



Ares Shipyard - Tailor Made Solutions – Guided and Motivated by Customers

Ares Shipyard is the largest composite vessel manufacturer in Turkey and Europe - among the largest in the world, having delivered over 100 vessels across the globe.

CEO & General Manager of Ares Shipyard Mr. Kerim Kalafatoğlu shared us about structure of shipyard, design and production capabilities; export strategies and much more for our readers.

Defence Turkey: Mr. Kalafatoğlu, first of all, thank you for making time to talk with us. Can you briefly tell us about Ares Shipyard's company personnel structure, the scope and a bit about the product range?

Ares is based in Antalya Free Zone with approximately 20.000 m² enclosed production area. Our company is a distinguished shipyard among its competitors in shipbuilding sector using advanced design and production technologies, bracing up from the unity of experience with a young and ambitious team.

Being a shipyard, our main distinction among other shipyards beyond shipbuilding is that we have a full authorized and quality-certified Integrated Logistics Support Department. We do not end up our relationship with our customers with the delivery process. We always take life cycle support into consideration beginning from the concept design phase and make life cycle cost predictions. We prepare maintenance plans for the products we deliver.

We produce technical manuals including operation and maintenance in desired language and under requested specifications. We make all necessary plans for the vessels we build, in order to fulfill the customer's requirements and to have them maintain the platforms with minimum possible cost.

Our fields of activity and target markets include domestic and foreign government entities and private & semi-private enterprises.

Our product range consists of naval craft, patrol craft, utility & support craft, passenger craft and pleasure craft.

Concordantly our personnel structure is formed with a young, ambitious, and inquisitive engineering team, experienced managers and practical blue-collar employees in order to support our competitive ingenious products.

Besides, we have been carrying out studies on establishment of a new R&D Department in the medium term.

Defence Turkey: Looking back upon last year, how was the year for Ares Shipyard?

2015 was quite busy and alive with projects and deliveries for Ares. I'd like to state that we worked indefatigably in 2015. We delivered 2-off fast patrol boats to Nigeria

Customs Service and 3-off coast guard boats to Turkish Republic of Northern Cyprus Coast Guard Command. We have gone through the design studies and begun production phase of 17-off fast coast guard boats for Qatar Ministry of Interior.

In addition to our production work in accordance with our ongoing contracts, we participated in several international tenders. We proposed very distinctive and attractive models in these tenders. And in 2016, we are expecting to receive positive results of these studies carried out in the past year.

Defence Turkey: Mr. Kalafatoğlu, despite the many manufacturers in the market, you do not offer any commercial 'off the shelf' commercial products. With this approach, what type of advantages does it bring to you in the market?

As Ares, our conception has always been the same from the very first day of our establishment. And we have defined this conception of ours as "tailor made solutions". Ares is a company which always listens to its customers as a priority. We are a company valuing the requests of our customers. We are willing to let our customers guide and motive us. We want them to expand our horizon. We do not dictate commercial off the shelf products, instead we have lots of solutions to offer to our valued customers. I think this is the point we differ from others in the sector. And this is what positions us at a distinguished and advantageous point in the competitive market.

As a matter of course, producing customer focused solutions require a chain of labor-intensive design activities. However, our goal is to keep on creating the best-fit solutions to our customers and pursue this strategy with our young and ambitious design team.

Defence Turkey: Ares Shipyard has a strategic partnership with design offices such as Roll-Royce and BMT Nigel Gee. What type of support do you receive from these companies? Will you be working on a new concept to meet immediate needs, with low cost but high effectiveness and usability, in the upcoming period, as a reflection of this strategic partnership?

Rolls Royce and BMT Nigel Gee are two of our international strategic partners. They are worldwide well-

recognized companies with very high credibility and realized, proven design solutions. Our design team has been working with these companies.

