

Automotive Sectoral Report

2025

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Image: netcarshow.com

Overview

The year 2025 was not merely a period in which sales volumes increased for the Turkish automotive sector; it was a multi-layered year of transformation in which tax preferences, technical legislation, import policies and consumer trends were simultaneously reshaped. The sector operated, on the one hand, under the classical macroeconomic pressures of high inflation, financing costs, exchange-rate volatility and uncertainties in foreign markets; on the other hand, due to growing demand for electric vehicles, next-generation mobility policies and the increased regulatory reflex of public authorities, it was compelled to position itself on a more complex legal and commercial ground. In this respect, 2025 cannot be explained for the automotive sector by mere growth figures alone; it should be assessed as a threshold year in which structural transformation became pronounced.

On the other hand, by the end of 2025, the Turkish passenger car and light commercial vehicle market grew by 10.49% compared to the previous year, reaching 1,368,400 units; thus, not only was the growth trend of recent years preserved, but the market was carried to a new historic level. Of total sales, 1,084,496 units consisted of passenger cars and 283,904 units consisted of light commercial vehicles.¹⁴ This picture demonstrates that domestic demand remained strong throughout the year and that the automotive sector preserved its importance for consumers despite economic uncertainties and despite the fact that no inflation-based adjustment has been made since 2022 to the credit limits applicable to consumer purchases of pas-

senger cars and light commercial vehicles. Nevertheless, this growth should not be read solely as a demand-side success. In the same period, the weight of the automotive sector in terms of public finances also increased, with the SCT (Special Consumption Tax) collected from the automotive sector reaching approximately TRY 788 billion in 2025.

One of the prominent features of 2025 is the transformation observed in the composition of the market. The fact that the SUV body type, with a 61.9% share, has clearly assumed a dominant position in passenger car sales demonstrates that the change in consumer preferences is no longer a temporary trend. In addition, due both to its tax advantages and the relatively lower cost of operating vehicles compared to internal combustion engine vehicles, the electrification trend has also significantly strengthened. According to the data of the Automotive Distributors' and Mobility Association (ODMD), in 2025 gasoline-powered vehicles accounted for 47% of passenger car sales, while plug-in hybrid electric vehicles reached a 27.2% share and fully electric vehicles a 17.7% share. This picture indicates that internal combustion engines still maintain their weight, but the market has now begun to permanently rebalance itself in favor of electric and hybrid technologies. There is no doubt that this development requires not only consumer preferences but also tax policies, model diversity, charging infrastructure and distributor strategies to be assessed together.

Furthermore, in 2025 the automotive sector drew attention not only with its

market size and product transformation, but also with the scope and intensity of regulatory interventions. During the year, numerous regulations relating to the manufacturing, modification and assembly processes of vehicles, market surveillance and inspection, driver assistance systems, transport activities and import controls entered into force; in addition, important statutory amendments to the SCT regime and additional financial obligations imposed on imported passenger cars were among the principal developments directly affecting the cost structure and competitive conditions of the sector. The sector was also more closely monitored in 2025 from the perspective of competition and consumer law. In particular, the conditional clearance granted to the Stellantis/Tofaş transaction and the administrative supervision of electric vehicle advertising indicate that the compliance and governance dimension in the automotive sector -not only the technical and commercial dimension -has clearly intensified.

On the other hand, not all sub-components of the sector exhibited equally positive performance. The contraction of approximately 7.6% in fleet size in the vehicle leasing sector demonstrates that financing costs and credit access conditions continue to exert pressure in certain sub-segments. Accordingly, the overall picture for 2025 reflects, rather than a one-sided optimism, a complex equilibrium shaped jointly by strong domestic demand, increased tax burden, accelerating technological transformation and a tightening regulatory framework.

In this framework, 2025 has been recorded as a year for the automotive sector in which, on the one hand, record market size and product diversification came to the fore and, on the other hand, the impact of tax burden, technical compliance, import policies and regulatory inspections on sector players became more visible. Below, the principal legislative changes, administrative practices, judicial and institutional developments, and market data that affected the sector throughout 2025 are addressed within this integrated framework.



