**Market Engagement Plan**

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| **Türkiye** | |
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| **Key objectives within market**  *\*wider five-year plan is to open up the market for UK companies.* | 1. Strengthen vital connection with Turkish buyers in market, facilitating introductions to UK industry via further missions in 2024. 2. To promote UK expertise across Turkish counterparts and to showcase the UK as a long term partner in rail industry through providing technical assistance from respective UK organisations 3. Showcase the crucial links between Innovation (particularly in asset management) and safety between the UK and Türkiye: |
| **Key Stakeholders/influencers/ Regulatory Bodies** | ***Presidency of the Republic of Türkiye, Investment Office***  ***Ministry of Transport and Infrastructure (Türkiye)***   * *GD of EU and Foreign Affairs* * *GD of Infrastructure Investments (AYGM)* * *GD of Regulation of Transport Services (UHDGM)* * *GD of Strategy Development*   ***TCDD (Turkish State Railway Authority) GD of International Relations***   * *Maintenance Department* * *Safety & Quality Department* * *Procurement & Stock Control Department* * *Traffic and Station Management Department* * *Rail Modernisation Department* * *Rail Infrastructure Department*   ***TCDD Transport Inc. (TCDD Taşımacılık A.Ş.)***   * *TCDD Teknik*   ***Turkish Municipal Authorities***   * *Union of Municipalities of Turkey - TBB* * *Ankara Metropolitan Municipality / EGO* * *Bursa Metropolitan Municipality / BURULAŞ* * *Eskişehir Metropolitan Municipality / ESTRAM* * *Gaziantep Metropolitan Municipality / GaziUlaş* * *İstanbul Metropolitan Municipality* * *İzmir Metropolitan Municipality / İzmir Metro* * *Mersin Metropolitan Municipality* * *Trabzon Metropolitan Municipality*   ***TÜBİTAK RUTE (Rail Transport Technologies Institute)***   * ***Turkish Universities*** *Boğaziçi University* * *Eskişehir Technical University* * *Eskişehir Osmangazi University* * *İstanbul Technical University* * *Middle East Technical University* * *University of Karabük*   ***Development Banks***   * *Black Sea Trade & Development Bank* * *Development Investment Bank of Turkey* * *EBRD (European Bank for Reconstruction and Development)* * *IsDB (Islamic Development Bank)* * *İLBANK* * *The World Bank*   ***Turkish Rolling Stock Manufacturers***  *TÜRASAŞ*   * *Bozankaya* * *Erciyas Rail*   ***Turkish Contractors Association - TCA***  ***Turkish Contractor Companies***   * *Doğuş Construction* * *ERG* * *Gülermak* * *Gürbağ Construction* * *IC İÇTAŞ* * *Kolin Construction* * *Limak* * *Nurol Construction* * *Rönesans Holding* * *Tekfen Engineering* * *Yapı Merkezi* |
| **Brief rail history overview and current railway status**  *(& country(s)/financing mechanisms historically favoured in projects)*  *(operations, rail types, status of assets, aspirations, public view on rail, issues)* | The rail sector in Turkey has the lion’s share of new governments investments. To increase the railway network and quality of the infrastructure, the government has invested TRY 167.5 billion (EUR 16.3 billion) during the last 18 years.  Robust investment will continue to support growth in railway infrastructure with various initiatives and projects, is expected to cost around USD 47.0 billion.  There is a great potential for Turkey to solidify its international role considering the country's strong connections to international maritime and air trade routes, with ports that act as major conduits for international trade, cross-border connections via road and rail.  Importance of UKEF in Türkiye:   * UKEF funding for three major rail projects unlocks significant potential for UK content. There is Turkish interest in working with the UK on high speed rail, urban rail, rail maintenance, rolling stock and rail safety. * UKEF have financed two major HSR projects in Türkiye and this now presents the UK supply chain with a wealth of opportunity to get involved with the 20% UK content. |
