

# Turkey

## Overview

Turkey is surrounded by water on three sides: the Aegean to the west, the Black Sea to the north and the Mediterranean to the south. Additionally, the Marmara Sea, the Dardanelles and the Bosphorus straits are also located in Turkey. There are approximately 290 shore facilities on Turkey's 8,140 km (nearly 5100 miles) of coastline; 165 ports can accommodate ships of over 500 gross tons.

Turkey has several large lakes (natural and artificial), as well as numerous small lakes and reservoirs. Turkey also has are numerous rivers, the longest of which, Kizilirmak, is 1,355 km (approximately 850 miles) in length. Lakes and rivers are not currently used for leisure boating (aside from limited rafting), mainly because the open sea is favored and widely accessible. Other reasons that river/lake boating is limited include the seasonal variation of river water levels, an unstable security situation in Turkey's eastern and southeastern regions (where the Euphrates and Tigris rivers are located), and low income/lack of infrastructure. However, officials are trying to encourage leisure boating in the Ataturk Dam reservoir and Lake Van area by arranging sailing races for very small sail boats.

Turkey ranks eighth in the world and first in the Europe in ship building with the help of its advantageous geographic situation. Additionally, Turkey is the sixth most visited country in the world and yachting has a remarkable share in this ranking.

The Turkish yacht industry has been developing a strong reputation since the 1960s, especially among European customers, with the traditional production of wooden gullets from Bodrum. Investors and high quality products made Turkey third in the world for mega yacht production. Currently, some companies located in Turkey are focusing on sophisticated engineering skills, instead of relying on a cheap work force to win business from more expensive markets in the West.

## Statistics

Capital: Ankara  
Population: 80,694,485 (est. 2013)  
GDP (est.): USD 794.5 billion (2012)  
Currency: Turkish Lira (TRY)  
Area (total): 783,562 km<sup>2</sup>  
(land): 769,632 km<sup>2</sup>  
(water): 13,930 km<sup>2</sup>  
Coastline: 8,140 km  
Language: Turkish

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Turkish buyers are also very receptive to U.S. products. U.S. suppliers are known for their high quality and technologically sophisticated products.

Between 2004 and 2008, the leisure boat building sector enjoyed significant foreign investment with a number of the world's higher profile yacht builders looking to Turkey to set up production facilities either as subsidiary companies or by working with partner companies. Examples include Vitters, Nedship, Oyster and Perini Navi.

The growth in the yachting industry also brings the need for new marinas. In 1984, there were only two marinas in Turkey, with a total capacity of 435 yachts; however, today, 62 marinas with a capacity of 17,500 yachts exist, with further growth expected. Turkey is one of the fastest developing countries in this industry. Approximately 1 million yachts regularly tour the Mediterranean; Turkey's aim is to meet 5 percent of this demand, which adds up to approximately 50,000 yachts.

The same success seen in the yacht industry applies to the parts market, as well. Turkey, being one of the product centers for yachts, and also a major service provider for yachts traveling in the region, has also become a large parts consumer.

## Market

Italy, the United States, and France are the largest suppliers in the Turkish leisure boat market. The UK and Germany are other important suppliers. The Undersecretariat of Maritime Affairs in Turkey cites greatest demand for leisure boats between 5–9 meters (16–30 feet) in length. Jeanneau, Bavaria, and Beneteau are the top suppliers in Turkey, followed by Fair Line, Azimut, Sea Ray, and Princess Yachts. Beneteau, Bavaria, and Grand Soleil are popular sail boats, whereas Fairline, Sun Seeker, Ferretti, and Azimut are popular in the motor yachts market. In the parts market, imports represent over 99 percent of the total market.

Dominance of the European products in the market is understandable due to the proximity of European companies, zero customs duties on imports from EU countries (as a result of the customs union agreement between Turkey and the EU), and most importantly, the nationalities of most buyers being primarily European.

Imported marine parts are led by inboard and outboard engines. Other import categories include radar apparatus, as well as other electronic products such as flow meters.