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Significant Legislative Changes in 2025

Amendments Concerning the Approval of Manufacture, Modification and Assembly of Vehicles

By the Regulation Amending the Regulation on the Manufacture, Modification and Assembly of Vehicles, published in the Official Gazette dated 18.02.2025 and numbered 32817, Article 19 concerning vehicle modifications for public transport vehicles equipped with special security equipment was repealed. In addition, amendments were made to the report to be issued within the scope of approvals confirming that vehicles comply with the provisions of the Regulation. In this context, it was stipulated that following the inspection of the conformity of the assembly by the approval authority or the body designated by the approval authority, the assembly conformity report set out in the annex to the Regulation shall be issued.

Within this scope, certain amendments were also made to the annexes of the Regulation. Pursuant to these amendments, it was stipulated that the assembly conformity report and the device-fit-for-assembly report shall be issued by the approval authority or the bodies authorised by it, while the serial assembly conformity report shall be prepared by the certificate-holding company. It was if inspections shall be carried out in accordance with control forms, and that document templates and forms shall be published on the relevant website. Detailed technical requirements were established for the installation of vehicle tracking systems, camera systems, image recording devices and emergency buttons in M1, M2 and M3 category vehicles, and the conformity of these devices was required to be evidenced by various documents.

Market Surveillance and Inspection of Motor Vehicles

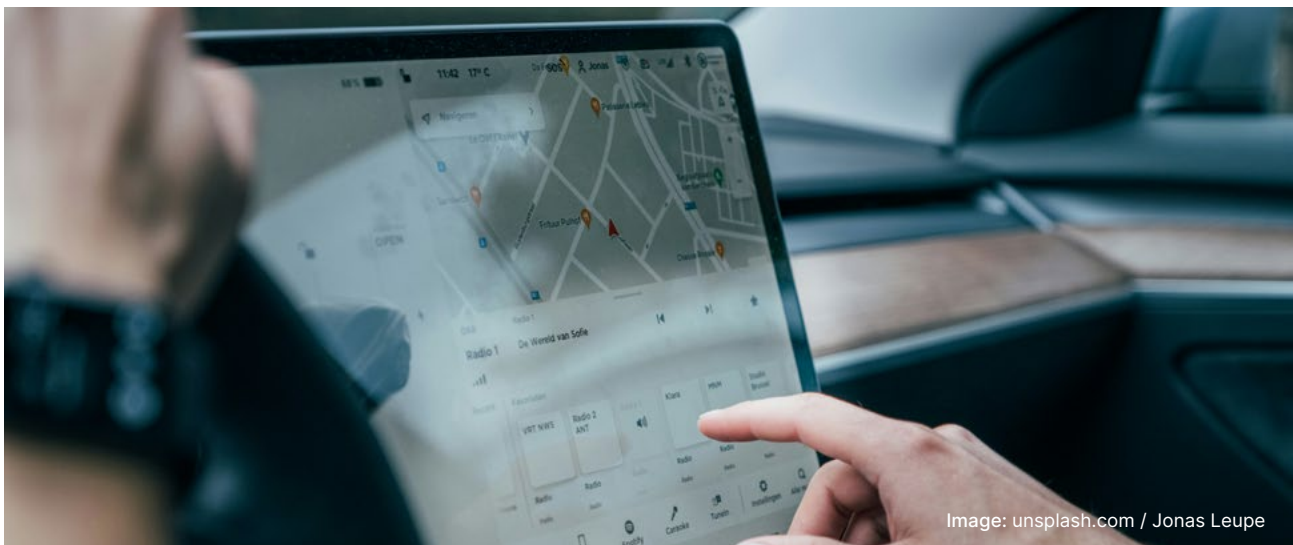
By the Regulation on Administrative Requirements Concerning the Market Surveillance and Inspection of Vehicles, Systems, Components and Separate Technical Units (EU/2022/163), published and entered into force in the Official Gazette dated 13.03.2025 and numbered 32840, the administrative framework for market surveillance and inspection activities relating to motor vehicles was defined in detail. It was stipulated that the scope of inspection shall be determined based on the num-

ber of vehicles registered in Türkiye in the previous year, brand-based complaint rates, and risk analyses. Reporting was made mandatory by market surveillance authorities on an annual and biennial basis, and the content of these reports was standardized in accordance with defined formats.

The information and documents that may be requested from manufacturers were expanded, and the sharing of detailed technical documentation -such

as emission values, auxiliary emission strategies, test conditions, certificates of conformity and technical data sets -was made compulsory. Moreover, the participation of third-party testing bod-

ies in inspection processes was encouraged; the accreditation requirements of such bodies were clarified, and criteria relating to impartiality, confidentiality and testing competence were specified.



