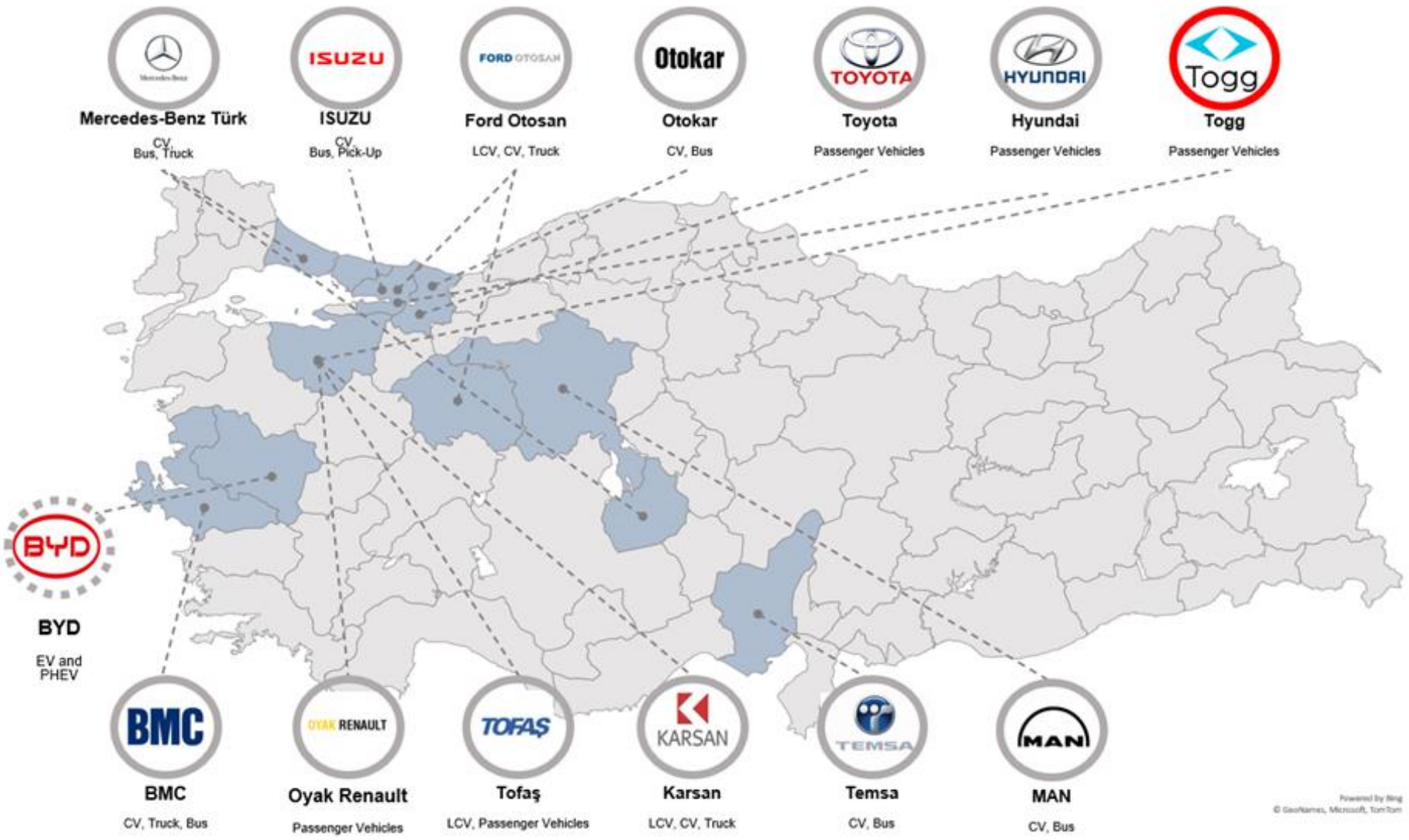
PRESENCE OF GLOBAL OEMs IN TURKİYE

13 OEMs. 8 of THEM ARE MULTINATIONALS.

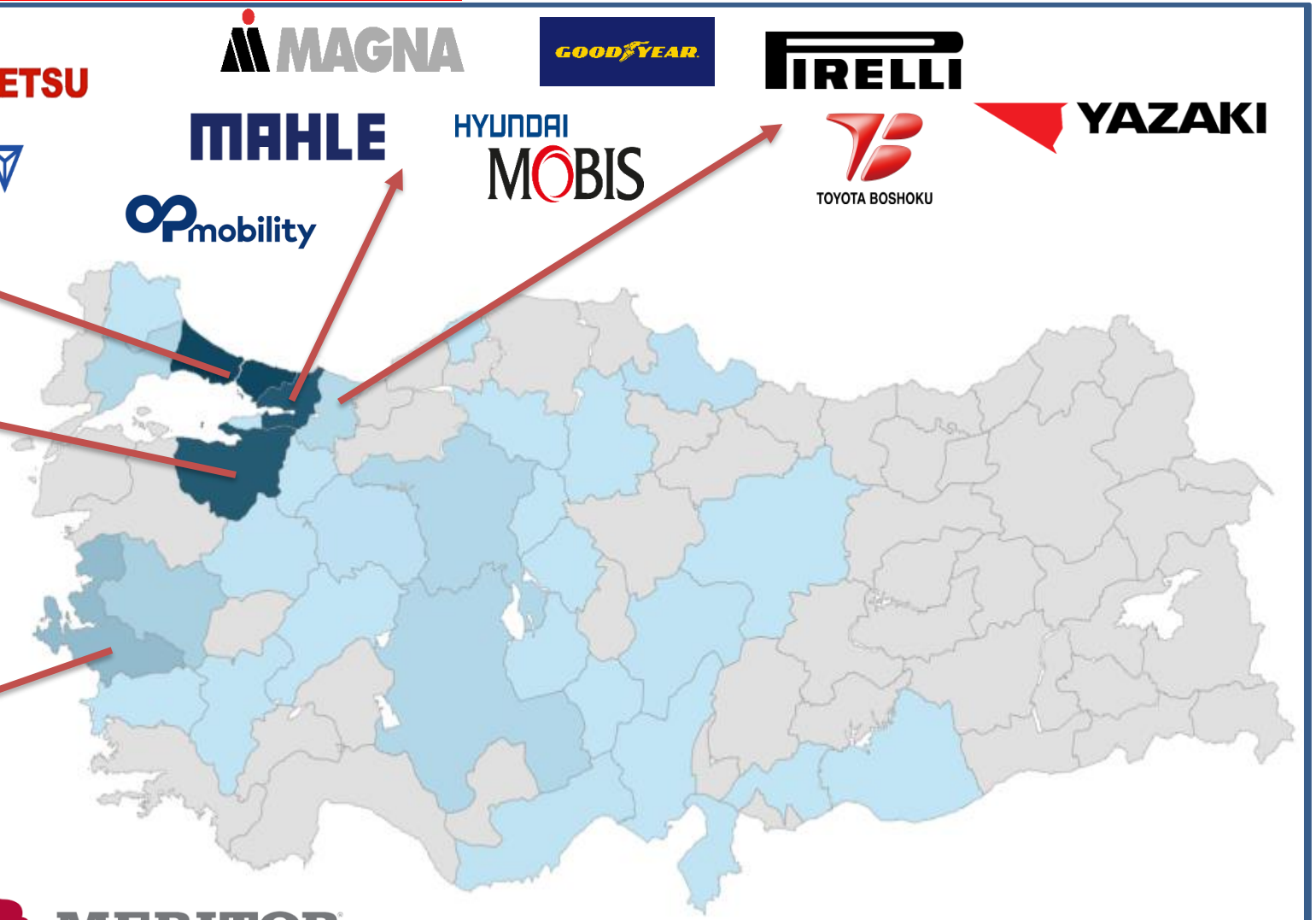


of Global OEMs

Türkiye	8
Poland	5
Czechia	4
Hungary	4
Slovakia	4
Romania	2
Serbia	1

