



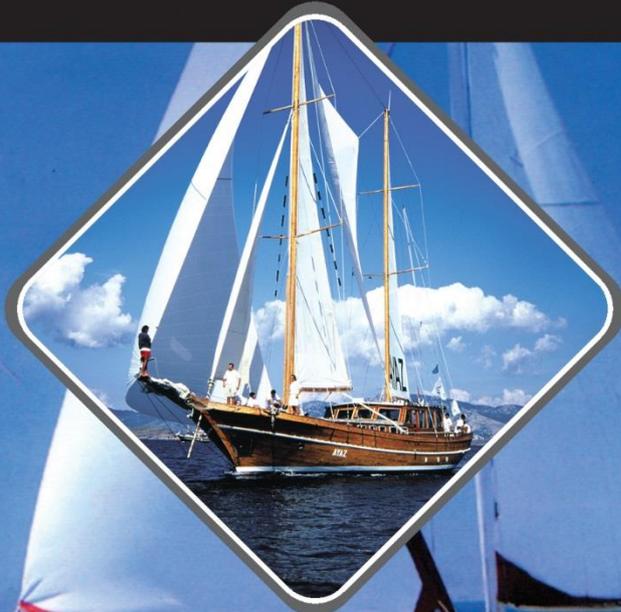
REPUBLIC OF TURKEY
MINISTRY OF ECONOMY



INDUSTRY



SHIPBUILDING



TURKEY
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SHIPBUILDING INDUSTRY

Turkey is surrounded by sea on three sides, is a natural bridge between Asia and Europe. Turkey borders the Black Sea, the Mediterranean, the Aegean and the Sea of Marmara. The growth of world trade, high freight rates, renewal of merchant fleets in accordance with international rules and the China factor, who is number one in world trade, are effective in the development of the sea transport and shipbuilding industry. As a result of Turkey's geographical location and global developments, Turkey's shipbuilding industry has been boosted.

Shipbuilding is a 600-year old tradition in Anatolia. The first shipyard was established in 1390, during the Ottoman reign in Gelibolu. In 1455, the foundation of the İstanbul Haliç Shipyard, whose stone pools have survived to date, was laid by Fatih Sultan Mehmet. By the 16th century, Turkish shipyards were already the largest in the world. Following the foundation of the Republic, shipyards were given special importance. They were mostly located around the Bosphorus and Haliç (the Golden Horn), but after 1969 they were moved to Aydınli Bay, Tuzla.

Traditional shipbuilding skills combined with modern techniques and education has enabled the Turkish shipbuilding industry to develop into an internationally known trademark since the early 1990's. Turkey is a growing force within the international maritime sector. The Turkish shipbuilding industry has modern, technologically developed and quality certified shipyards, together with a well-experienced work force. The industry has rapidly achieved significant development in a short period of time. In last five years Turkey has improved its shipbuilding industry rapidly and becoming the fifth largest shipbuilding country in the world.

A high expectation of development in the shipbuilding industry brings parallel investments. The number of shipyards increased to 77 (3 military and 74 private). In Turkey's shipyards brand new ships, yachts, mega-yachts and sailing boats are being manufactured. In addition to these, repair and maintenance services are provided. Turkish shipyards are located in Tuzla, Marmara, Black Sea and Mediterranean regions.

Turkish shipyards have 4.4 million DWT(Deadweight ton) new ship building capacity, 19 million DWT repair and maintenance capacity, 239,000 ton steel processing capacity and an 80,000 DWT new ship building capacity as one piece. Turkish shipyards have 15 floating docks of different sizes and one dry dock.

The Turkish shipbuilding industry makes a considerable contribution to the Turkish economy with 1.5 billion US\$ from new ship building, and 1 billion US\$ from repair and maintenance activities. Sector development also helps the domestic production of materials and equipment which are used in shipbuilding. Furthermore, the industry creates an employment opportunity for approximately 20,334 people directly and 63,000 people in total with related industries.

249 ships with a total of 550,000 DWT had been built as of 2014. The types and tonnage capacities of these Turkish and foreign flag ships varied: petrol tankers, chemical tankers, fishing boats, container ships, bulk carriers, yachts, tug boats, tankers, sailing boats, general cargo ships, oil tankers, intervention crafts, coast guards, speed boats, multi and special

purpose ships, military vessels, servicing tankers, bunker barges, tugboats, mega yachts and other types of sailing and motor boats. Ships produced in Turkey are manufactured in accordance with international standards (ISO 9000 and AQAP Quality Certificates) and under the supervision of specific societies.

Being the top manufacturer of low-tonnage chemical tankers in Europe, Turkish shipyards receive many orders for petrol tankers, chemical tankers, sailing and fishing boats.

Mega-yacht manufacturing is another important production area of Turkish shipyards. In recent years Turkey has shown great progress in building and equipping boats, yachts and mega yachts. Turkey has been number third on the world list of mega-yacht (yachts longer than 24m) manufacturers. (As of 2017 January)

In addition, repair and maintenance service for ships are provided. Many ships were revamped or repaired, including their petrol platforms. Among the services provided by Turkish shipyards, repair/maintenance plays an important role. In 2015 Turkey's repair maintenance operations reached approximately 22 million DWT.