Amendments Concerning Driver Assistance Systems

By the Regulation on Administrative Requirements Concerning the Type-Approval of the Intelligent Speed Assistance System, Driver Drowsiness and Attention Warning System, Event Data Recorder, Alcohol Interlock Installation Facilitation and Advanced Driver Distraction Warning System (EU/2024/1721), published and entered into force in the Official Gazette dated 14.03.2025 and numbered 32841, the administrative type-approval procedures relating to five different safety equipment items required to be present in M and N category motor vehicles were defined. For each of these systems, information documents to be used in type-approval applications and tem-

plates for approval certificates to be issued by the competent authorities were separately regulated.

In this context, it was provided that the intelligent speed assistance system, driver drowsiness and attention warning system, event data recorder, alcohol interlock installation facilitation and advanced driver distraction warning systems may be subject to the type-approval process either as integrated systems within the vehicle or as separate technical units. A common documentation standard compatible with European Union requirements was introduced for the technical documents, classification, performance assessments and administrative records of such systems.

Amendments to the Road Transport Regulation

By the Regulation Amending the Road Transport Regulation, published in the Official Gazette dated 15.05.2025 and numbered 32901, the definition of distribution operatorship was removed, while the definitions of courier, courier consignment and courier operator were incorporated into the legislation.

While the obligations of courier operators were regulated in detail, amendments were made to the criteria for obtaining and renewing authorization certificates and to the requirements relating to vehicles.

In this context, regulations were introduced concerning the qualifications of the P-type authorization certificate granted to natural and legal persons engaged in courier operations for commercial or private purposes within a province or between adjacent districts of different provinces. Pursuant to the new regulation, applicants for a P1 authori-

zation certificate are required to own at least 5 self-owned motor vehicles and to have a paid-in or operating capital of TRY 100,000, while applicants for a P2 authorization certificate are required to own at least 30 self-owned motor vehicles and to have a paid-in or operating capital of TRY 500,000. Holders of a P1 authorization certificate that are legal entities are required to hold at least one mid-level manager-type professional competence certificate or to employ a person holding such qualifications.

In addition, the granting of an S-type authorization certificate to natural and legal persons engaged in domestic shuttle (service) transport for commercial purposes was regulated. Applicants for an S authorization certificate are required to have a minimum capacity of at least 1 self-owned bus, and legal entities must have a paid-in or operating capital of TRY 100,000 and a contract relating to the shuttle service.

Amendments to the Special Consumption Tax

Pursuant to the Law Amending the Law on the Protection of the Value of the Turkish Currency, Certain Laws and Decree-Law No. 635, published in the Official Gazette dated 24.07.2025 and numbered 32965, the President was authorized to increase the rates applicable to the goods listed in Schedule II of the Law and the lower and upper limits of the SCT bases corresponding to

such rates by up to three times, to reduce them down to zero, and -provided that he remains within these limits -to determine different rates for passenger cars and other motor vehicles principally designed to carry persons (including station wagons and racing cars), based on engine cylinder capacity, range and battery capacity.^[2]

Additional Financial Obligations Concerning Imported Passenger Cars

By the Presidential Decrees published in the Official Gazette dated 22.09.2025 and numbered 33025, additional financial obligations were imposed in respect of passenger car imports. Pursuant to the relevant Presidential Decrees, while taxes on certain products imported from the United States -including passenger cars -were abolished, additional customs duties were imposed on passenger cars to be imported from countries such as China, Japan and South Africa.

In a written statement issued by the Ministry of Trade, it was emphasized that, in light of developments in global trade and rising protectionist tendencies, “new steps to support domestic production and exports in the automotive sector” will be continued. It was further stated that, for each passenger car, either a percentage rate based on the import value or a fixed lump-sum additional tax shall apply, and whichever is the higher of the two shall be taken as the basis.^[3]

Communiqué on the Import Inspection of Vehicle Parts

The Regulation Amending the Regulation on the Manufacture, Modification and Assembly of Vehicles entered into force upon its publication in the Official Gazette dated 12.10.2024 and numbered 32690. Within the scope of the amendment, in respect of small-series

type-approval applications under the Regulation on the Type-Approval and Market Surveillance and Inspection of Agricultural and Forestry Vehicles, the end-of-manufacture and registration deadlines for such approvals were extended until 31.12.2024.