STRONG PRESENCE OF GLOBAL TIER-1 SUPPLIERS

30+ OUT OF 100 BIGGEST GLOBAL SUPPLIERS ARE IN TÜRKİYE



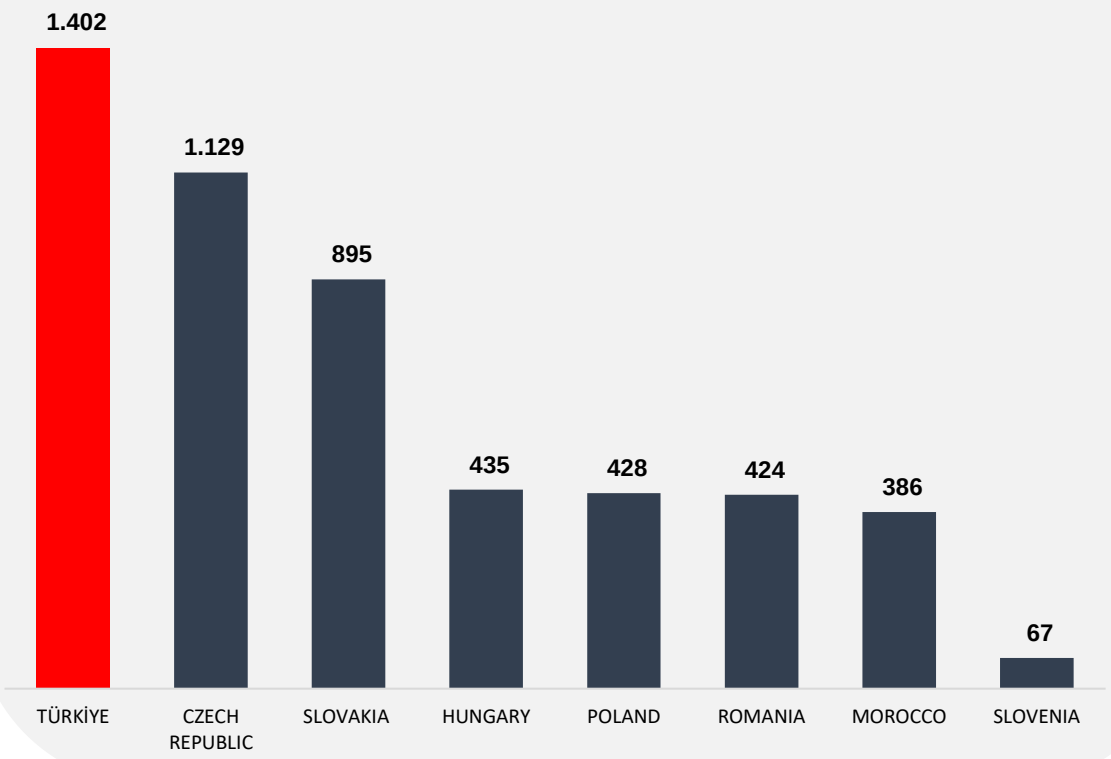
AVL
FEV
Autoliv
TOYOTETSU
MAGNA
GOODYEAR
PIRELLI
YAZAKI
AISIN
BASF We create chemistry
BENTELER
MAHLE
HYUNDAI MOBIS
TOYOTA BOSHOKU
mobility
BOSCH
MAGNETI MARELLI
faurecia
Gestamp
elringklinger Motortechnik
LEAR CORPORATION
Visteon
KN
Continental
Valeo
BORGWARNER
ELDOR CORPORATION
ZF
ADIENT
Webasto
GS YUASA
Nemak Innovative Lightweighting
Gates
MERITOR

