

Turkish yards reel in Scandinavian owners

Despite what looked like a meltdown of the Turkish shipbuilding industry when the shipping crisis took hold, with tenacity and determination three young shipyards have started pulling in specialised orders for the Scandinavian market

Gillian Whittaker Istanbul

When the Turkish government decided that the well-known shipbuilding and repairing area of Tuzla, outside Istanbul, was getting overcrowded and set aside land on the other side of the Gulf of Izmit in the Yalova area for green-field shipyards to be built, it could hardly have foreseen the success of the facilities that have been established there since 2007.

Three shipyards in particular have succeeded in gaining a foothold in the lucrative and specialised markets for both fishing and offshore-support vessels (OSVs) serving Scandinavian owners.

Just last week, a 75-metre-long trawler built for Norwegian owner

Terster AS was launched at Cemre Shipyard. The ship will be delivered in March.

Cemre, like its neighbouring Yalova yards, was not originally established there. As a company it was set up in 1996 to carry out subcontracted paintwork. In 2005, it leased an area from the Pendik military shipyard and in 2006 delivered its first hull – the *Havila Mar* to Norway's Havila group.

Cemre delivered 10 vessels from the rented area in two-and-a-half years, says Sinan Kavala, the yard's commercial manager. Then, in 2008, the company started building its own facility in Yalova.

After starting out building hulls, many for Havyard, Cemre shifted up a gear to start building turnkey

projects and has already delivered two small cargoships to Seaworks of Harstad in northern Norway.

The company also bagged an order from another Norwegian owner, Norfield, for a pair of seismic-survey vessels. The contract became effective in October and the two ships, with a value of around EUR 20m (\$27.5m) each, are slated for delivery in the fourth quarter of 2015.

FOCUS ON OUTFITTING

"We had good experience of OSVs," said Kavala, noting that Cemre is now trying to improve the outfitting process at the yard.

With 200 permanent staff and about a further 1,000 subcontractors, Cemre is keen to keep busy.

It also has a platform-supply vessel (PSV) on order for an Icelandic owner as well as a further four PSVs.

"When we started to build vessels for the Norwegians the [shipbuilding] sector was in a very good position, building chemical tankers. This kind of project was not interesting to the other shipyards because they were all busy. They are not easy projects to earn money but we were very young and excited," Kavala said.

Unlike the Tuzla yards, Cemre and neighbours Besiktas and Tersan did not really experience the crisis.

Tersan also started out on a different background. In the 1990s, it was established as a shipping

services company. In 2001, it set up its own yard in Tuzla and delivered its first newbuilding in 2002. Like Cemre, it established its facility in Yalova in 2008 and has been constantly upgrading.

As well as a 56-metre-wide slipway, because of its expectations of a growing orderbook the yard has added a 180-metre floating dock.

Tersan's latest order came from Faroe Islands-based Bakkafrøst and is for a Rolls Royce NVC 386-type 3,000-cbm live fish carrier. The design of the 75.8-metre-long ship includes a closed circulation system allowing the fish to be kept alive without sea water being pumped in. It is due for delivery in mid-2015.

But that is just one of the in-

creasingly more sophisticated vessel orders that Tersan has won from Norwegian owners. In July, it secured a contract from Aalesund-based Volstad Shipping for a technically advanced, \$131m subsea vessel.

It has already delivered five trawlers for different owners, the latest being the 74.7-metre *Andenesfisk I*, which went to AS Andenes Havfiskeskipskap at the end of November.

Tersan has won orders for two more 86-metre freezer factory trawlers, one for Kirkella of the UK for delivery in July 2014 and the second for Warnemunder Hochseefischerei to come out of the yard three months later.

Sakir Ergogan, who is in charge

of business development for Tersan, says the yard's target is to gain a bigger share of the specialised fishing and offshore market.

"We believe we are following a good path to achieve this," he said.

Customer satisfaction is Tersan's ultimate goal, he stresses, and while Turkey is no longer a country where labour is cheap, compared to Europe it is cheaper.

"WE NEVER SAY NO"

"For these niche-market vessels I think we are the best solution for European owners. We never say no, economic prices, good quality. It's a very good combination for European owners, who are demanding," Ergogan said.

On top of the fishing vessels,

Tersan also has three more stainless-steel duplex chemical tankers on order for German owner Gefo. Booked at the beginning of this year, the first of the 5,700-dwt vessels is due out of the yard in April and the other two at three-month intervals.

One more project is a long-line fishing vessel for another Norwegian owner.

Erdogan reckons that the yard's current orderbook is worth around \$450m.

"I cannot say we are fully booked because we have huge capacities now, we have doubled our capacity, but we have a rather good orderbook until the end of 2015," he said.

Last but by no means least of

the three Yalova yards that have broken into niche vessels is Besiktas Shipyard.

It came a little later to the Scandinavian market than its compatriots, last year winning two prestigious orders within a week. Faroe Islands-based PF Thor booked four seismic-survey vessels at the yard with deliveries starting from the third quarter of 2014, while Besiktas also won a \$30m contract for a fishing trawler for Norway's Ytterstad group, also slated for delivery in the third quarter of 2014.

Besiktas also came from a slightly different background, being set up by an already strong shipping group. The yard was constructed between 2007 and 2009, with the

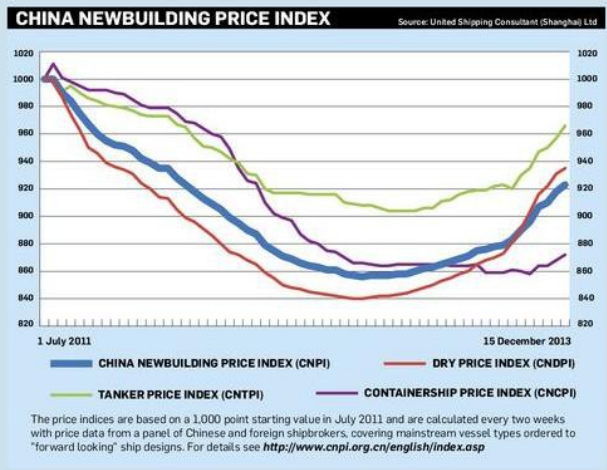
first steel cutting taking place in 2008. But as a group Besiktas had already built 21 tankers as project managers in other facilities.

Yavuz Kalkavan of Besiktas has made no secret of the fact he believes that niche is the only way for Turkish yards to go and the yard has also made a break into the gas-carrier market with four 3,300-cbm semi-refrigerated vessels for Italy's Gas & Heat, followed by a 9,000-cbm ethylene carrier that is owned by a joint venture between Besiktas and Gas & Heat.

Now the yard is looking into the possibility of building small semi-refrigerated LPG carriers from 3,000 cbm to 15,000 cbm as well as LNG bunkering tankers.



► **CEMRE:** Trawler launched last week for Norwegian owner Osterbris. Left, the Cemre facility in Yalova. Photos: CEMRE



► **TERSAN:** Business development boss Sakir Ergogan. Photo: GILLIAN WHITTAKER



► **BESIKTAS:** Yavuz Kalkavan believes niche is the only way to go for Turkish yards. Left, the Besiktas yard. Photos: GILLIAN WHITTAKER AND BESIKTAS