

busworld newsletter

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BUSWORLD TURKEY

The very first Busworld Turkey international exhibition will run from 8 to 10 February 2007. It is being held in halls 9 and 10 at the Istanbul Expo Centre, formerly the Istanbul World Trade Centre, situated close to the Ataturk International Airport, to the west of the city centre.

The partners in Busworld Turkey are HKF Trade Fairs, the International Road Union, (IRU), and Busworld. We are very pleased to confirm that the exhibition will be fully supported by the Ministry of Transport and by TOFED, the Turkish Bus Federation.

It is most appropriate that the first Busworld Turkey will be held in 2007, because that year marks the 40th anniversary of the production of buses in Turkey. There were some basic bodybuilding activities prior to that time, but the country relied heavily on imported vehicles, including cars, buses, trucks and agricultural tractors.

In the 1960's, the Government took the far-reaching decision to encourage the development of an automotive industry. Although there is some glamour attached to cars, the production of all kinds of commercial vehicles was high on the Turkish list of priorities. The Government encouraged local companies to find foreign partners and to acquire the necessary technology for assembly and progressive manufacture.

The Government made some wise, visionary, decisions. They insisted that all jigs, tools, presses, and other factory equipment should be new. This effectively prevented the off-loading to Turkey of old, obsolescent, designs and meant



that Turkish manufacturers acquired current technology from their partners.

The level of Turkish content was increased progressively, in a series of Five-Year plans. Regular discussions were held with the local manufacturers and their foreign partners. One of the results of this dialogue was the parallel development of a component supply industry, starting initially with tyres, glass, batteries and seats, but soon expanding into a wide range of more sophisticated parts, so that the Turkish industry had, by the 1980's, become largely self-sufficient.

From the earliest days, Turkish manufacturers started to export vehicles to some neighbouring countries. Naturally, this business started as a trickle, but, as Turkish content grew, export trade developed.

One of the biggest boosts came with the collapse of the old Soviet system and the emergence of new, independent, republics. The Turkic countries in Central Asia have since bought Turkish vehicles on a regular basis.

The Turkish economy has a tendency to be volatile. There have been periods of severe devaluation of the currency and of very high interest rates. At those times, demand from the domestic market has fallen sharply. Manufacturers have cushioned themselves from the worst ravages of the economic crises by developing healthy export business.

The Turkish automotive industry continued to expand significantly in the 1990's. Manufacturers were attracted to the ready availability of skilled labour, willing to work at very competitive wage rates. That resulted in Mercedes-Benz building

TURKEY: PRODUCTION OF BUSES OF ALL SIZES: 1994-2005

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Anadolu Isuzu	504	657	913	1484	1801	1632	2111	629	1057	1157	2006	2265
Askam	0	0	0	0	0	0	0	0	0		15	13
BMC	393	345	515	729	684	454	1056	293	534	1353	1577	1659
Hyundai Assan	0	0	0	301	1474	936	1314	159	216	3824	5498	2779
Karsan	2647	2876	4062	5735	5835	7083	7454	1981	1980	3528	4609	2067
MAN Turkiye	90	71	378	328	449	467	719	681	800	1112	1296	1609
Mercedes-Benz Turk	853	930	1644	2384	2085	1523	2452	1656	1530	2371	2039	2298
Otobus Karoseri	956	1331	1354	1679	1405	836	1801	311	832	1850	2523	1388
Otosan	2224	4562	7223	8525	9416	9124	14080	5110	4431	7046	19271	20795
Otoyol	927	1338	1907	3561	2971	2497	4078	798	1443	2003	2422	1851
Temsa	219	351	524	718	1105	622	1251	369	377	665	1647	1953
TOTAL	8813	12461	18520	25444	27225	25174	36316	11987	13200	24909	42903	38677
minibus (up to 16 passenger seats)	4924	7645	10165	12935	13910	12894	20597	6486	6139	13625	28161	26162
midibus (17-25 passenger seats)	2855	3537	5856	9060	10275	9953	11506	3000	4377	6794	9903	7109
bus (more than 25 passenger seats)	1034	1279	2499	3449	3040	2327	4213	2501	2684	4490	4839	5406
TOTAL	8813	12461	18520	25444	27225	25174	36316	11987	13200	24909	42903	38677

Source: OSD, Istanbul.

premium-quality products in Turkey for price-conscious customers in Western Europe. The vehicles had German drivelines, but were pitched at a lower price segment than vehicles built wholly in Germany. It has proved to be a very successful strategy.