LEADER OF THE REGION IN AUTOMOTIVE

ONE OF THE MOST IMPORTANT AUTOMOTIVE MANUFACTURER IN EU & IN THE WORLD

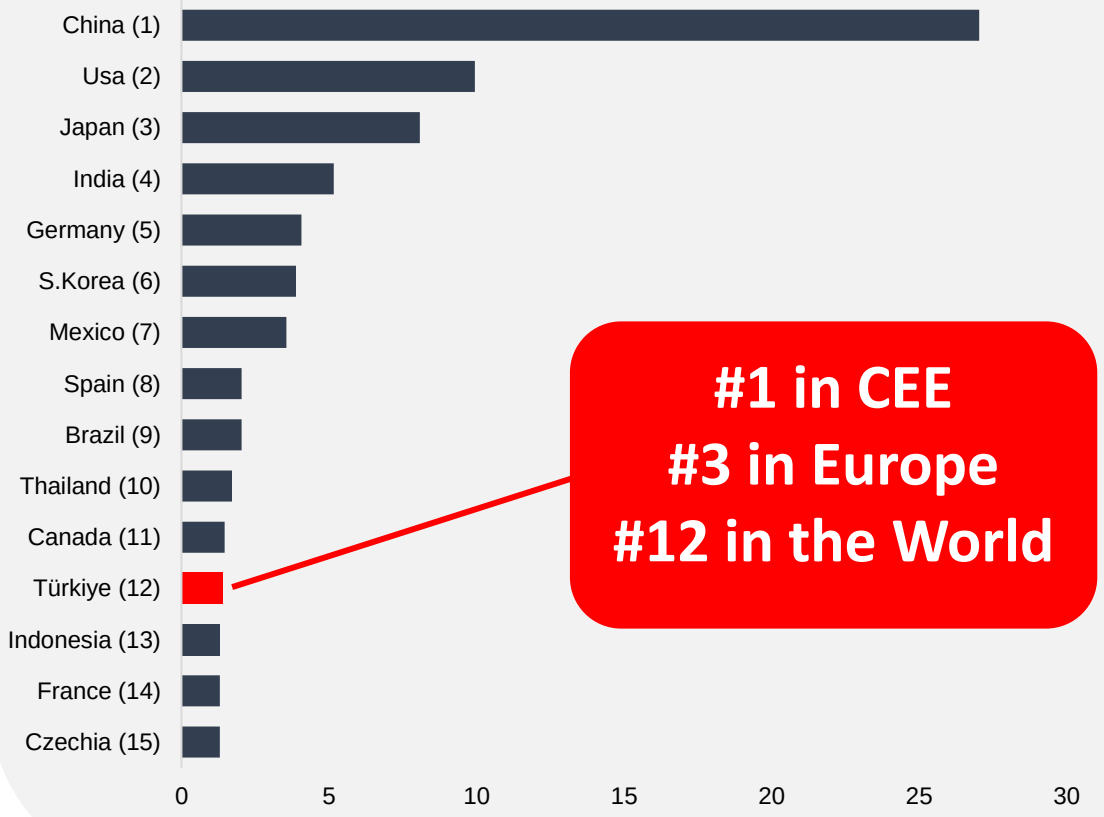
Automotive Production in 2023

Thousands unit



World Automotive Production, 2023

Million



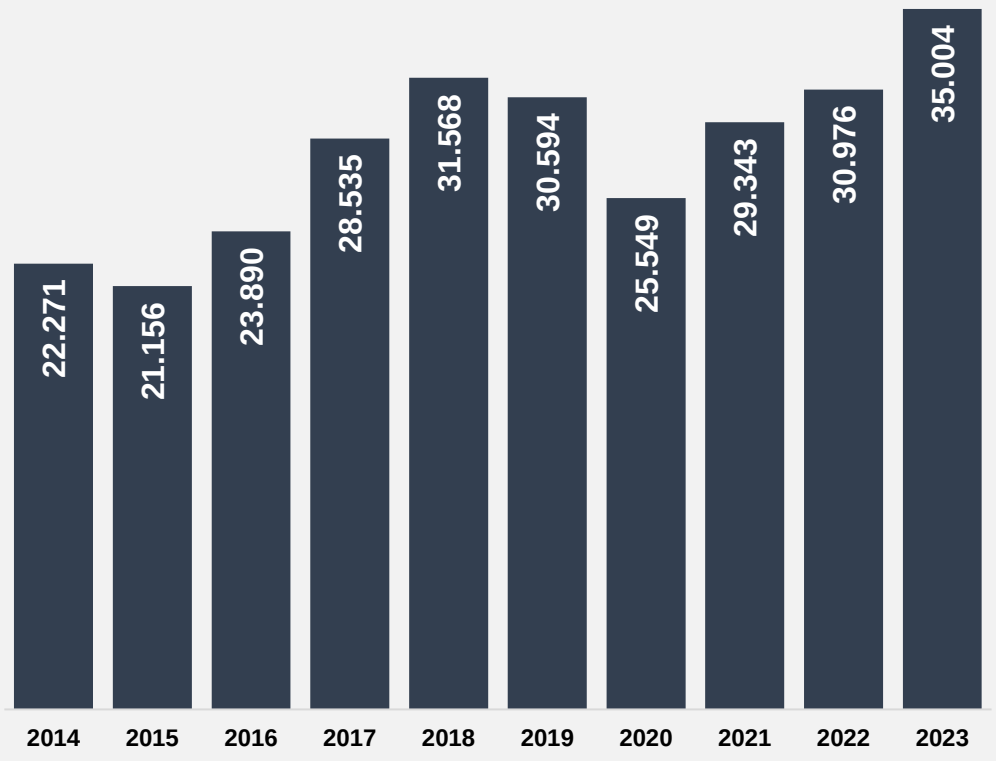
#1 in CEE
#3 in Europe
#12 in the World

Source: OICA, Marklines

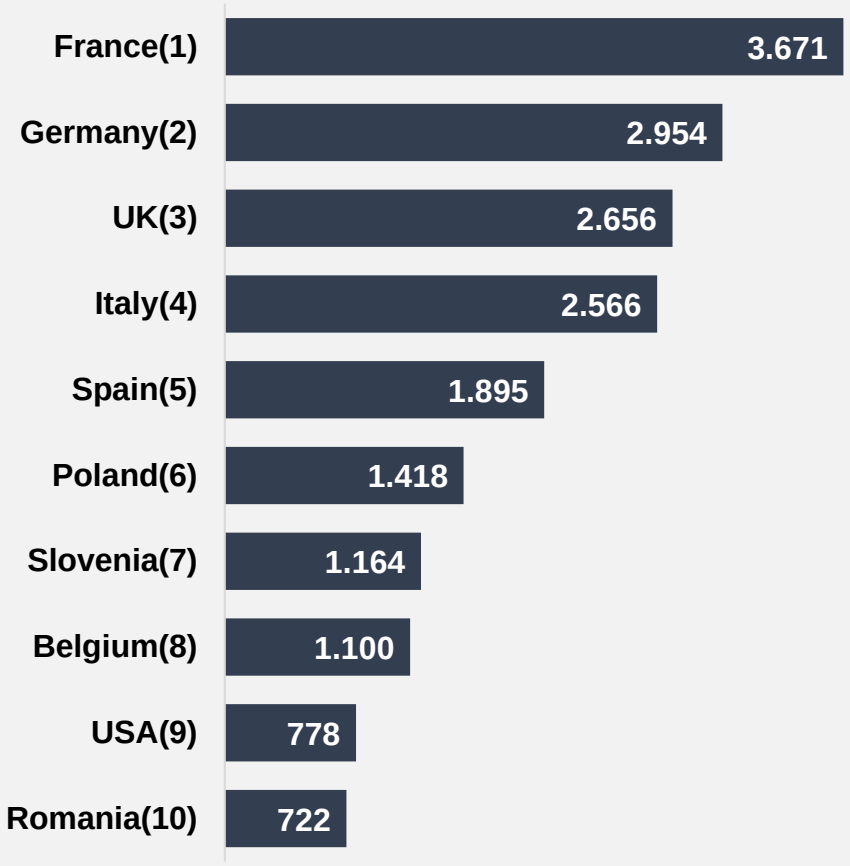
PRODUCING VEHICLES FOR WORLD MARKETS

TOP EXPORTING MARKET IS EU

Vehicle Exports
(Million $)



Top Auto Export Markets
2023 (Million $)



Source: Automotive Manufacturers Association of Turkiye, Turkish Exporters' Assembly, Turkstat

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RECENT INVESTMENTS

GREENFIELD INVESTMENTS FROM CURRENT OEMs and NEW ONEs.

Togg

$2 billion investment

Full BEV production

First model has rolled off the line by April 2023

FORD OTOSAN

$3 billion investment

Full-electric Transit model

First model has rolled off the line by April 2022

BYD

$1 billion investment

EV-PHEV Mix Production

After 29 years, first OEM investment

By 2026

RECENT INVESTMENTS

- Renault announced 400 mn USD new investment in December 2023
- 4 new models including hybrid and EV by 2027

OYAK RENAULT

- 330 mn USD PHEV C-HR model investment by Toyota
- First PHEV plant of Toyota in Europe
- Started to production by November 2023

TOYOTA

MORE INVESMENTS

- ZF CVS opened up new facility in Sakarya/ Türkiye
- 40 m USD investment
- 5th production facility

- Electric car components investment
- DC-DC Converter, Battery Charging Unit, Energy Management Module, HV Starting Engine
- 100 m USD investment