Communiqué on the Import Inspection of Road Vehicles (Product Safety and Inspection: 2026/31)

By the Communiqué on the Import Inspection of Road Vehicles (Product Safety and Inspection: 2026/31), published in the Official Gazette dated 31.12.2025 and numbered 33124 (4th Reiterated), regulations were introduced concerning conformity inspection in the import of road vehicles. Accordingly, the types of vehicles for which a Letter of Conformity issued by the Ministry of

Industry and Technology or by an authorized body shall be required upon import, and the scope of the corresponding customs tariff positions (CTP) were redefined. In this context, submission of the Letter of Conformity to the customs administrations was made compulsory for the release into free circulation of vehicles falling within the CTPs specified in the Communiqué.

An EU Legislative Development: The Automotive Package

On 16 December 2025, the European Union announced a comprehensive policy package directly affecting the automotive sector. Prepared within the framework of the EU Circular and Sustainable Industrial Policies, this package aims to enhance competitiveness in the automotive sector, promote sustainability, and strengthen Europe's position in the global automotive market.^[4]

The principal elements of the Automotive Package are as follows:

- 1. Acceleration of the Transition to Electric Vehicles:** The EU has reaffirmed its objective of banning the sale of new internal combustion engine vehicles by 2035 and has envisaged new incentive mechanisms to support this transition.
- 2. Expansion of Charging Infrastructure:** Concrete targets have been set for Member States to increase the number of electric vehicle charging stations, and it has been announced that EU funds will provide support for

these infrastructure investments.

- 3. Battery Production and Recycling:** Regulations consistent with circular economy principles have been introduced to increase battery production capacity in Europe and to ensure the recycling of used batteries.
- 4. Competitiveness and Innovation:** Support programmes have been envisaged to encourage R&D investments in the automotive sector, accelerate digital transformation, and develop autonomous vehicle technologies.
- 5. Supply Chain Security:** Reducing external dependence on critical raw materials and developing strategic partnerships have been targeted.

These regulations create both opportunities and challenges for the Turkish automotive sector. Turkish manufacturers exporting to the EU will be required to comply with these new standards, while there is a need to invest in electric vehicle technologies and to accelerate the green transition.



Recent Decisions of the Competition Board

As in previous years, we summarize below the significant developments concerning the automotive sector before the Competition Board (the “Board”) in 2025. The significant developments before the Board concerning the automotive sector are as follows:

Merger and Acquisition Decisions	Stellantis / Tofaş Final Review Decision [5]	<p>The Board, following its final review, conditionally cleared the transaction whereby Stellantis Otomotiv Pazarlama A.Ş. -owned by Stellantis N.V. (“Stellantis”) -would be acquired by TOFAŞ Türk Otomobil A.Ş., which is jointly controlled by Stellantis and Koç Holding A.Ş.</p> <p>The Board, considering that the strong market shares of the parties -which are competitors in the automotive sector -and the market structure that would emerge after the transaction could give rise to competitive concerns, permitted the transaction to be carried out only within the framework of certain commitments.</p> <p>As the initial commitments submitted by the parties were found insufficient, additional commitments were submitted. The additional commitments include behavioral commitments -such as the offering of the Fiat/Fiat Professional, Ford and Stellantis TR brands at separate facilities, the maintenance of a certain distance between such facilities, and the conclusion of separate agreements for each brand -as well as structural commitments, such as the prohibition on members of the Koç family serving simultaneously on the boards of directors of Tofaş and Ford Otosan.</p> <p>The Board, considering that the expanded commitment package -together with the additional commitments -was sufficient to address the competitive concerns the transaction would create, cleared the transaction.</p>
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Competition Infringements	Tyre Production and Distribution Investigation^[6]	<p>Within the scope of the preliminary investigation initiated against 17 undertakings active in the field of tyre production and distribution in the automotive sector, the Board examined allegations to the effect that competing undertakings exchanged competitively sensitive information, that the undertakings were parties to agreements restricting competition between competitors, that resale prices of dealers were set, that territories and customers were allocated among dealers, that exclusivity agreements were entered into with dealers, and that non-compete obligations were imposed on dealers.</p> <p>The suspicion arising -on the basis of the information and documents obtained because of the preliminary investigation -that the alleged conduct gave rise to practices restricting competition was found to be serious and sufficient. As a result, it was decided to open a full investigation into the undertakings subject to the preliminary investigation.</p>
Exemption Decisions	Ford Motor, Volkswagen and Ford Otomotiv Exemption Decision^[7]	<p>The Board examined the individual exemption application made in respect of (i) the One Ton Van Development and Supply Agreements between Ford and Volkswagen, and (ii) the One Ton Cargo Van Contract Manufacturing and Supply Agreement between Ford and Ford Otosan.</p> <p>Pursuant to the relevant agreements, the development, manufacture and supply of a new-generation one-ton vehicle for both Ford and Volkswagen will be carried out by Ford. In addition, as an annex to this agreement, it has been agreed that the relevant vehicles will be manufactured at Ford Otosan’s facility in Kocaeli.</p> <p>The Board concluded that Ford and Volkswagen are competitors both globally and in Türkiye, and that, accordingly, the agreements constitute horizontal contract-manufacturing arrangements aimed at expanding production. However, due to the market power of the parties, it was assessed that block exemption could not be granted to the agreements. The agreements were therefore examined from the perspective of individual exemption.</p> <p>In addition to the fact that the agreements do not contain any provision relating to price-fixing, market or customer allocation, restriction of production volumes or sales, or the exchange of competitively sensitive information, the Board considered that the parties could continue to act on the basis of independent commercial decisions in respect of vehicles offered under their own brands. Considering these assessments, the Board decided to grant individual exemption to the agreements.</p>