Once anyone views our product range, it is our distinctive design solutions that excite his attention. Young Turkish engineers have been realizing these design solutions at Ares. We are continuously improving our design solutions with the effort and goal of increased availability through our strategic partnerships.

Cost efficiency is one of our main goals in every project that we carry out. Likewise, life cycle cost is the focus point of the customers especially for the military and paramilitary entities. It is also essential for us to be on the same target with our customers, as a shipyard-producing customer focused solutions.

Nevertheless, we have new design solutions brought to concept design phase with our strategic partners for any possible urgent needs and boat requests and we keep adding new ones to our product range every day. Thus, we are able to respond almost every kind of boat requirements from any sector in a very short while.

Defence Turkey: Mr. Kalafatoğlu, for the Qatar Ministry of Interior, your production work continues for the supply of the needs of the Coast Guard Command, within the scope are 3 different configurations, and a total of 17 Guard Coast Guard boats. How is the process progressing under this program? What would you like to say about the production process and deliveries?

First of all, I'd like to state that, this project is the largest naval craft export engagement accomplished with a single contract by Turkish Republic.

Production has been going on at full steam for the 17-off Hercules Series coast guard boats under 3 models with 24m, 34m and 48m length for the Qatar Coast Guard Command. I can clearly and proudly say that we are ahead of our production and delivery schedule requested by the customer. Production activities have recently been inspected by a Qatari committee on-site in February 2016. The undersecretary level visit and inspection resulted highly satisfactory and successful on behalf of Ares.

On the other hand, we have been



working on the training courses and specific documentation to be delivered to the Qatar Coast Guard Command personnel following the shipment of the boats. In the scope of this revolutionary project in the Turkish shipbuilding industry, our prospective accomplishment and the achieved level of our country will strengthen us even more in terms of product and services export.

Defence Turkey: You have selected Aselsan for weapons systems to be integrated into these boats and signed a definitive agreement with Aselsan in October, 2015. Within the scope of the program, which configuration and which weapons systems will be integrated. Can you provide information about the delivery process?

We signed a memorandum of understanding with worldwide-recognized Turkish defense contractor Aselsan for 30mm MUHAFIZ and 12,7mm STAMP weapon systems to be installed on the boats. The weapon systems will be installed on boats here at Ares. Spare parts and tools will also be delivered together with the systems in order to keep reliability and maintainability rates higher. In addition, we will provide operator and maintenance training for Qatar Coast Guard Command personnel. Within the master plan, we will begin delivery of the boats from the 3rd quarter of this year.

Defence Turkey: Mr. Kalafatoğlu, as well as procurement of 17 boats, 275 Qatari staff will also be trained by Ares Shipyard. What do you want to share regarding the scope of what is included in this training

package? On the other hand, regarding boat maintenance and the repair process, what type of activity or movement has there been related to negotiations for an integrated logistics support package?

In accordance with the contract signed with the Qatar Ministry of Interior, operator and maintenance trainings will be provided to the Qatar Coast Guard personnel by our training branch under Ares ILS Department beginning with the delivery process of the boats. Our ILS Department and training team consists mostly of former Navy officers, stationed in the various naval craft and shipyards, quite familiar with the international navy culture and deeply experienced in their fields. I can conveniently say that the only ILS department which is able to cover all requirements among other shipyards in this field is here at Ares. It is officially registered with ISO 9001 by Turkish Lloyd. I can clearly state that we are in competition with worldwide-recognized corporate shipyards in terms of ILS services.

We had made an 8-off Ares 17 CF Catamaran Ferries sale back in 2014 to a government owned Qatari Tourism Company. We have been running an ILS and Maintenance Management Services program with a maintenance contract for the fleet. All maintenance tasks have been planned on a Computerized Maintenance Management System (CMMS) with relevant data pulled from Ares database. These maintenance tasks have been monitored and traced real-time not only by us but also by our customer in accordance with our transparency policy. We have an engineering office and a maintenance team in Qatar consisting

of engineers and technicians. Our team has been carrying out planned and periodic maintenance tasks systematically based on maintenance plans. Besides, we have the capability to intervene in the possible failures or incidents in timely manner to decrease down times of the fleet.

