



OSS Association Took Stock Of 2021!

The Acceleration Gained by the Automotive Aftermarket in 2021 will be Reflected in this Year Too!

The positive trend in employment is expected to affect this year too, along with the acceleration gained by the automotive aftermarket in sales and exports figures. However, despite all this positive picture, the sector suspended its investment plans. According to the 2021 Year-End Sectoral Evaluation Survey of the Turkish Automotive Aftermarket Association (OSS); last year, there was an average of 43.5 percent increase in domestic sales compared to 2020. While an average increase of 23.5 percent is expected in sales this year, the rate of those planning to invest in the same period decreased to 38.2 percent on average. While the most important problems of the last year were the volatility in exchange rates and supply problems, the transportation cost/delivery problems continued to be on the agenda of the distributor members. Taking stock of the past year specifically for the automotive aftermarket, Ziya Özalp, Chairman of OSS Association said, “Demands and sales continue with even higher expectations. We anticipate that our sector will grow above the inflation rate this year.”

Turkish Automotive Aftermarket Association (OSS) spot light on 2021 through a survey organized by itself with the participation of its members. According to OSS Association's 2021 Year-End Evaluation Survey; the positive trend in employment, along with the dynamism in domestic sales and exports since the first months of 2021, was also reflected throughout the year. It turned out that the positive trend is expected to continue this year as well. However, despite all this, the sector's postponement of investment plans called to attention. According to the survey; compared to the third quarter of the year, there was an average of 15 percent increase in domestic sales. In the last quarter of the last year, there was a 37 percent increase in domestic sales compared to the same period of 2020. Study also brought the increase in domestic sales in 2021 compared to 2020 to light. Compared to 2020, there was an average of 43.5 percent increase in domestic sales last year. While this figure exceeded 42 percent for distributor members, it was nearly 46 percent for manufacturers.



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Nearly 22.5 percent increase expectation!

In the research study, expectations for the first quarter of this year in domestic sales were also asked. In this context, it was revealed that the participants expected an average increase of close to 7 percent compared to the last quarter of 2021. Participants expressed that they expect an average of 22.5 percent increase in domestic sales in the first quarter of 2022 compared to the first quarter of last year. In addition, members were asked how much of an increase they expect in domestic sales this year compared to 2021. Participants also expressed that they expect an increase of close to 23.5 percent.

Increase in employment!

The collection processes of the previous year were also discussed in the survey. Half of the participants expressed that there was no change in the collection processes in 2021 compared to 2020. It was determined that the rate of members who evaluated the process as positive trend compared to the previous year. Another remarkable part of the research study was the increase in employment rates. While the rate of distributor members who expressed that their employment rate increased in the previous year's survey was determined as 52.2 percent, this rate increased to 64 percent this year, and from 58.3 percent to approximately 76 percent for manufacturers.

The most important problems: mobility in exchange rates and supply problems!

The survey also revealed the problems experienced in the sector last year. While almost all of the participants saw the fluctuation in exchange rates as one of the most important problems, 58 percent of the participants highlighted that transportation cost/delivery problems were among the most important problems. The problem of loss of employee motivation due to the pandemic decreased compared to the previous year. In addition, it was revealed that the problems experienced in customs increased compared to the previous years.

Investment appetite in the sector has decreased!

The investment plans of the sector were also revealed in the survey. In this context, the rate of members planning to invest in the first quarter of this year was 38.2 percent. While 50 percent of manufacturer members were planning investments in the previous survey, this rate decreased to 44.8 percent in the new survey, and 54.3 percent for



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distributor members decreased to 34 percent in this period. Participants were also asked about the rate of salary increase they plan to make to their employees'. According to the study; it was determined that an average salary increase of 36 percent for white-collar employees and 39 percent for blue-collar employees in the sector is planned.

Capacity utilization rate approached 85%!

There was also an increase in the capacity utilization rate of manufacturer members. The average capacity utilization rate of the manufacturers in 2021 approached 85 percent. In 2020, the average capacity utilization rate was 80.5 percent. In the last quarter of last year, there was an average increase of 10 percent in the production of members compared to the third quarter of 2021. In addition, in the last quarter of last year, there was an average 19.6 percent increase in production compared to the last quarter of 2020. When we review the year in general, there was an average of 20 percent increase in production last year compared to 2020 .

Nearly 25% increase in export!

Again, according to the third quarter of last year; in the last quarter of last year, export figures increased by an average of 14 percent in USD. In the last quarter of the year, there was an average of 20 percent increase in exports in in USD compared to the last quarter of 2020. In addition, the overall export figures of the members in 2021 increased by an average of 25 percent in USD compared to 2020.

2022 growth forecast of the sector!

Ziya Özalp, Chairman of OSS Association, reviewed the last year in the automotive aftermarket, highlighted that the pandemic period changed many habits in the automotive aftermarket, and the business models were also reorganized. Özalp said that in parallel with the increase in the use of individual vehicles during the pandemic period, there has been a dynamism in the sector, "However, the problems experienced in import and customs due to the pandemic and taxation will continue to cause the risk of availability in the parts needed." Özalp said, "There was an increase in sales in the sector in 2021 compared to 2020. Demands and sales keep growing with high expectations. We anticipate that our industry will grow above the inflation rate this year. "



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