Some brands used both in the OEM and aftermarket industries include:

- Engines: Caterpillar (U.S.), MAN (Germany), IVECO (Italy)
- Engine control systems: Teleflex (U.S.), KOBELT (Canada), MORSE (UK)
- Generators: Kohler (U.S.)

- Deck equipment consisting of anchor windlass, steering engine systems, capstans, deck cranes, boarding ladders, gangways, etc.: DATA (Turkey), and some European brands
- Stabilizers: NAIAD (U.S.), Esmar (U.S.), Quantum (U.S.)
- Bow & stern thrusters: SIDE POWER (Norway)
- Pumps, boilers & blowers: GIANNESCHI (Italy), FEIT (Italy)
- Water makers & waste treatment systems: TECNICOMAR (Italy), HAMANN (Germany)
- Electric or vacuum toilets: SANIMARIN (France), TECMA (Italy), HEADHUNTER (U.S.)

### Best Prospects

The strongest areas of Turkey's pleasure boat industry include several categories in which U.S. firms can position themselves as suppliers:

- Superyacht (over 50 feet): The super yachts and mega yachts are custom designed and custom manufactured according to the needs of the customers, in specialized boat yards.
- Pleasure Craft (up to 50 feet): Turkey specializes in building super yachts (24–40 meters long) and mega yachts (40 meters and longer), and currently ranks third in the world for mega yacht building.
- Pleasure Boat Accessories: There is significant production in some parts, such as generators used for boats, and deck equipment of anchor windlass, steering systems, capstan, deck cranes, boarding ladders, gangways, etc.
- Luxury Yacht Charters: There are many private companies serving luxury yacht charters.

Best Opportunities for U.S. exporters include:

- Yachts of up to 24 meters (approximately 80 feet) in length are primarily imported, since there is limited local production of small leisure boats.
- Pleasure Boat Parts and Accessories outside of the categories manufactured in Turkey, both for the consumer market and the boat building manufacturer market.

### Competitors

Modern yacht production is relatively young in Turkey; however, industry benefits from the high quality and cheaper labor force, resulting in very competitive prices and more foreign firms transferring production to Turkey. Yacht producers are spread around the country, continuing their production in small facilities. Most builders have been involved in the boating business for generations; however, in the last decades they have converted their family production facilities into more modern production facilities, and commenced exporting to other countries, such as the United States, Netherlands, Germany, Italy, Greece, and France. Production lines grew tremendously from classic to modern product lines. Depending on the order, these facilities can also provide CE marking, which is very important for sales to Europe.

A few years ago, a yacht produced in Antalya was selected as the “third best yacht” in the world at the Monaco International Boat Show.

### Market Entry

Regulations of the previous Turkish governments promoting deep-sea ships also attracted interest in yacht production and local producers became more successful in the production of yachts for foreign markets.

Turkey’s January 1, 1996, accession to the European Union’s customs union resulted in zero duties for imports from the EU countries, and has also led to general reductions in duty rates assessed on non-EU third-country imports. Because of the same agreement, products imported from non-EU countries need to be checked by the Turkish Standards Institute, and this procedure takes time.

All products, both imported and locally manufactured, are subject to an additional 18 percent value-added tax (VAT). VAT is calculated based on the CIF value for imported products. Additionally, there is another tax of 8 percent (a Special Consumption Tax) on yachts sales.

Both production and imports of boats are subject to CE marking, except the boats that are for personal use. In this case, owners are forbidden to sell the boats bought for personal use for minimum five years. Additionally, with boat registration under a company name, a CE mark is not required.

## Trade Events

### Eurasia Boat Show

Istanbul, Turkey • [cnravrasyaboatshow.com](http://cnravrasyaboatshow.com)

### Shop & Miles Boat Show

Istanbul, Turkey • [boatshow.com.tr](http://boatshow.com.tr)

### Antalya Boat Show

Antalya, Turkey • [anfas.com.tr](http://anfas.com.tr)

### International Bodrum Yacht Show

Istanbul, Turkey • [interteks.com](http://interteks.com)

## Associations

- Turkish Chamber of Shipping, [denizticaretodasi.org](http://denizticaretodasi.org)
- Federation of Yacht and Boat Industries (YATEF), [yatef.org.tr](http://yatef.org.tr)