

## **GIANT INVESTMENT OF AUTOMOTIVE INDUSTRY "FORD OTOSAN KOCAELİ PLANT" STARTED OPERATION**

Operation of Ford Otosan Kocaeli Plant whose foundation was laid on July 26, 1998 was launched on April 20, 2001 with an opening ceremony attended by the Deputy Prime Minister Mesut Yılmaz, President of Ford Motor Company Jacques Nasser, Chairman of Koç Holding Board of Directors Rahmi M. Koç, General Manager of Ford Otosan Mark Shulz and several guests.

Ford Otosan Kocaeli Plant, established with a \$650 million investment has been carrying out trial production of Transit vehicles since January 2001. The plant will commence production of a new light commercial vehicle on the second vehicle line to be launched towards the middle of 2002.

While the plant provides employment for 4 thousand people, this figure is estimated to rise to 24 thousand including the suppliers. The Deputy Prime Minister Mesut Yılmaz stated that the plant will have an important place within the Turkish economy in terms of both the employment opportunities it creates and the exports revenues that it will generate.

While underlining that the investment is an indicator of Ford's and the Koç Group's confidence in Turkey's future and its ever-increasing importance in the industrialized world, Yılmaz also said that Ford's investments in the region following the 1999 Kocaeli earthquake have been highly appreciated.

President of Ford Motor Company Jacques Nasser started his speech as follows: "Ford and Koç have a lot in common. Both companies were established on the dreams of two individuals; namely Henry Ford and Vehbi Koç." Nasser continued to say: "They both had a common spirit, a commitment to success. They thought being an industrialist means making the world a better place to live." Nasser underlined that the Koç Group and Ford Motor Company have a 75 year old partnership and said: "The reason for this is similar value judgments and common beliefs".

Nasser stated that the Kocaeli Plant is an important strategic investment for Ford Otosan since the Turkish market and the surrounding area have a significant potential for growth in spite of short-term economic dire straits. Nasser further stated that the plant will be manufacturing the new Ford Transit and the new light commercial vehicle which are the two important products of Ford's product-based expansion policy in Europe, and added that they believe Ford will reinforce its leading position in the commercial vehicles market as well as that in the Turkish vehicle market in general.

Jacques Nasser lastly said: "We want to change the world, we want to give people what they deserve, we want to open up many new horizons for Turkey."

- Rahmi M. Koç: We Should Focus on the International Market

Chairman of Koç Holding Board of Directors Rahmi M. Koç stated during his speech at the ceremony that the plant will produce 150 thousand vehicles per year, 100 thousand of which will be commercial vehicles. Koç explained that 95% of the

production will be exported abroad and that approximately \$1 billion of foreign currency will be generated with these exports.

Koç said: "It is my hope that Ford will not leave it at a single vehicle, but will rather move the production of other vehicles as well entirely to Turkey" and added that it will be beneficial to focus from now on on the international market rather than the domestic one.

Koç went on to say: "This state-of-the-art plant raises the standards in Turkey in terms of both lean production and environmental protection. We believe that when combined with our well-educated and highly skilled labor force, it will help us produce the highest quality products in the most efficient way."

Rahmi M. Koç ended his speech by remembering Vehbi Koç who started off by founding the Ford Ankara agency in 1928 and lastly repeated his words: "If my country exists, then I exist, too."

- Governor Önal: The Plant will Contribute to the Suppliers

The Governor of Kocaeli Kemal Önal also made a speech at the ceremony stating that they are very happy that the Kocaeli Plant will employ 4 thousand people and that the plant will contribute significantly to the suppliers as well. Önal said that the investments of Koç Group in the Kocaeli area which amount to \$10 billion have partially been completed while the remaining part is in progress.

Meanwhile, President of Turkish Metal Workers' Union Mustafa Özbek said during his speech: "We would like to extend our gratitude to those who created this facility for they have provided employment opportunities for our workers."

- State-of-the-art Production Technology

The plant was established on a 1,6 million square meter open area and has a private wharf to be used for export purposes. Three different vehicles are planned to be produced within three periods in the plant: The new Ford Transit whose trial production started in January 2001 and which was launched for sales in March 2001, the new commercial vehicle whose production will commence during the second half of 2002, and the Ford Cargo truck series which will all be incorporated into the production plan.

The most advanced technologies are used in the entirety of the plant which includes a pressshop, a body shop, a paint shop and the assembly line units in addition to the suppliers park which will be commissioned in 2002. All of the staff have been trained in ISO 9001 and 14001 principles, total quality management, customer satisfaction, lean production, technology, health and safety issues for up to 110 hours.

- Social Responsibilities and Contribution to the Region

Through its aid and contributions to the immensely damaged Gölcük area following the earthquake on August 17, 1999, Ford Otosan has proven that it is not only an automotive manufacturer and it aims at fulfilling further social responsibilities as a corporation and at continuing its contributions to the Turkish economy.