

# Lloyd's List

SUPPLEMENT

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confidence in international transportation

## Turkish Shipping



# Tanker demand fuels boom

Shipbuilding in Turkey's Tuzla Bay complex is going through something of a boom, with a high number of chemical and product tankers on order

**T**hese are good times for Turkey's shipbuilding industry. In the Tuzla Bay shipbuilding complex, the major yards generally have full orderbooks at least to the end of next year, and most are now quoting earliest delivery dates of mid- to late 2005. There are some indications, though, that Turkish yards are starting to lose orders due to a lack of capacity and inability to provide shorter lead times.

Strong demand from European owners for double-hull chemical and product tankers, in response to new environmental regulations, is the main driving force behind the boom. Of the 46 cargo vessels on order at Turkish shipyards at the end of last year, 24 were either chemical or product tankers, most in the 4,000-10,000 dwt range.

This is the size where Turkish yards are most competitive with Chinese and other Far Eastern builders. However, a number of yards in Tuzla can now build vessels between 20,000 dwt and 30,000 dwt, and there are indications from the market that some owners are interested in building ships in this larger size range in Turkey.

As an reflection of the trend, Kalkavan Sedef Shipyard has turned its attention from containership construction to tanker building. The company has recently delivered a 5,800 dwt oil/product tanker to a Turkmenistan-based owner, and a 3,500 dwt product tanker to Kaman Petrol. The latter, *Alev Kaman*, is an IMO 3-rated tanker on charter to oil giant Shell in the

**Further investment is planned that will change the face of the yard. On an unused area of about 27,000 sq m, Kalkavan plans to develop a covered construction hall, initially for mega-yacht construction**



Sea of Marmara. The shipyard is now building an IMO 2 chemical tanker for CF Peters of Germany. This 7,300 dwt, 9,100 cu m-capacity tanker was launched in late May and is due to be delivered by mid-July.

Work has also started on a 6,700 dwt IMO 2 chemical tanker for the Kasif Kalkavan group. This vessel should be completed by the end of the year, when the intention is to offer it for resale. The yard has work for chemical tankers until the end of next year, either for third parties or for its own account. The company is working on a new design of 10,000 dwt chemical tanker, further strengthening its involvement in the market.

## Productivity boost

Considerable investment and restructuring has been made by the Kalkavan group in the yard, working in close co-operation with the Flensburg yard of Germany. An advanced outfitting system, with which all painting is carried out under cover and complete blocks, including piping, are finished as much as possible before assembly work starts, has been implemented, and has boosted productivity levels. The last in a series of container vessels for Turkon, *Leyla Kalkavan*, took just seven months and 25 days from steel cutting to delivery, and was commissioned well ahead of schedule last November.

The shipyard has also switched to an assembly-line system, using semi-automatic technology, and workstations where staff are allocated specific tasks. Components move through the yard, while workers remain at these fixed workstations. Kalkavan has



the 7,100 dwt *Morina* for Deval Shipping are being built at the yard. Both of these are due to be delivered in October.

Four more chemical tankers, two of about 5,500 dwt and two of 7,100 dwt, are scheduled for delivery next year, following orders from Turkish interests. Furthermore, contracts have been signed for a pair of 13,500 dwt chemical tankers for Rutger Dehlin, which should be completed in the first half of 2005. Negotiations are also under way with an Italian company for two 25,000 dwt chemical carriers. These would be the largest vessels yet built at Celik Tekne, and the biggest for some time in Turkey.

**Kalkavan has built a series of containerships for Turkon**

### Selah projects

Selah Shipyard is similarly busy building tankers, having delivered three chemical carriers in the past year. Two 4,800 dwt ships, *Mar Isa* and *Mar Marie*, have been handed over to Marpetrol of Spain, while a 7,000 dwt chemical tanker has been delivered to CF Peters of Germany. In addition, a 6,200 dwt product tanker for Palmali of Azerbaijan was completed in 2002.