Recent Decisions of the Advertising Board

2025 was a year in which the Advertising Board's scrutiny of the automotive sector intensified. The Advertising Board has, in particular, brought into its perspective the increasing volume of electric vehicle advertising -driven by the growing economic importance arising from rising demand for and use of electric vehicles. In addition, advertisements of Stellantis were repeatedly the subject of Advertising Board decisions, and certain advertisements were found to be unlawful.

The notable Advertising Board decisions concerning the automotive sector may be summarised as follows:

Electric Vehicle Advertisements	Advertising Board Press Release on Electric Vehicles^[8]	<p>In the announcement published on the official website of the Ministry of Trade on 23 June 2025, it was stated that during the first six months of 2025 a total of 92 infringement decisions were issued in respect of electric vehicle advertisements and that administrative fines totaling TRY 15,846,894 were imposed.</p> <p>It was announced that the infringements identified in respect of electric vehicle advertisements concerned, in particular, (i) the failure to disclose the test standard on the basis of which the range information of vehicles was determined, and (ii) the use of range information in a misleading manner that did not reflect actual usage conditions.</p> <p>In this context, it was emphasized that, to prevent consumers from being misled, the measurement methods of range information and the variability of range values must be expressly shared with consumers.</p>
Infringements Specific to Stellantis	Stellantis Decisions^{[9] / [10]}	<p>The Advertising Board determined, in three separate files, that the advertisements of Stellantis Otomotiv Pazarlama A.Ş. were of a nature to mislead consumers. The practices identified as infringements in the relevant files were: (i) the advertising of a voice recognition feature not offered in Türkiye, and (ii) the published authorized service prices not being valid in practice.</p> <p>As a result of the infringements identified in the relevant files, the Advertising Board imposed administrative fines totaling TRY 2,063,580 on Stellantis.</p>

Market Data

There are more than thirty passenger car and light commercial vehicle distributors actively operating in Türkiye. The brands sold in the Turkish market and information regarding their distributors are as follows:

Passenger Car Brands	Distributor Name
Alfa Romeo, Fiat, Lancia, Jeep, Citroen, DS, Opel, Peugeot	Tofaş Türk Otomobil Fabrikası A.Ş.
Aston Martin, Hongqi	D ve D Motorlu Araçlar A.Ş.
Audi, Cupra, Seat, Volkswagen, Bentley, Lamborghini, Porsche	Doğuş Otomotiv Servis ve Ticaret A.Ş.
BMW, MINI, Land Rover, Jaguar	Borusan Otomotiv İthalat ve Dağıtım A.Ş.
BYD	ALJ Pazarlama ve Satış A.Ş.
Chery, Jaecoo	Chery Otomobil Sanayi ve Ticaret A.Ş.
DFSK	SHS Araç Kiralama Lojistik ve Oto Tic. A.Ş.
Ferrari, Maserati	Fer Mas Oto Ticaret A.Ş.
Ford	Ford Otomotiv Sanayi A.Ş.
Honda	Honda Türkiye A.Ş.
Hyundai	Hyundai Assan Otomotiv Sanayi ve Ticaret A.Ş.
Isuzu	Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş.
Iveco	Iveco Araç Sanayi ve Ticaret A.Ş.
KIA	Çelik Motor Ticaret A.Ş.
Lada	Sever Oto Otomotiv San. Ve Tic. Ltd. Şti.