Ship breaking is also important part of Turkish maritime sector. The ship scrapping sector is a technological process involving demolition of old and/or decommissioned ships which are out of service, respecting the environment and safety concerns. There are 21 ship recycling companies operating in Turkey. The ship recycling capacity of these companies is one million metric tons/year (5th largest recycling area in the world).

EXPORTS

The Turkish shipbuilding industry has important export potential with increasing production capacity. Exports realized US\$ 0,970 billion in 2016 with a 2.6 % decrease compared to the previous year where in 2015 sector export was US\$ 0,996 billion. In 2014 the export of the sector was increased to US\$ 1,274 billion with an 11.5 %increase compared to previous year. In 2016, exports of cruise ships, excursion boats, ferry-boats, cargo ships, barges and similar vessels for the transport of persons or goods ranked first with a value of US\$ 508 million. Fishing vessels; factory ships and other vessels for processing or preserving fishery products exports realized US\$ 118 million and ranked second in the overall shipbuilding industry exports. The major markets for the Turkish shipbuilding industry are Norway, Marshall Islands, Canada and Greenland.

Turkey's Shipbuilding Exports (Millions of US\$)

HS	Products	2014	2015	2016	Major Markets in 2016
8901	Cruise ships, excursion boats, ferry-boats, cargo ships, barges and similar vessels for the transport of persons or goods:	640	394	508	Marshall Islands (14,13%), Canada (13,14%), Norway (37%)
8902	Fishing vessels; factory ships and other vessels for processing or preserving fishery products	52	196	118	Norway (38,8%), Greenland (43,3%),
8903	Yachts and other vessels for pleasure or sports; rowing boats and canoes	105	79	106	United States (23%), British Virgin Islands (12,7%), Marshall Islands (11,5%)
8904	Tugs and pusher craft	192	173	116	Italy (41,4%), United Arab Emirates (24,1%),
8905	Light-vessels, fire-floats, dredgers, floating cranes, and other vessels the navigability of which is subsidiary to their main function; floating docks; floating or submersible drilling or production platforms	68	93	93	United Arab Emirates (43,4%), Brazil (46,3%),
8906	Other vessels, including warships and lifeboats other than rowing boats	205	44	44	Qatar (25,3%), Norway(40,6%),
8907	Other floating structures (for example, rafts, tanks, cofferdams, landing stages, buoys and beacons	5	15	15	Israel (17,8%), Saudi Arabia (14,4%), Tanzania (13,5%).
8908	Vessels and other floating structures for breaking up	0.07	0.51	-	Russia (100%) in 2015
	Total	1,270	996	970	Norway (27,14%), Marshall Islands (8,7%), Canada(7%), Greenland (5,27%)

Source: Turkish Statistical Institute

Due to the developments in the Turkish shipbuilding industry and world demand, there has been a sharp increase in production volume and product diversity at ship subsidiary industries in Turkey. The sector can produce anchors, chains, bollards, locking equipment, windlasses and equipment, electric cables and hydraulic units. In 2009 global economic crisis affected the sector seriously but in 2010 and 2011 years the economic climate has been recovering and that development also reflected on shipbuilding sector. Marine propulsion engines are the main exported spare ship parts with a value of US\$ 3.6 million dollar. The major markets for the Turkish ship subsidiary industry are the Iran, USA, Germany and Greece.

Exports of Ship Subsidiary Industries (US\$ million)

HS	Products	2014	2015	2016	Major Markets In 2009
7316	Anchors, grapnels and parts thereof, of iron or steel	1.9	2.02	1.7	Czech Republic (23.3%), USA (20%), TRNC (16.1%)
840721	Outboard motors	0.5	1.00	0.7	USA (31.7%), TRNC (32%), İstanbul Free Zone (16.2%)
840729	Outboard motors, other	0.5	0.3	0.1	Greece (51%), France (46.3%)
840810	Marine propulsion engines	1.6	3.4	2.1	Finland (28.9%), İstanbul Free Zone (11.9%), Adana Free Zone (14%), Iran (16.3%)
848710	Ships' propellers and blades thereof.	0.7	1.4	0.5	Qatar (24.3%), Germany (12.4%), Switzerland (12.3%)
	Total	5.2	8.3	5.3	Finland (6.2%), Iran (3.5%), Czech Republic (4.1%), USA (3.9%)

Source: Turkish Statistical Institute

TRADE FAIRS

- Eurasia Boat Show 2018, Sea vessels, Equipment and Accessories, 9-18.02.2018, İstanbul
- Boat Show Eurasia, Boat and Boat Equipments, Marine Accessories, 17-25.02.2018, İstanbul
- Boat Antalya, Smaller Sail, Motor-Motorless and Sail Marine Vehicles and Aquatic Sports Fair, 13-18.03.2018, Antalya
- Yacht Show Eurasia, Boat and Boat Equipments, Brokerage, Marine Accessories, 20-25.06.2018, Muğla
- Eurasia Boatshow 2018 Sea Vehicles, Equipments and Accessories Exhibition, Motor Boats And Motor Yachts, Sailed Boats And Sailed Yachts, Motors And Power Equipments, Boat Accessories, Boat Construction Materials, 29.09-07.10.2018, İstanbul
- Boat Show Eurasia, Boat and Boat Equipments, Marine Accessories, 02-08.10.2018, İstanbul

USEFUL LINKS

- Turkish Shipbuilders Association
www.gisbir.org.tr
- Ship and Yatch Exporters' Association
www.iib.org.tr





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