Current projects at Selah include a pair of 6,000 dwt bitumen tankers for Marpetrol, which will be delivered by the end of the year. Designed by Delta Marine of Turkey, these vessels can transport bitumen at temperatures of up to 180°C. At the end of June, work is scheduled to start at Selah yard on another 6200 dwt product tanker for Palmali, which has options on three more sisterships, while in October the yard will start cutting steel for a 7,100 dwt chemical tanker for Atlantik Shipping of Turkey. Selah says it has orders that will keep the yard busy until mid-2005. Moreover, it is in "serious negotiations" with shipowners that could lead to contracts for a further two vessels. This would then fill the yard to the end of 2005.

To try to meet some customers' requirements for earlier delivery dates, Selah is working hard to improve productivity and cut the times vessels spend on the slipway from six months to four. Selah

**Celik Tekne yard delivered containership 'Yüksel Güler' in 1999 and chemical tanker 'Cosmo' in March**

recently built a new shot priming and painting plant at the yard, at a cost of around US\$1m. This started operations at the end of last year and is serving the needs of the yard and of other shipbuilders in the area.

Further investment is planned that will change the face of the yard. On an unused area of about 27,000 sq m, Kalkavan plans to develop a covered construction hall, initially for mega-yacht construction.

Celik Tekne is another Tuzla yard that is almost totally committed to chemical tanker building. In March, the yard delivered to Mediterranean di Navigazione of Italy the IMO 2, 5,200 dwt chemical tanker *Cosmo*, which was awarded classification society Rina's Green Star notation, for environmentally friendly design. Two more chemical tankers, the 5,500 dwt *Zeugman* for Kam Shipping and



**Turkish shipbuilding has a lack of capacity to meet strong demand and the industry is concerned that the state-owned Pendik yard is being underused**

◀◀◀ would then be able to build an additional vessel a year, cutting lead times. Another option would be for Selah to work with other yards in Tuzla on a subcontract basis. However, this is not possible at the moment, due to the heavy workload of other yards.

Yardimci yard is, like its competitors, concentrating largely on chemical tankers, and has contracts to build two 10,000 dwt vessels a year for the Danish Clipper group for the next few years. *Clipper Leander* is due for delivery soon and will be followed by a sistership in October. A similar programme will be undertaken next year, the yard says. In addition, Yardimci is working with the neighbouring Torlak yard to build 6,000 dwt chemical/product tankers for Fouquet Sacop of France. Yardimci has subcontracted the orders to Torlak but remains responsible for the commercial management of the contract, while Torlak handles technical matters. Yardimci is also building tugs, both for Turkish ports and for export, to a Canadian design. Up to four tugs a year are being built.

### Enlarging slipway

Until recently, RMK shipyard, part of the Koc group, concentrated on building small chemical tankers of 4,000 dwt and less. Over the past year, however, the yard has tripled its steel capacity and can now handle up to 20,000 tonnes of steel a year. RMK is enlarging the slipway, which is 170 m long and 56 m wide. The planned extended vessel building area will be able to take two 35,000 dwt vessels at one time, or as many as six 4,000 dwt craft simultaneously, signalling RMK's intention of challenging the established 'big' yards in Tuzla for larger size vessel contracts.

RMK has also installed the biggest gantry crane in any private yard in Tuzla, which has a capacity of 2 x 80 tonnes over the slipway. The block section area has also been expanded and new plasma cutting machines installed. The yard's orderbook includes five chemical carriers of various sizes. In addition, the company is building two mega-yachts, a speciality of the yard.

Turkish shipbuilding has a lack of capacity to meet the current strong demand and can also only bid for reasonably small vessel types. Only a handful of yards can construct vessels up to 30,000 dwt, for example. In this situation, the industry is concerned that the state-owned Pendik yard, which can build vessels up to 150,000 dwt, is being underused. It is being used by the Turkish Navy following earthquake damage to its own repair and construction facilities.

Yards are urging the government to give them access to Pendik yard, which is close to Tuzla and has the biggest graving dock in the country. A suggestion is that part of the yard could be separated from the naval activities and used purely for commercial work. ■



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