



ARES Shipyard Maintains Warm Relations

ARES Shipyard was one of the companies to have a highly productive time at the exhibition. Despite his busy schedule, Kerim Kalafatoğlu, Chairman and Executive Director at ARES Shipyard, was kind enough to take the time to answer our questions.

MSI TDR: Can you share with us the details of your agenda for the exhibition? What were your objectives when coming to this exhibition?

Kerim KALAFATOĞLU: The IDEX/NAVDEX exhibition has always been an exciting event for ARES, and once again we prepared for and participated in the 2017 event with the same level of enthusiasm. Our agenda, of course, primarily focuses on the military and semi-military ship requirements and procuring authorities of the region, which we follow closely. But there is something that I would like to specifically underline: we have come here with a purpose that goes beyond promoting what we are able to do and the features of our products. In fact, our products are already performing their tasks successfully in various locations around the world, particularly in the Gulf countries. We are in constant contact with each one of our customers. We never end our relationship with or cut our support from any of them. Thus, rather than for promoting products, we attended this exhibition more with the intention of meeting face-to-face with

our customers, drinking a cup of coffee with them, and showing that we're always and again on their side. We wanted them to convey their possible needs not through the cold screen of a computer, but more intimately by talking in person or writing notes on paper.

During the NAVDEX exhibition, we essentially saw the position our company has achieved, the positive image we created across the world, and how we are perceived from outside the box, which made us feel proud.

We all know that contracts valued in the millions of liras aren't just concluded in the limited three- or four-day time period of exhibitions. But it is at these events that we reinforce invaluable friendships, create awareness and recognition among friends, and turn friendships into partnerships. And that was our goal at NAVDEX 2017, and it is with great pleasure that I can say that in this, we were successful beyond our expectations. We greeted old and new friends at our stands, with an ever-present cordial atmosphere. On the other hand, the working hours set by the organisers of

the exhibition were not sufficient to allow us to carry out all the meetings we had hoped to. But it is evident that we are returning from Abu Dhabi to Antalya with a heavy dossier filled to the brim, and that a very busy schedule lies ahead of us...

MSI TDR: How many of the boats currently in the Gulf Region have been constructed by ARES Shipyard?

Kerim KALAFATOĞLU: ARES is, by far, Europe's largest composite and aluminium hull boat manufacturer. Until now, we have constructed over 100 ships. When we mark on a map the countries to which we have made deliveries, the resulting picture is, I have to say, something that makes me feel very proud, since it reflects what our country has achieved both financially and in terms of reputation. Of course, the Gulf Countries' growing need for military and semi-military boats in recent times has led many global defence industry companies to focus more on this region. As a result [of the region's growing needs], the Gulf Region has, over the past 10

years, become a target market for the defence industry. Although I don't like to use the world market when describing a region, I have to in order to illustrate the world's general look and approach towards the region. In fact, in these countries of the region – with which we have cultivated good relations at a friendship level – our approach is to solidify maritime security, prevent human trafficking, improve maritime transportation capabilities, and even enhance indigenous production through the transfer of technology and know-how. For this reason, we refrain as far as possible from using the term market.

We already have 20 boats serving successfully in the region. In April, this number will increase to 23 and according to our estimates and with our confirmed sale figures, this number will be well over 30 by 2018. As I mentioned earlier, these figures include projects for which contracts have already been signed and the schedules are moving forward. And with the potential projects for which we are still holding talks, or making preparations to offer our bid, this number could very easily exceed 50.

MSI TDR: Which one of your signed projects is currently active in the region?

Kerim KALAFATOĞLU: Our only active project in the region with a signed contract that is still at the production stage covers the design and construction of 17 high speed patrol boats for the Qatar Coast Guard, which is affiliated with the Qatar Ministry of Interior. We won this tender by competing against nearly 20 companies from around the world. Within the scope of this project; five 24 m ARES 75 HERCULES, ten 34 m ARES 110 HERCULES and two 48 m ARES 150 HERCULES are at the production and delivery stage.