Passenger Car Brands	Distributor Name
Leapmotor, Skywell	Ulu Motor Sanayi Ve Ticaret A.Ş.
Karsan	Karsan Otomotiv Sanayii Ve Tic. A.Ş.
Maxus, Suzuki	Doğan Trend Otomotiv Tic. Hiz. ve Teknoloji A.Ş.
Mercedes-Benz, Smart	Mercedes Benz Otomotiv Ticaret ve Hizmetleri A.Ş.
MG	Doğan Trend Otomotiv Tic. Hiz. ve Teknoloji A.Ş.
Mitsubishi	Temsa Motorlu Araçlar Pazarlama ve Dağıtım A.Ş.
Nissan	Nissan Otomotiv A.Ş.
Renault, Dacia, Alpine	MAIS Motorlu Araçlar İmal ve Satış A.Ş.
Rolls Royce, Lotus	Royal Motors Sanayi ve Ticaret Ltd. Şti.
Skoda	Yüce Auto Motorlu Araçlar Tic. A.Ş.
SsangYong (KGM)	Şahsuvaroğlu Dış Ticaret Ltd. Şti
Subaru	Baytur Motorlu Vasıtalar Tic. A.Ş.
SWM	ATMO Grup
Tesla	Tesla Motorları Satış ve Hizmetleri Ltd. Şti.
Togg	Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş.
Toyota, Lexus	Toyota Türkiye Pazarlama ve Satış A.Ş.
Volvo	Volvo Car Turkey Otomobil Ltd. Şti.

Assessment of the Passenger Car and Light Commercial Vehicle Market

General Assessment

2025 was a year in which the growth trend observed in recent years in the Turkish automotive market continued and indeed deepened. Following the historic sales record reached in 2023, the market continued its growth in 2024 and, in 2025, rose by 10.49% to reach 1,368,400 units, attaining a new peak.

The notable feature of this growth is that it is not limited to a mere increase in volume; the composition of the market has also changed. Indeed, passenger car sales exhibited a higher growth rate than light commercial vehicles, which

led to a further increase in the share of passenger cars within the total market. The share of passenger cars, which was 78.1% in 2024, rose to 79.3% in 2025.

This picture demonstrates that demand for individual mobility in consumer behaviour has strengthened, while growth in the commercial segment has remained more limited. Financing costs and economic expectations relating to commercial activities have, in particular, relatively suppressed growth in the light commercial vehicle segment.

Indicator	2024	2025	Change
Total Market (Units)	1.238.509	1.368.400	10,49% ▲
Passenger Car Sales	967.341	1.084.496	12,11% ▲
Light Commercial Vehicles	271.168	283.904	4,70% ▲

Passenger Car Share	78,1%	79,3%	▲
Light Commercial Share	21,9%	20,7%	▼

Body-Type Preferences

In 2025, the SUV segment further strengthened its dominant position in the Turkish passenger car market, reaching a 61.9% share. This increase can be attributed not only to the expansion of model variety, but also to consumers' shift toward a higher driving position, perceptions of safety and the multi-purpose-use advantages of SUVs.

A relative contraction has been observed in the Sedan and Hatchback segments. This trend reveals that the SUV dominance in the global automotive market is being strongly reflected in the Turkish market.

Segment	2024	2025
SUV	Around 57%	61,9%
Sedan	▼	▼
Hatchback	▼	▼

Distribution by Engine Type

As of 2025, the distribution by engine type in the Turkish automotive market has become one of the clearest indicators of the transformation taking place in the sector.

The combined share of electric and hybrid vehicles has approached 45%, indicating that the dominance of internal combustion engines is gradually weakening. Nevertheless, gasoline-powered vehicles still constitute the largest segment, with a 47% share. Diesel engine vehicles -once a favoured engine type in our country -have seen both their model variety and sales share decline considerably, with their sales share falling below 10%.