We have been in intensive preparatory work for the prospective maintenance contract beginning from the enforcement date of the shipbuilding contract with Qatar Coast Guard Command. We are aiming to deliver the boats together with distinctive ILS packages and to state that we are ready to provide logistics support to our customer.

Defence Turkey: Mr. Kalafatoğlu, countries such as Qatar, Bahrain and Nigeria have selected you to meet their needs for fast patrol boats and recently you've successfully delivered these fast patrol boats to these countries. Ares class fast patrol boats are seeing a strong demand in the domestic and international markets. With this success, other than using high-tech production methods, do you have a strategy on how to gain access to new markets?

Ares platforms inspired interest wherever delivered. High quality production and successfully on time delivery of these vessels within quite tight schedules has been object of curiosity and interest. The significant increase in the number of visitors on our web site, increasing number incoming e-mails and phone calls have showed us the extent of interest in Ares and it surely is pleasing for us. Furthermore, our close attention and services to our customers after sales and delivery phases increased the level of confidence to us even



more. Consequently, the name of Ares has spread out very fast and our customers have begun to find us before we reach out for them. Recently, we have visitors from various entities and companies all around the world, making site visits to our shipyard and willing to get to know about our solutions. We keep our doors open to all our customers and visitors according to one of our main policies: transparency. Sincerity and explicitness of ours contribute us to be promoted to the new markets by our customers and visitors themselves. Besides, as a matter of course we have a business development plan, and through this plan we observe the world and possible needs and requirements; thus we participate in tenders.

Defence Turkey: How do you see your market position outside of the Middle East, especially in North Africa, Turkic Republics and in Asia – Pacific? What kind of strategy is in place toward enhancing your presence here in the future?

We've had contacts with the Turkic Republics and Asian market. Currently, we have boats in service under Naval Forces, Coast Guard and Customs control in Turkmenistan and Georgia. And we are in negotiations for prospective programs. We exported various vessels to East and West African Para military entities and private security companies. We are certainly willing to reach out North African countries. However, I believe that political instability and current conjuncture in these countries need time for a change in favor of Turkey.

Defence Turkey: It was announced that you won the Undersecretariat for Defense Industries' tender to procure 2 new type SAT boats to fill the needs of the Turkish Naval Forces. Afterwards, the tender was cancelled again. In October 2015, the tender was re-opened again and you delivered your bid at the beginning of this year. What type of revisions are included in this program, and as Ares Shipyard, what type of solutions will be provided in the second tender?

Yes, as you already know, this process has been re-initiated. Even though we won it, cancellation of the first tender has motivated us even more and we worked more ambitiously on preparation for the second one. We designed a more challenging and higher performance boat compared to the first one. We are in competition with a real combatant solution: fast, enduring and agile just like the Turkish Special Operations Forces (SAT) Commandos, worthy of the name and responsive to the requirements of the Turkish Navy.

Defence Turkey: The RFP which includes the procurement of 8 Fast Patrol Boats for the Turkish Naval Forces was released earlier this year and must be delivered by the end of March. In this context, what would you like to share about the progress in this area?

Our fast patrol boat design is ready for the Turkish Navy. This boat has been designed as a high-speed naval craft with a complete bulletproof cabin. Latest technologies have been used in engines, weapons and electronic systems. We will have collaboration with Aselsan in the

weapon and electronic equipment. We do not consider this boat as a simple structure outboard engine, harbor control craft. I have to state that we have participated in this tender with a fully equipped, hi-tech boat appealing to the vision of the Turkish Navy, built through infusion technique with the most advanced composite materials including carbon.

Defence Turkey: Mr Kalafatoğlu, Ares Shipyard will make a big difference with an ambitious design within the Turkish Fast Attack Craft Program, we know that you are working on a solution. What would like to say on this topic?