So far, we have successfully delivered three 24 m and two 34 m multi-purpose patrol boats to the Qatar Coast Guard personnel. We have further plans to deliver three more boats in April, including two 24 m and one 34 m boats. We actually represent an example that you seldom come across in the shipbuilding industry: Currently, we are moving about one year ahead of the project schedule, and expect that the deliveries will be completed about one-and-a-half year before the delivery period specified in the contract.

In addition to this, according to the contract signed with the Qatari Ministry of Interior, our Training Directorate under our Department of Integrated Logistical Support (ILS) will, within the scope of a very comprehensive ILS service package, provide training for 275 coast guard personnel on the use of the boats – in other words, operator and maintenance training – during their delivery. Our ILS department and the team from the training directorate include personnel who are highly experienced and competent in their fields. They are generally retired navy officers who have worked on navy vessels and in military shipyards, received all courses regarding the tasks executed on-board ships, and come from a navy culture.

I also would like to take this opportunity to announce in advance that we will soon become more active in the region thanks to new projects, the contracts for which are being finalised; however, I cannot fully disclose the details at the moment, as they have not yet been officially signed.

MSI TDR: Which tenders are you keeping track of in the region?

Kerim KALAFATOĞLU: There are more than 10 tenders in the Gulf Region which we are either actively following, preparing for, or are waiting for the outcome after having already submitted our proposal. As you may realise, some of them have military level confidentiality; there is also commercial confidentiality involved. For these reasons, we think it would be inappropriate, as a matter of principle, to mention any country or project name before the relevant tenders are concluded. Nevertheless, as an exception, it is internationally known that we were invited to, and have received the green light for, taking part in the tenders opened by Royal Oman Police and Coast Guard Command, concerning high speed patrol boats. In fact, I can say with pride that we are the only company to have been invited to all four tenders. Our preparation for this tender is continuing rapidly and effectively. My wish and hope is that we will continue to win new tenders in 2017, and meet the needs of friendly and allied countries with the best boats of their class.

MSI TDR: How do you carry out your logistic support activities in the region? Do you have any plans to open offices there?

Kerim KALAFATOĞLU: ARES is one of the few shipyards in the world that can meet all the ILS requests of its customers without requiring external support. The effectiveness and know-how of our ILS Department has been confirmed with a quality certificate. The planning of our logistic support activities begins when the boats are still in the design phase, while actual implementation begins once the delivery takes place. As such, in line with customer's maintenance concept, we prepare or define usage, maintenance and repair manuals at all levels, spare parts and testing and measurement devices, as well as maintenance planning and requirements, regardless of whether these are explicitly stated in the contract. ILS is an immutable part of our design spiral. So what type of boat we produce and deliver in which region of the world doesn't make much of a difference for us. When we deliver products, we do so by being fully prepared to provide logistic support in all regions and under all conditions.

To answer your question, speaking of the Gulf Region in particular, we have signed a maintenance contract for the fleet of eight passenger ferries we delivered about three years ago, successfully carrying out all kinds of maintenance and repair activities. In this context, we have opened an office in Doha, Qatar, where we have a permanent team of engineers and technicians. In addition to this, we have provided, and continue to provide, spare parts and equipment support. Similarly, we are in the process of negotiating a more comprehensive maintenance contract with the Qatar Coast Guard command for the 17 boats we have begun to deliver.

MSI TDR: Is there anything you would like to add?

Kerim KALAFATOĞLU: I would like to take this opportunity to thank MSI TDR and its respected team for accompanying us in Abu Dhabi, for covering ARES Shipyard in your pages, and for the many ways you have contributed to raising our awareness and knowledge of the industry.

On behalf of our readers, we would like to thank Kerim Kalafatoğlu, Chairman and Executive Director at ARES Shipyard, for taking the time to answer our questions and for providing us with such valuable information.