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 Aydınlı 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 87 (3 military and 84 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 1 million DWT(Deadweight ton) new ship building capacity, 14.6 million DWT repair and maintenance capacity, 600,000 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 $ from new ship building, and 1 billion $ 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 25,000 people directly and 63,000 people in total with related industries.

72 ships with a total of 550,000 DWT had been delivered as of November 2009. 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 four on the world list of mega-yacht (yachts longer than 25m) manufacturers.

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 2008 Turkey's repair maintenance operations reached 5,500,000 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 (5^{th} largest recycling area in the world). In 2008, 152,757 tons were recycled in Turkey.

EXPORT

The Turkish shipbuilding industry has important export potential with increasing production capacity. Exports realized US$ 1.1 billion in 2010 with a 39% decrease compared to the previous year. In 2011 sector export increased US$ 1,2 billion with a %14,9 increase compared to 2010. In 2011, 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$ 822 million. Yachts and other vessels for pleasure or sports; rowing boats and canoes exports realized US$ 251 million and ranked second in the overall shipbuilding industry exports. The major markets for the Turkish shipbuilding industry are Malta, Marshall Islands, Panama and United Kingdom.

Turkey's Shipbuilding Exports (US$ million)

HS	Products	2009	2010	2011	Major Markets In 2011
8901	Cruise ships, excursion boats, ferry-boats, cargo ships, barges and similar vessels for the transport of persons or goods:	1.277	689	822	Malta (42%), Marshall Islands (13%), Panama (10%), Singapore (8%)
8902	Fishing vessels; factory ships and other vessels for processing or preserving fishery products	8	1	22	Norway (99%), Israel (0,2%), Cyprus(0,1%)
8903	Yachts and other vessels for pleasure or sports; rowing boats and canoes	233	206	251	United Kingdom (24%), USA (21%), France (17%), Italy(9%)
8904	Tugs and pusher craft	228	150	53	Canada (35%), United Arab Emirates (31%), United Kingdom (16%), Seychelles(10%)
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	22	13	46	Brazil (66%), Italy (13%), Denmark (13%), China (5%)
8906	Other vessels, including warships and lifeboats other than rowing boats	53	34	72	Kazakhstan (52%), United Arab Emirates (22%), Malaysia (17%), Egypt (6%)
8907	Other floating structures (for example, rafts, tanks, coffer-dams, landing stages, buoys and beacons	2	14	4	Iraq (46%), Saudi Arabia (7%), Germany (7%), Ukraine (7%)
8908	Vessels and other floating structures for breaking up	4	0	0	
	Total	**1.826**	**1.108**	**1.273**	**Malta (27%), Marshall Islands (9%), Panama(6%), United Kingdom(5%)**

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 equipments, 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	2009	2010	2011	Major Markets In 2009
7316	Anchors, grapnels and parts thereof, of iron or steel	0,6	0,6	0.7	Australia(26%), USA(16%), Italy(7%), Antalya Free Trade Zones(7%)
840721	Outboard motors	0,5	0,1	0.6	Greece (45%), Belgium (13%), İstanbul Leather Free Trade Zone(7%), Azerbaijani(7%)
840729	Outboard motors, other	0,1	0,03	0.02	France (52%), İstanbul Leather Free Trade Zone(34%), Russia(9%).
840810	Marine propulsion engines	1,7	2,9	3.6	Iran (49%), Germany (10%), USA (8%), Republic of Congo (6%)
848710	Ships' propellers and blades thereof.	0,3	0,8	0.8	Netherlands (15%), Egypt (12%), Turkmenistan(10%), Antalya Free Trade Zone(10%)
	Total	**3,1**	**4,4**	**5.7**	**Iran (29%), USA(7%),Germany(7%), Greece(5%),**

Source: Turkish Statistical Institute

FAIRS IN TURKEY

- Tüyap İstanbul İnternational Boat Show
  18-25 February 2012, İstanbul
- Fethiye Marina Yacht Show Fair 2012
  9-13 May 2012,Muğla
- Göcek Boat Expo
  14-18 June 2012,Muğla
- International Bodrum Yacht Show 2012
  29 August 2 Eylül 2012,Muğla
- Golden Horn Boat Show İstanbul
  21-23 September 2012, İstanbul
- 31.İnternational İstanbul Boat Show Fair
  29 Eylül-7 October 2012, İstanbul
- Avrasya Boat Show 2012 6.Sea vessels, Equipment ve Accessories.
  24 November-2 Dcember 2012, İstanbul

USEFUL LINKS

- Turkish Shipbuilders Association
  www.gisbir.org.tr

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

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