

# FAIRPLAY

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## Rising star

Turkey's economic strength  
drives maritime growth

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## TURKEY

# Tuzla leads yards' survival strategy

Turkey yards keep busy with navy contracts and repair/conversion ahead of a hoped-for rebound

**T**urkey's main shipbuilding centre, Tuzla, located at the eastern limit of Istanbul, was badly shaken by the 2008 global financial crisis – but like all of Turkey yards, it is determined to maintain momentum.

"Newbuilding orders dipped dramatically and more than two years on the situation hasn't improved much," Dirim Şener of Istanbul-based ship design firm Delta Marine, told *Fairplay*. "There were even cases where Turkish owners, seeking better prices, cancelled orders placed in Turkey, only to reorder in the Far East."

According to Şener, Turkish shipbuilders are confident that the sector will rebound as shipping recovers, but for the time being what is vital for them is to keep their yards working. As a result, many yards have turned to repairing and conversions, and to promoting themselves as able to build smaller and more specialised ships, such as tugs. In addition, one thing Turkish shipbuilders have found solace in is that although some small yards – especially those that opened shortly before the pre-2008 boom – have been shut down, none of the major players in the sector has gone under.

Şener added that Turkish shipbuilders have realised that it is futile to compete with the big yards in South Korea, China and Japan. "Instead, Turkish yards can easily compete with smaller ones that have sprung up in China, as well as with yards in Europe. Turkish yards are much better than those in Croatia and Romania, for example."

**\$2.5Bn**  
value of Turkish  
naval contract  
with Tuzla  
announced  
last May

If there is one thing the crisis has proved, Şener pointed out, it is how well Turkish shipbuilders can adapt to changing situations. It has also brought on new business opportunities.

One such new opportunity was the Turkish government's decision to build naval vessels in private shipyards, for the first time in the Turkish Republic's history. "This has been a key development," Şener commented. "These navy projects have definitely helped some private yards keep busy."

Until recently, Turkey imported most of its naval vessels from abroad, but the government is now keen not only to equip its navy with domestic designs, but also to export naval vessels built in Turkish yards.

On 17 December, a second coastguard vessel built by the private shipbuilder RMK Marine, a Koç Holding affiliate, was launched in Tuzla. "In order to improve the national defence industry, it is highly important to co-operate with the private sector," Rahmi Koç, honorary chairman of Koç Holding, said during the launch ceremony. The yard is scheduled to build two more coastguard vessels for the government, worth \$475M. In May 2010, defence undersecretary Murad Bayar revealed that Ankara had placed orders for naval ships in Tuzla worth a total \$2.5Bn, daily newspaper *Hürriyet* reported.

Meanwhile, Şener said, there seems to be a trend towards decentralising Turkish shipbuilding, with yards moving away from Tuzla to Yalova, which, like Tuzla, is also on the Sea of Marmara. "The main reason for this move is the lack of space in Tuzla," he explained. "They can't accommodate big drydocks, which are necessary for repair work. Also, in the new shipyards yard owners and clients gain the ability to work with [the latest] equipment and buildings, which leads to an speeding up of construction time and an ability to increase steel output."

In addition, Şener noted, it is impossible for Tuzla to expand any further as it has become a densely populated suburb of Istanbul – a city with a population estimated at 14M. **■**

## Ships built in Turkey

[ Source: IHS Fairplay newbuildings data ]

	Bulk carrier	Cement carrier	Container ship	Ferry	General cargo	Other	Tanker	Tug/offshore	Grand total
2005			3	2	9	13	39	15	81
2006		1	4	1	14	12	43	12	87
2007	2	3	7	2	28	10	51	19	122
2008		1	9	6	16	8	75	30	145
2009		1	3	6	7	13	72	43	145
2010	4			5	10	9	41	34	103
2011	2		12	5	19	27	84	37	186
2012				1	2		9	1	13
2013							1		1
<b>Total</b>	<b>8</b>	<b>6</b>	<b>38</b>	<b>28</b>	<b>105</b>	<b>92</b>	<b>415</b>	<b>191</b>	<b>883</b>