More recently, Neoman has adopted a similar policy, having invested heavily in its factory near Ankara. There are some older models that are still available for Turkey and neighbouring countries, but the modern Turkish plant has become the sole assembly point for a number of cost-effective models that are supplied to a wide number of markets. MAN was quick out of the blocks when Turkey approved rigid vehicles up to 15 metres long, and that helped to boost its share of the strong inter-city coach market.

It is not just the German manufacturers who have invested heavily in bus and coach facilities in Turkey. BMC, Temsa, Otoyol, Otokar and Anadolu Isuzu have all made impressive strides. Indeed, when Turkey entered into a Customs agreement with the European Union, abolishing tariffs on both sides, some predicted that the Turkish industry would be swamped by a flood of imports. That did not happen.

Most new buses and coaches that enter service in Turkey are built in the country, but there are some significant exceptions. Neoplan and Setra regularly supply top-of-the-range coaches to premium operators in the inter-city coach sector. Mercedes-Benz has supplied large numbers of Citaro city buses to Istanbul, the first large-scale introduction of low floor vehicles in Turkey.

Busworld Turkey will therefore be an important showcase. It offers many opportunities to exhibitors and visitors. Turkey is by far the

most important manufacturing centre in the region, with regular exports throughout Europe, Russia, Central Asia, the Middle East and North Africa. Istanbul is an important trading hub. Busworld Turkey is also a golden opportunity for manufacturers and suppliers in other countries to gain first hand experience of the Turkish market.

Stand space is filling up rapidly, but there are still a number of attractive sites, of various sizes, available. Contact Busworld for more information

COMPONENTS

When Turkey was developing the capability of manufacturing buses, truck and cars, there were regular meetings between the manufacturers and the Government. These stressed the importance of encouraging the local manufacture of many of the specialised components that are required by the industry.

Turkey now has a thriving components industry, capable of making every conceivable part.

Some companies are locally owned, while others are subsidiaries of international corporations. Between them, they have built a reputation for excellent quality and innovation. Many of them have young and highly qualified engineering teams who are earned a "Can-do" reputation.

The next edition of the Busworld Newsletter will look in more detail at this very important sector in Turkey.

MERCEDES-BENZ TÜRK



The Travago is the most luxurious model made in the Hosedere factory.

It was back in 1967 that Mercedes-Benz licensed Otomarsan to build the legendary O302 integral coach in a factory at Davutpasa in the suburbs of Istanbul.

The O302 was followed by another famous model, the O303, built in various versions. In 1990, Mercedes-Benz increased its shareholding to more than 62%, and the company became Mercedes-Benz Türk. The original factory site was in a busy industrial area and there was no room for expansion. Therefore land was bought at Hosedere, west of Istanbul, and the first stage of a major new factory was inaugurated by the President of Turkey in June 1995. Structures were transferred from the old factory for corrosion protection, panelling, painting and installation of all the running units and interior trim.

The new factory saw the introduction of another important model, the O350, generally known as the Turismo. The RHD version was sold in many markets, including most of Western Europe, while a higher version, the SHD, became very popular on inter-city services in Turkey, because of its enormous luggage capacity. A regular and important customer is SAPTCO, the principal operator in Saudi Arabia.

Nowadays the model range includes the O345 bus, available in 12 metre and articulated versions, and later known as the Conecto. More than 1,000 were supplied to Russia in 1996 under a World Bank tender. It had always been the plan to transfer all operations to Hosedere,

but they were delayed by the severe economic problems in Turkey at the start of this decade. However, in 2005, a major new extension was opened at Hosedere. The old factory continues to carry out some fabrication work, but will finally close next year.

