

01 January 2024

Mitsubishi Electric Türkiye Shared its 2024 Economy and Investment Strategies



Mitsubishi Electric Türkiye President Şevket Saraçoğlu states that in 2024, the company aims to rapidly adapt to economic fluctuations through flexible operational strategies.

1. What are your expectations for your Group and the Turkish economy in 2024 (potential risks and opportunities)?

In recent years, developments such as the pandemic, global conflicts and economic uncertainties that have affected the entire world have led many countries to start taking measures to secure their economic futures. In Türkiye, with rising borrowing costs in 2024, companies in particular that rely heavily on external financing are expected to feel more strongly the effects of the Central Bank of the Republic of Türkiye's strong monetary tightening and anti-inflation policies, implemented with a clear focus on ensuring price stability. In parallel with the impact of monetary tightening, expectations of declining purchasing power and economic contraction in 2024 may pose risks for many different sectors.

As Mitsubishi Electric Türkiye, drawing on more than a decade of experience and sectoral know-how gained since our establishment in Türkiye in 2012, we believe that by structuring our short-term operations around flexibility—while remaining aligned with our long-term growth plans—we will be able to adapt rapidly to the prevailing economic conditions in 2024.

2. Could you share information about your employment plans (number of new hires) and investment policy (planned investment volume) for the coming year?

As a company operating in multiple business lines such as factory automation and air conditioning systems—both of which are developing rapidly and facing increasing competition—investing in people and in the society we are part of has always been one of our top priorities, alongside delivering innovative solutions.

In this context, in our factory automation business, we made significant investments starting from mid-last year in our data science-driven solutions, including our proprietary MAISART technology and software platforms such as MaiLab, and introduced these technologies to our customers in the Turkish market. These solutions enable end-to-end monitoring of production line processes, supporting

efficiency analyses, performance improvement initiatives and the early detection of potential failures. R&D efforts related to these technologies are still ongoing. Our goal is to continue investing in products and solutions that will take Turkish industry further forward, while offering our customers next-generation digital services.

Within our air conditioning systems business, we have also made substantial investments in our product portfolio, particularly during and after the pandemic period. One notable example is our air purification device, which is approved by the Turkish Ministry of Health and available in the Turkish market. In addition, we will continue to offer consumers our high-energy-efficiency air conditioning systems in 2024. Beyond cost and efficiency parameters, our 10-year warranty air conditioners—reflecting our confidence in product quality—stand as a strong indicator of Mitsubishi Electric quality and our investments in this field. In the new year, we aim to remain one of the key players in the market with our premium product range that contributes to human health and living comfort.

At the same time, in line with global developments, our export markets have expanded. As Mitsubishi Electric Türkiye, for nearly eight years we have directly managed the sales of automation systems products to Middle Eastern countries from Türkiye. As of last year, we have also started handling sales of both automation and air conditioning systems products to Central Asia and the Caucasus. We now meet the product and service needs of 20 countries through our business partners in these regions. Despite global economic uncertainties, this decision reflects Mitsubishi Electric management's confidence in Türkiye and in our organization.

We believe that the presence of innovative minds within our company is just as critical as experience when it comes to human resources. Accordingly, we aim to develop a talent strategy that both retains our experienced employees and blends their expertise with new talent. To this end, our graduate recruitment program plays a key role in attracting young talent. Through our graduate program and talent management system, we keep our talent pool dynamic, with approximately 10% of our workforce currently included in this pool. In 2024, we plan to further expand our graduate program and position it as a driving force for talent acquisition, aiming to onboard new talent equivalent to around 10% of our current headcount. We will also continue to deliver periodic internal training programs for our existing employees, developed in line with the vision of our global headquarters. Our objective is to bring together experience and innovation under the Mitsubishi Electric culture. We will strengthen global company exposure that broadens the horizons of our young graduates and equips them with international work experience. In addition, we aim to develop alternative internship and working models for university students, increase the number of universities we support across the country, and further contribute to the development of a qualified workforce equipped with in-depth knowledge of the products needed by industry.

3. Where would you invest your money in 2024? (Interest rates, foreign currency, equities, gold, real estate, etc.) What are your expectations regarding interest rates and exchange rates?

In the first half of 2024, we expect increases in policy interest rates, loan interest rates and overall financing costs. In parallel with this upward trend in interest rates, we anticipate that USD and EUR exchange rates will generally remain on an upward trajectory throughout 2024. Within this framework, our expectation for the USD exchange rate by the end of 2024 is in the range of 42–43 Turkish lira.