ELDOR CORPORATION

RECENT DEVELOPMENTS IN E-MOBILITY

Togg

FARASIS

siro

20 GWh annual capacity

Battery production has started

by 2026

aspilsan Teknolojinin Enerjisi

220 MWh annual capacity

Li-ion cylindrical battery cells

In June 2022

Pomega

3 GWh annual capacity

Li-ion (LiFeP04) battery cells and ESS

by 2024

E-MOBILITY & ENGINEERING

Automotive manufacturers with electrified products in Türkiye

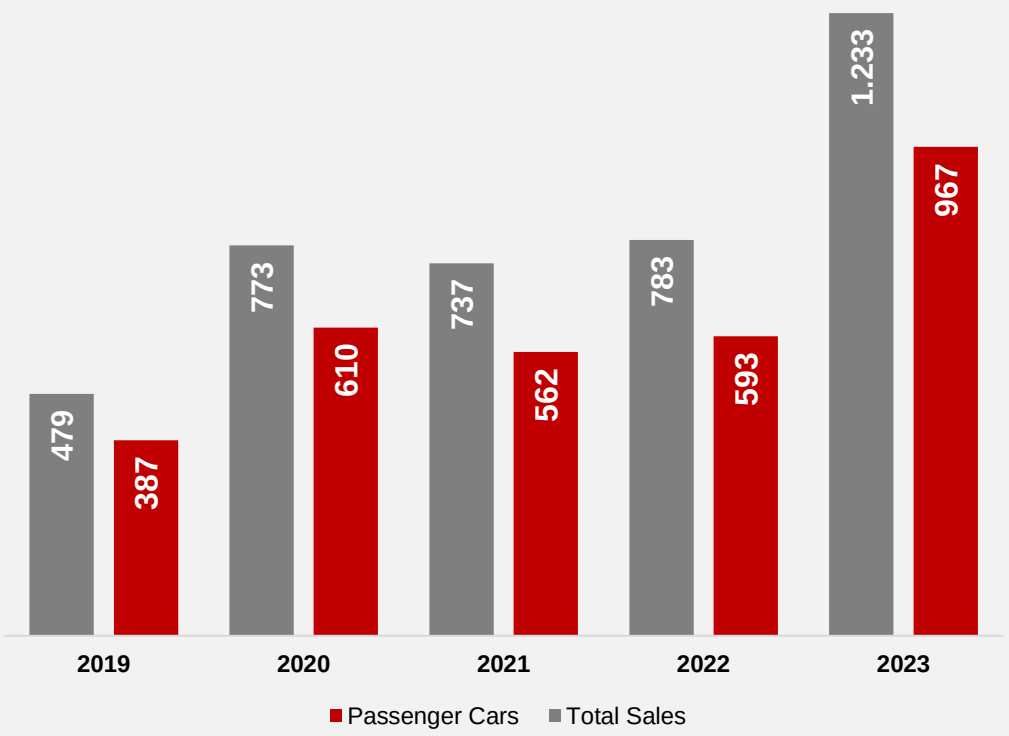
- Renault, Clio hybrid production, battery assembly
- Hyundai, İ20 & Bayon hybrid production (2020)
- Karsan, Electric bus and minibus development & production
- Otokar, Electric bus development & production
- Temsa Electric bus development & production
- Bozankaya, Electric bus development & production

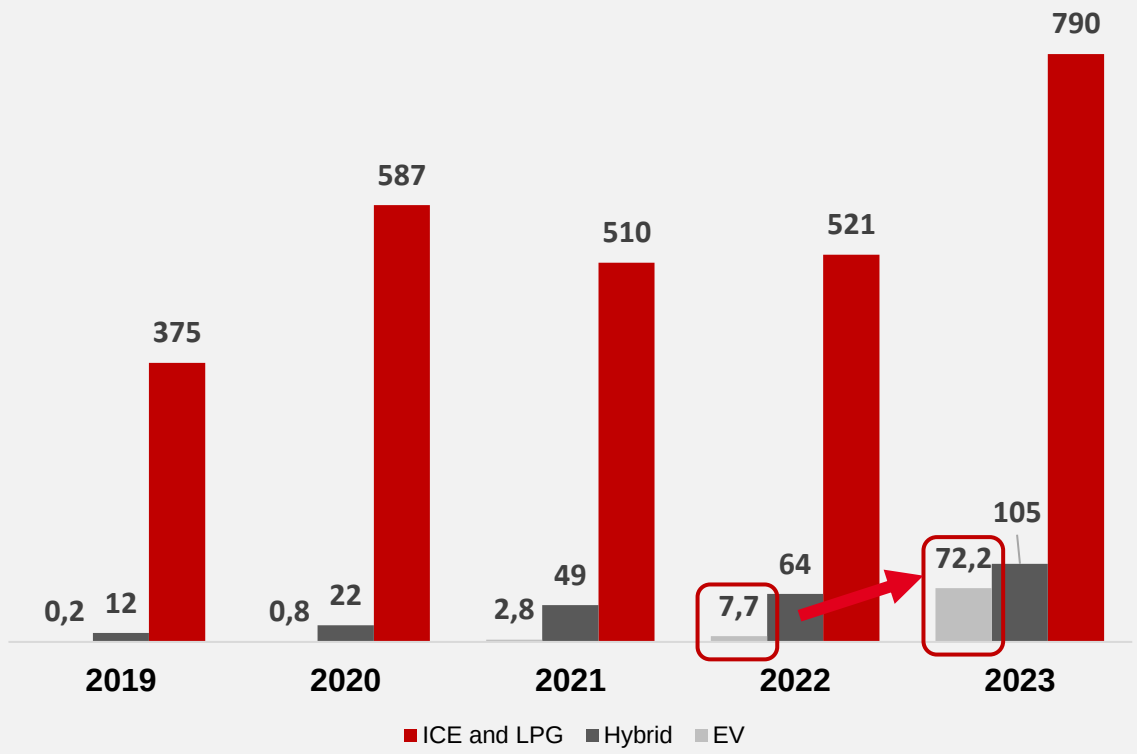
Some of the global companies' R&D on EV in Türkiye