It is no exaggeration to say that Hosedere is one of the most modern and efficient bus and coach factories in the world. It covers a total area of 360,000sq m and has an enclosed area of 115,000sq m. There is



Partially built vehicles are moved on hover carriers.

capacity to build up to 4,000 buses and coaches per annum.

Hosedere is the global Centre of Competence for DaimlerChrysler buses and coaches worldwide. It has designed and built very impressive and adaptable jigs for constructing a wide range of vehicles, mainly using square section steel tube. All structures are fully protected against corrosion by immersion in cathaphoretic tanks. Hosedere uses a combination of line assembly and docking stations, to accommodate the different levels of work that might be required at each stage, depending on the product. That ensures that a relatively simple bus is not held up by a high specification coach.

The production process, on two shifts per day, is very accurately controlled, so that material arrives just-in-time. The whole operation is lean and spotlessly clean. Bearing in mind that production includes high specification coaches, throughput times are among the best in the world. It has the flexibility to handle large orders, like 600 city buses for Moscow, or single orders for luxury coaches that are built to the precise specification requested by the customer.

On the extensive site there is also a Development Centre where 100 people work. They are helping to develop models for the whole Mercedes-Benz range. Next year, a Marketing Centre will be completed and will become the headquarters for all Mercedes-Benz activities – cars, trucks and buses – in Turkey.



One of the many highly accurate jigs in Hosedere

NEOMAN'S WIDE PRODUCT RANGE



The stylish Lion's Regio interurban coach is made in Turkey

Neoman, the company that produces an extensive range of buses and coaches under the MAN and Neoplan brands, has a long history in Turkey.

MAN can trace its involvement in Turkey back to 1966 when MANAS was established with a Turkish partner and opened a factory in Istanbul. A second factory was opened in Ankara in 1986, later replacing the Istanbul facility. MAN gradually bought out all its Turkish partners so that only a nominal amount remains in Turkish hands today.

The Ankara factory has been progressively extended and is now running close to capacity of 2,000 buses and coaches per annum. It is the company's policy to have an approximate 25:75 split between domestic and export sales. The range includes a number of models that are built only in Turkey for world markets.

The city bus range starts with the older Lion's Classic models, in solo and articulated form, with most

of the floor two steps above the ground. Last year, the city of Ankara ordered 450 of these vehicles, powered by compressed natural gas.

The only accessible model currently in the range is the Lion's City T which has a low floor in the front

part of the vehicle, with internal steps to seats above and behind the rear axle. The new Lion's Regio and Neoplan Trendliner interurban coaches are both built in Ankara. There is a large amount of commonality in the underframes and structure, but the exterior styling is quite different, to meet the tastes of loyal MAN and Neoplan customers.

The factory also builds the Lion's Coach, a higher vehicle for express and touring operations, in two and three axle versions. It is known as the Fortuna in the Turkish market.

Major extensions were opened at the Ankara factory towards the end of 2004, enabling a substantial reduction in build times. There was a large investment in new assembly jigs, corrosion protection systems and paint spray booths. New logistic systems were introduced to minimise the number of parts held in stock.

The Ankara factory also builds chassis versions of some models, for supply to companies that have domestic bodybuilding industries. One of the largest orders of this kind came from Tunisia for more than 500 chassis that will be delivered over a three year period up to the end of 2008.



The modern Lion's Coach is built in Turkey

PUBLIC TRANSPORT IN TURKEY

Turkey has a population of more than 66,000,000, and there is only one car for every ten people. Rail services are very limited, partly because of the mountainous terrain in large parts of the country. Until recently, internal air services were expensive and infrequent, but more competition has been introduced in the last year or two, bringing low fare carriers onto routes between some of the main cities.



There is a large sector for midicoaches

There are small metro systems in Ankara, Istanbul and Izmir, but otherwise, Turkey depends heavily on buses and coaches for public transport.

In urban areas, large buses compete for business with minibuses that run on fixed routes like shared taxis.