Behind the increase in the share of electric vehicles lies the expansion of model

Segment	Market Share
Gasoline	47%
Hibrit	27,2%
Electric	17,7%
Diesel	Around 8%

diversity, increasing user awareness, and the impact of domestic production initiatives (in particular, Togg). However, in the same period, the SCT regulations and import policies relating to electric vehicles stand out as elements that may directly affect the growth rate of vehicles with this engine type.

In 2025, with 189,868 units sold, vehicles equipped with an electric-only engine accounted for 17.51% of total sales.

Best-Selling Brands and Models in 2025

As of 2025, brand-based competition in the Turkish automotive market preserved its intensity in a manner like previous years; however, brands offering price accessibility, model diversity and the advantage of domestic production were observed to have strengthened their positions in the market.

In this context, Renault -driven by sales of its domestically produced Clio and Megane Sedan models -became the most preferred brand of the year in 2025 with a total of 131,764 units sold, while Volkswagen ranked second with 88,682 units, driven by the impact of affordable models such as the Taigo and T-Cross, and Toyota came third with 76,620 units, again driven by the impact of the domestically produced Corolla and CH-R models.

Fiat, which had been among the most preferred brands in previous years, fell to fourth place this year. The other brands that entered the top 10 were, respectively, Hyundai, Peugeot, Opel, Citroen, BYD and Skoda. Thus, it has been observed that brands offering models and engine options suitable for the Turkish market and adapting to tax regulations and financing conditions have broken consumers' past prejudices.

It is particularly noteworthy that brands of Chinese origin, such as BYD and Chery, have become more visible in the Turkish market as of 2025, and that BYD, in particular, has increased competition in the electric vehicle segment. The aggressive pricing policies and technology-focused product strategies of these brands have intensified competitive pressure on traditional European and Japanese manufacturers.



Image: fiat.com.tr

When the model-based sales data for 2025 are examined, it is observed that models offering a balance of price/performance, the advantage of domestic production and broad utility came to the fore in the Turkish market.

In this framework, the Fiat Egea -thanks to its diversity of diesel and gasoline engine options as well as its different body types such as sedan, hatchback, station-wagon and "Cross" -preserved, in 2025 and in the 10th year of its production, its position as the best-selling model in Türkiye. The decisive factors behind this success of the Egea include its domestic production, its relatively low maintenance and operating costs, its extensive service network, and its ability to appeal both to fleet and individual users at the same time. While it is known that the Egea -whose production will end in the first half of 2026 -will be replaced by another domestic model, the question of which model that will be remained a

mystery as at the date of publication of this report.

When body types are evaluated separately, the most preferred passenger car in Türkiye was the Renault Clio, with 51,717 units. The Renault Megane Sedan -another model that, like the Fiat Egea, is now ten years old and is currently produced by Karsan -ranked second with 49,099 units, while the Fiat Egea Sedan ranked third with 42,838 units. The other models that secured a place in the top 10 by sales volume were, respectively, the Toyota Corolla, Tesla Model Y, BYD Seal U, Togg T10X, Fiat Egea Cross, Toyota CH-R and Dacia Sandero Stepway.

However, the change in tax regulations concerning imported passenger cars resulted in the withdrawal from the



Image: renault.com

Turkish market of a model long preferred by Turkish consumers, such as the Honda Civic, due to the increase in customs duties on vehicles imported from Japan.

As regards electric vehicles, the Tesla Model Y -with its face-lifted body referred to as "Juniper", its high level of equipment, its D-segment SUV body, and the impact of the engine power model benefiting from a tax advantage -became the most preferred electric passenger car with 31,509 units. The second most preferred electric model was the BYD Seal U -another D-segment SUV -with sales of 30,380 units. The Togg T10X recorded sales of 27,583 units, driven by the advantage of domestic production and the impact of the favorable financing conditions provided by banks. The T10F -another model offered for sale in 2025 by the domestic manufacturer Togg -recorded sales of 11,437 units. As of the end of 2025, the number of electric passenger cars registered for traffic in Türkiye reached 370,591.



Image: tesla.com



Image: togg.com.tr

Second-Hand Market and Other Significant Developments

In 2025, not only the new vehicle market but also the second-hand passenger car market broke a new record, with total sales of 7,572,525 units, an increase of 6.6% compared to 2024. This indicates that the passenger car continues to be perceived in Türkiye both as an instrument of consumption and as an instrument of investment.

By contrast, a contraction has been observed in the vehicle leasing and fleet management sector; fleet size has decreased by approximately 7.6%. This development demonstrates that financing costs and credit access conditions are creating a more pronounced pressure, particularly on corporate buyers.