- Ford Otosan field of work in EV technologies
  Electrical axle development
  LCV BEV concept development
  E-truck project
- AVL Engineering field of work in EV technologies
  System engineering
  Battery Management System
  Battery Pack Development Design and Analysis
  Module & Pack simulation
  Cost Engineering
  Production Design for assembly
- Valeo
  Hybrid vehicle systems & products

AUTO and EV MARKET in TÜRKİYE

EV SALES HAVE INCREASED BY ALMOST 10 TIMES IN THE LAST YEAR

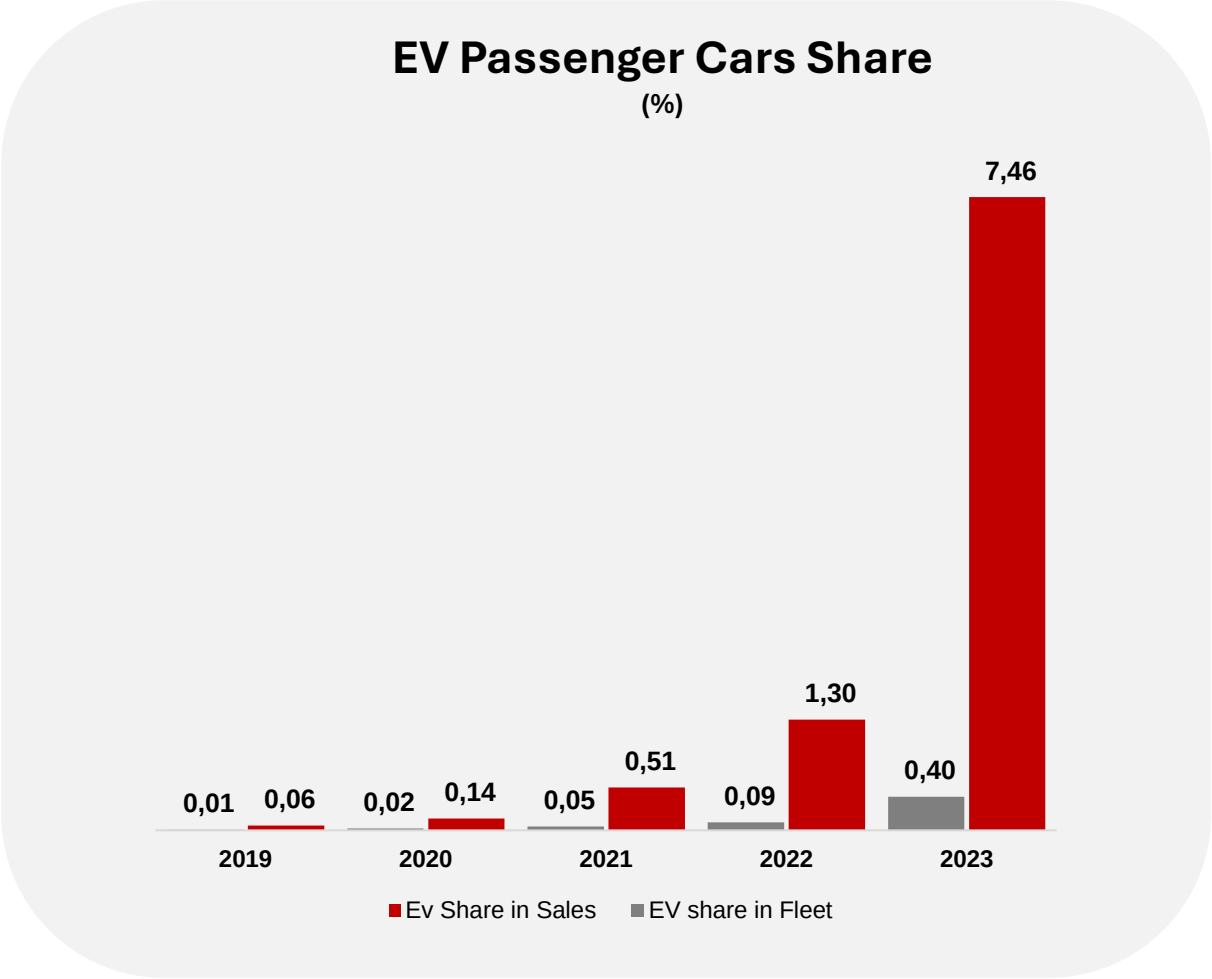




Source: Automotive Distributors Association

CHARGING INFRASTRUCTURE

AS OF END 2023, MORE THAN 140 COMPANIES HAS BEEN LICENSED BY EMRA, AND 12,510 CHARGING POINTS ARE IN OPERATION, OF WHICH 3,804 ARE DC