We have a teaming agreement with Rolls Royce on Turkish Fast Attack Craft Program. We have designed our ship on the P2500 hull form of Rolls Royce which is already patented and proven. Our completely steel hull ship can easily speed up over 50 knots. With its special hull form, we have designed not only today's but the forthcoming 20 year's fast attack craft which is capable of operating in Turkey's surrounding seas, with high quality and high stealth feature.

We have heard that the Turkish Navy might prefer a composite structure model because of the speed requirements in this program. Ares is the largest composite vessel manufacturer in Turkey and Europe where it is among the largest ones in the world. I believe that production of a combatant fast attack craft from composite materials is a serious handicap in terms of stability, endurance and fire resistance in case it is engaged and hit. If we had believed that it could

be built with composites, we would have participated in the tender with a craft structured with today's most advanced composite materials. Hence, our 48m composite vessels which are currently in production can conveniently cover the high-speed requirements. On the other hand, we have not even considered composite option since we have no doubt that the Turkish Navy would not embark on such an adventure.

We have built platforms for various countries across the globe. I'd like to express that one of the utmost targets of mine as a Turkish patriot and businessman is to devise a remarkable project for the Turkish Navy. As you are aware a Request for Information (RFI) was published by Undersecretariat for Defense Industries and I have no doubt that Ares is one of the most important candidates of this program with its responses to the RFI.

Defence Turkey: Mr. Kalafatoğlu, what can you share about your goals and plans for Ares Shipyard for the next five year period; such as your organic and inorganic growth plans, what type of investments are on the horizon?

Ares has been sustaining its stable growth trend since its establishment. Our main goal is to complete our additional physical investments in the next 2 years and build naval craft equipped with the most advanced technologies in an enclosed production area of 25.000m². We have doubled our production area this year and incorporated another production facility to our structure in Antalya Free Zone. Modification and modernization works have been going on in this region and we are planning to finish



35m composite hull ready for infusion

up in 1 or 2 months. Once it's done, we will have brought in a one-of-a kind facility to our country with its brand new offices, workshops and training classes.

We are predicting an increasing rate of growth in the short run in consideration of our production plans, realized design solutions and prospective shipbuilding programs. On the other hand, for Ares, the most important investment is the investment in human. Our rhetoric "Fabrika Movent Obrem" relies on the point that hand craft moves the world. If you'll excuse me, I have to express without modesty that, personnel formation of Ares is one of the best in its sector. Briefly and to the point, we are working with the best personnel in their profession.

Defence Turkey: Finally, do you have a message that you would like to convey to the readers of Defence Turkey?



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Gen. Abdulaziz Al Ansari & Brig. Ali Al Mannai of Qatar Coast Guard visited Ares Shipyard

I believe that we have given a different point of view to the shipbuilding sector as Ares. We are not only building ships with the best original design solutions, but we are drawing a vision to the users. We do not close out the contracts right after the production and delivery. We vouch for the platforms we build. We prepare and propose maintenance contracts. We work round-the-clock in order to immediately intervene in the problems of our clients. We even supply the required spare parts and tools for our clients during contracted maintenance tasks. Briefly, Ares stands for problem-free and untroubled life cycle for your vessels.

We have delivered over 100 vessels across the globe, and none of them has been returned to our shipyard under warranty or any other clause. No complaint has been received by the Turkish Undersecretariat for Defense Industries to date.

Today, Ares is probably the only shipbuilder in the world, which can guarantee its craft with 20 years hull warranty. We are at our customers' service with our young, ambitious and inquisitive team and innovative, distinctive and creative solutions. Ares will continue to work for its country and represent it in the best possible way in the world.

At this point, I'd like to express my gratitude to you in the name of Defence Turkey, for granting coverage in your magazine for Ares and for your contribution to increase our existing awareness even more. ■