SWM -established in Italy but owned, since 2016, by the Chinese company Brilliance -became the first Chinese automotive brand to commence production in Türkiye in 2025, through the production facility established in Eskişehir under the umbrella of Urzat Otomotiv

A.Ş., a partnership formed by ATMO Group and Urzema Holding. The G01 Pro model produced within this scope was offered for sale in the Turkish market in September.

Hyundai -which already produces the i20 and Bayon models at its factory in İzmit, Kocaeli -has announced that, in addition to these two models, it will also produce its new electric model, the Ioniq 3, at the same factory.

Another development from 2025 was the railway transport project implemented by Ford Otosan for the purpose of vehicle logistics between the Ford factory in Romania and the factory located in Kocaeli. Through this project, which connects the two factories by rail line -and also makes use of Marmaray -production parts are transported from Türkiye to Romania, and vehicles produced in Romania are delivered to Türkiye.



Conclusion and Assessment

2025 was a period that, for the Turkish automotive sector, stood out not only with record sales volumes; it was also a year in which the sector was structurally repositioned. The continued strength of domestic demand, the continued perception of the passenger car as a store of value in the face of economic uncertainties, and the increase in product diversity expanded the market in volume terms; while developments in tax regulations, import policies and technical legislation drew the room for maneuver of sector players within more clearly defined limits.

The principal point that drew attention in this period is that growth and transformation occurred simultaneously. While, on the one hand, the market continued to expand, on the other hand, consumer preferences shifted in favor of SUV-body-type vehicles and electric and hybrid vehicles; this directly affected the product strategies of manufacturers and distributors. That said, this transformation has not yet been completed; internal combustion engines still hold a significant share, and the market continues to advance in a hybrid structure.

Furthermore, the regulations and administrative practices that entered into force during 2025 reveal that the legal and regulatory framework in the automotive sector has clearly expanded. In particular, the amendments to the SCT regime, the additional financial obligations imposed under the import regime, and the technical compliance obligations affect not only the cost structure

but also the conditions of competition and the market balance. This indicates that the sector must now be assessed not only in terms of commercial dynamics, but, to an equal extent, within the framework of regulatory risks and compliance requirements.

Compared with 2024, it can be said that, in 2025, the automotive sector operated within a more complex equilibrium. While demand has remained strong, financing conditions, tax policies and foreign trade regulations have rendered the sector's vulnerabilities more visible. In particular, dependence on imports and sensitivity on exchange rates continue to be among the structural risks of the sector.

In this framework, as of 2025, the Turkish automotive sector has continued to grow but has at the same time evolved into a structure that is more competitive, more regulation-focused, and entails higher compliance requirements. The principal factors that will determine the direction of the sector in the period ahead are assessed to be the pace of the electrification process, the course of tax policies, the conditions for access to financing, and developments in foreign markets -chief among them the European Union.

The first data for 2026 indicate that, following the record level reached in 2025, the market has entered a natural correction process. Indeed, in the first three months of the year, total passenger car and light commercial vehicle sales con-



tracted by 3.94% to 265,398 units; this contraction reached 5.86% in respect of passenger car sales, while a limited increase was observed on the light commercial vehicle side. The 12.75% contraction of the market in March points to the slowdown in demand becoming more pronounced.

By contrast, the transformation in market composition that began in 2025 continues unabated. The market share of electric vehicles has approached 18%, while hybrid vehicles have reached one-third of total sales with a 33% share; the share of the SUV body type has further consolidated its dominant position at 62.8%. This picture demonstrates that, despite the limited contraction in total volume, the transformation in consumer preferences has acquired a structural character.

On this basis, a clearer outlook may be drawn for 2026: the market is expected to follow a flatter course, close to 2025 levels in terms of total volume, while electric and hybrid vehicles are expected to continue increasing their share. On the other hand, due to the impact of high financing costs, uncertainties in tax policies, and regulations relating to imports -particularly with passenger car demand becoming more selective and price sensitivity becoming more pronounced -it is highly likely that, as in recent years, the range of models advantageous in terms of SCT will continue to expand. For this reason, 2026 will stand out, rather than as a year of unit-based growth, as a year in which the product mix changes, profitability dynamics are reshaped, and competition becomes increasingly concentrated along the axes of technology, cost management and regulatory compliance.

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