Charging Points

	2020	2021	2022	2023
Charging Points (total)	1,355	2,237	2,532	12,510
AC	1,264	2,070	2,173	8,706
DC	91	167	359	3,804
EV Cars Fleet	2,797	6,267	14,552	80,043
EV Cars per CP, %	2.1	2.8	5.7	6.4

Source: Fitch Solutions and Turkish Statistics Institution

MOBILITY TECHNOLOGIES STRATEGIES, AND ROADMAP

PUBLISHED BY MoIT IN JUNE 2022

EV and EV Technologies

1. Electric vehicle purchases will be supported

2. Electric vehicle use will be supported

3. Electric vehicle production investments will be supported, and new investments will be encouraged.

4. Türkiye will be a “regional battery production center”

5. Secondary use and recycling investments will be supported.

6. Developing of tier 1 and 2 suppliers producing electrification technologies will be provided.

7. The advanced material support program will be launched.

8. Charging infrastructure for electric vehicles will be completed.

Critical Projects

The projects on Battery and Innovative Energy Technologies are evaluated as ‘critical project’;

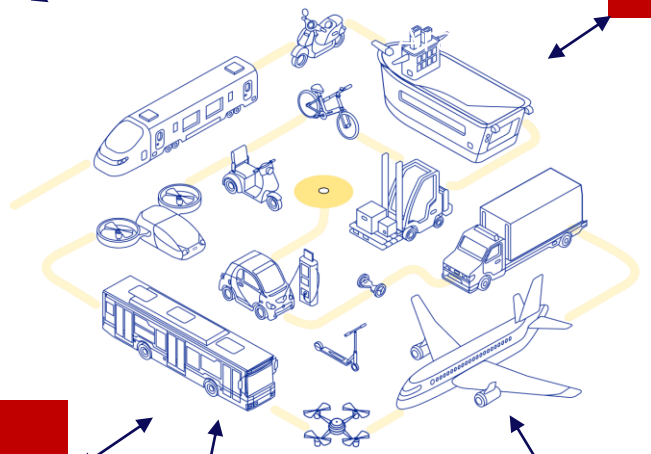
Development and/or manufacturing investments of battery module and pack

Battery cell investments

Development and manufacturing investments of battery pack sub-components

Battery test center investments

MOBILITY TECHNOLOGIES STRATEGIES, AND ROADMAP



- Battery Management System
- Battery Cell
- Cooling System
- Battery
- Battery Recycling
- Infotainment
- HVAC systems
- Power Electronics
- Charging Station
- Power & Powertrain
- E-drive
  - Electric motor
  - Inverter
  - Drivetrain
- Motor and Inverter Cooling System
- Rectifier
- IGBT
- DC/DC converter
- AC/DC rectifier
- V2V, V2I, V2X…
- ADAS (Automated Driver Assistance Systems)
- Autonomous Car Hardware Systems (sensor, camera, radar, telematics etc.)
- Control

Source: Ministry of Industry and Technology Mobility Strategy 2021

LUCRATIVE INCENTIVES AVAILABLE FOR MOBILITY

Support measures granted to the company:

-VAT Exemption
-Customs Duty Exemption
-VAT Refund
-Corporate Income Tax Reduction (tax reduction rate: 100%, rate of contribution: 100%, 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 360,000,000 TL)
-Interest Rate Support
-Land Allocation

Togg

Production of Electric Cars

Location: Bursa
Starting date: 30/10/2019
Investment duration: 13 years
Type of investment: New
Fixed investment amount: ~3,120,000,000 USD
Employment: 4,323
Production: 5 different models, 175K/year

LUCRATIVE INCENTIVES AVAILABLE FOR MOBILITY

Support measures granted to the company:

-VAT Exemption
-Customs Duty Exemption
-VAT Refund
-Corporate Income Tax Reduction (tax reduction rate: 100%, rate of contribution: 100%, 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 250,000,000 TL)
-Land Allocation
-Energy Support
(50% of its consumption for 10 years (from the date when the company starts activity and up to 200,000,000 TL)

FORD OTOSAN

New Generation Commercial Vehicles and Battery Cell Production

Location: Kocaeli
Starting date: 1/7/2020
Investment duration: 6 years
Type of investment: Expansion/ Product differentiation
Fixed investment amount: ~2,900,000,000 USD
Employment: 3000
Qualified personnel: 200
Production: Commercial vehicle 210K/year, Battery module and packaging 130K/year

PRESIDENCY OF
THE REPUBLIC OF TÜRKİYE
INVESTMENT OFFICE

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invest.gov.tr