The authorities see them as one of the prime causes of congestion and pollution and have been encouraging their replacement by midibuses, typically 8-9 metres long. There is also a large sector for mid-size vehicles, typically of 25-30 seats, for use on suburban and rural routes.

Turkey also has an extensive network of inter-city express services. They run very regularly and, on the busiest routes, some operators use highly specified coaches, with a smaller number of wide, luxurious seats, similar to business class on an aircraft. They run at premium fares, and are popular with business people. Longer distance services often run throughout the night, so that coaches rapidly accumulate very high mileages.

One of the most impressive coach stations in the world is the Otogar in Istanbul. It sits outside the centre of the city, close to the main highway network and the bridges over the Bosphorus. It is a truly massive building, on three levels.

Coaches from all over Turkey and neighbouring countries arrive at the lowest level which also contains workshops, parts stores, and areas where vehicles can be cleaned and prepared for their next journey. A metro line runs through the middle

level, giving passengers rapid access to and from other parts of the city, including the crowded centre.

At the top level, around the perimeter, there are large numbers of coach departure bays. Cars, taxis and local buses come in and out of the central part of this level, so that passengers walk through booking offices, and onto their vehicles.

Coaches arrive and depart over massive concrete bridges, taking them direct to the highway network. There is also demand for coaches to serve the growing tourist industry in the south and west of Turkey, along the Mediterranean coast. Several new airports have been opened in recent years, offering regular flights to and from Western Europe and elsewhere.

These have created demand for coaches for transfer and shuttle services, also sightseeing to famous places like Ephesus and Cappadocia. The intensity of the inter-city operations has to be seen to be believed.

Add an extra half day to your schedule for Busworld Turkey and make a point of visiting the Otogar. It can be quite cold in Istanbul at that time of year, but a good "bus-spotter's anorak" will keep you warm!



Local buses and the metro serve the centre of the Otogar. Long distance coaches depart from the other side of the booking offices in the background.

TEMSA EXPANDS RAPIDLY

Temsa is a member of the Sabanci Group, one of the largest business and industrial conglomerates in Turkey, with a wide range of activities.

Temsa is located in Adana, in the far south of the country and was established in 1968. The first activities in the motor industry came when a licence was signed with Mitsubishi Motors in 1984 for the manufacture of full size coaches. Subsequently, the mid-size Prestij family was added to the range.

Temsa supplied the domestic market and a few neighbouring countries, but, like other Turkish companies, wanted to expand and be less vulnerable to the volatile local economy.

Temsa set its sights on Western Europe. A new range was designed, free from any Mitsubishi content, using drivelines sourced from well-known supplies like MAN and ZF.

From an almost standing start, at the start of this decade, Temsa has done remarkably well. At Busworld Kortrijk, in October 2005, the company handed over the 1,000th vehicle built for the French market. At first, people dismissed Temsa's

objective of taking 10% of the Western European coach market. It has moved from a possibility to a probability!

Temsa's factory in Adana is modern and well-equipped. Because the city is quite distant from the main industrial areas of Turkey, a number of important component suppliers have been encouraged to establish satellite factories nearby. These deliver into Temsa's production lines

on a just-in-time basis. One of the surprising aspects is the level of sub-contracting. Taking just two examples, the contractor who installed the modern paint plant is responsible for all painting. Coaches are taken out of the assembly lines into an adjacent unit for installation of seating by Kiel, and then returned. That has enabled Temsa to raise its output, year on year, without substantially increasing the numbers of employees.



The popular Safari coach is available with a stainless steel structure.



The Tourmalin has proved very popular in France.

Temsa is remarkably flexible and adaptable. When the city of Adana wanted to buy midibuses to replace large numbers of smaller vehicles, Temsa built a prototype in a matter of months, using many parts that were already in its range. The new Metropol secured an initial order for 300 units.

Temsa is a very progressive company, and one to watch over the next five years.

NEWSLETTER ON LINE

The Busworld Newsletter is now available on-line at www.busworld.org. Alternatively, we can arrange to send it to you by e-mail. Please make your request to mieke.glorieux@busworld.org.