

Petrol PLAZA

Turkey, a centre of attraction for the fuel industry

In Turkey, with a population of over 80 million, one of the economies in Europe, the fuel industry comes at the forefront of the leading industries. Witnessing a daily traffic of 4 million vehicles from 24 million registered vehicles nationwide and 8 million people per day passing through a filling station, the share of fuel stations in the Gross Domestic Product (GDP) is recorded as 3.1 percent in the last 5 years.



Today, with its 100 distribution companies, 102 unbonded/bonded warehouses, and dealers actively servicing at 13 thousand points, the industry, which has the third largest dealer network in Europe after Germany and Italy, is coming together in Petroleum Istanbul 2019 fair. **Petroleum Istanbul**, one of the world's largest and most visited fair in its field organized biennially, will be held in TÜYAP Fair and Congress Center between **28-30 March 2019 in Istanbul, Turkey**.

Petroleum Istanbul Fair will bring together the Ministry of Energy and Natural Resources and Energy Market Regulatory Authority (EMRA), all public institutions and organizations related to energy with the private sector. This year, the 14th International Petroleum, LPG, Lubricants, Equipment,

Convenience Store Products and Technology Exhibition Petroleum Istanbul, will be organized to include enterprises operating in Auto LNG, Auto CNG, Electrical Vehicle Charging Stations and Fuel Station Convenience Store fields. The exhibition will create an important cooperation platform for national, regional and international energy companies; at the same time, representatives of convenience store products that hold a significant place in non-fuel sales at gas stations and franchising brands will have the opportunity to meet with dealers. Gas & Power Network, 3rd Electric, Natural Gas and Alternative Energy, Equipment and Technology Fair will open the doors concurrently with the Petroleum Istanbul Fair.

When we look at the last 5 years, we see that the industry, which has been growing by 7 percent on average, has reached a size of 140 billion TL with the addition of indirect taxes, placing itself in the top 6 among the European countries, with 35 million tons of fuel sales per year. The industry, which increased public revenues through indirect taxes by 9 percent to 75 billion TL in the last 3 years, also contributes significantly to the Turkish economy. In addition, it is a recorded fact that in 2016 approximately 26 percent of the public SCT and VAT revenues are collected through indirect taxes from the fuel distribution industry.

In addition to the economic added value it generates, the fuel industry gives rise to a large business volume in terms of employment as well. Creating a considerable workforce with 95 thousand on-site, 45 thousand transport and fuel stations, and 10 thousand distribution company employees, the industry, in addition to the direct employment it provides to 150 thousand people, indirectly feeds over 1 million people.

In Turkey, the number of vehicles per 1,000 people has not yet reached 200. However, if we consider the Turkey's young population, per capita income, and the upward trend in car ownership rates in recent years, the great potential of Turkey should be appreciated. Moreover, highways are used a lot, in conjunction with that the construction of new roads and the improvement of the existing ones should be regarded as important proof that this mode of preference shall be long-lasting.

An ideal environment for new investments

Fuel industry maintains its presence in Turkey as one of the industries where companies enter into intense head-to-head competition. From this point of view, fuel retailers operating new fuel stations, opened 24 hours, both in metropolitans and in smaller cities of Turkey, are trying to increase their competitive capacities every day.

Having the 3rd largest sales network in Europe, in Turkey the total share of the regions except the Marmara and Aegean in the Gross Domestic Product (GDP) is nearly 50 percent. These regions also contain approximately 65 percent portion of the number of dealers in the country. When considering the wide geography of Turkey, regions other than these two in mention also attract attention with their great potential. Therefore, it is fair to say that in regions receptive and eager to investment opportunities, the path to new investments seem to be wide open.

In this intensely competitive environment, alongside local companies doing business in Turkey, international investors are generating half of the total fuel sales shows the potential magnitude directly affecting the other industries. In Turkey, including construction, manufacturing, energy, engineering, real estate, transport and agriculture, the fuel distribution industry has organic ties with about over 30 main industries.

In conclusion, Turkey, with its strategic location, geographic diversity, qualified young workforce and growing economy, is taking steps forward both in its region and in Europe, and continues to be a center of attraction for new investments. Petroleum Istanbul 2019, where all developments relating to the fuel industry will be presented, is an important platform for both national and international companies, and an exciting event in terms of evaluating lucrative investment opportunities.

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