| **Rail projects identified for target 23-24 FY**   *(& link to project mapping document for full information. Add info on relevant trade shows).*  *\*Make sure export opportunities are put on export finder\** | 1. **Mersin-Adana-Gaziantep High Speed Railway**   *UK government backing enables completion of a 286km electric railway in southern Turkey, connecting major cities with a high-speed, lower-carbon route. €781m support unlocked by UK Export Finance – equivalent to £680m – will enable Rönesans Holding to finish construction of a high-speed electrified railway connecting Mersin with the cities of Adana, Osmaniye and Gaziantep. Offering a lower-emission transport link between Turkey’s second-largest container port and inland cities over 150 miles away, the railway is expected to reduce CO2e emissions by over 150,000 tonnes a year. UKEF’s backing creates multimillion-pound export contract opportunities for UK suppliers to the rail sector. UK Export Finance (UKEF), the UK government’s export credit agency, has underwritten €781m of financing – equivalent to £680m – to support construction of a 286km high-speed electric railway in southern Turkey.*  *With financing provided through UKEF’s Buyer Credit Facility, Rönesans Holding will finish construction of the Mersin-Adana-Gaziantep High Speed Railway on behalf of the Turkish Ministry of Transport. The deal is expected to create new, multimillion-pound export contract opportunities for the UK’s infrastructure, engineering and project management sectors, supporting the Prime Minister’s priority of growing the UK economy. This signals key future opportunities for UK exporters, with Rönesans Holding – one of Europe’s ten largest construction companies – intending to use the high-speed rail project to build its wider relationships with the UK supply chain.*   1. **Ankara - Izmir High Speed Railway** (EUR 2,1bn)   *It is a 508 km long high-speed railway. It will be the longest high-speed railway in the country when completed, 289 km of infrastructure works will be performed within the scope of current the project. 40% of the project has been completed by TCDD and the tendered 60% part will be completed by AYGM. A contract has been signed with ERG International UK- SSB Sauerweinschaefer (Switzerland) partnership in November 2020. UKEF is the sole lender of the project. Construction has started in September 2022.*   1. **Kayseri - Yerköy (Yozgat) High Speed Railway** (USD 1,3bn)   *The project will be connected to Ankara-Sivas high speed line from Yerköy (Yozgat). 139,6 km long double line, electric and signaled high speed railway line will be constructed. Speed of project to 200 km/h. 36 months realization + 12 months maintenance. There will be 3 stations, total 18,959 m long tunnels, total 2,395 m long bridges, Project is to be realized under EPC+F scheme.*  *The contract worth 16.9 billion TL signed with Doğuş İnşaat - Çelikler İnşaat - Özkar İnşaat Partnership. After the scrutiny of the financing/loan offer brought by the partnership is being scrutinized by the Ministry of Treasury, the contract will take affect if the Treasury approves the loan.*   1. **Istanbul Northern Ring Railway** (USD 5 bn)   *The project is conducted by AYGM (Ministry of Transport, DG of Infrastructure Investments). The project length is expected to be 120 km with which will connect İstanbul's Asia and European side by passing through 3rd bridge on Bosphorus. It will be used for both passenger and freight transportation, the latter was especially critical considering the lack of connection between the two sides of Istanbul. Passenger capacity will be 13 million (Passenger/Year) and the Freight capacity will be 12 million (Ton/Year).*  *The contractor wanted to start engaging with potential international stakeholders to create a partnership for design and project studies of the project.*   1. **Ankara - İstanbul Very High Speed Railway** (USD 6,5bn)   *The project is a new line between Sincan (Ankara) and Köseköy (Istanbul) with the length of 347 km for 350 km/h speed. According to the ministry, it will be constructed in 3 stages and will be completed by 2029. The route of the project will need around 65 km of tunnelling works. Rönesans made a feasibility study for the ministry (it is not publicly available) and provisional plans were made according to Rönesans' initial study. Since it is a mega project and financial constraints in the country, the government may need to work with multiple international finance organisations for the project. The Japanese were invited by the ministry and Hitachi Rail could be a potential supplier as both UK and Japanese company. AYGM has applied to Presidency Strategy and Budget Department (SBB) for BOT model investment (Oct 22)*   1. **Aksaray - Ulukışla (Niğde) High Speed Railway** (TRY 14,7bn)   *Total length of the project is 86 km. AYGM has taken approval from the Ministry of Treasury and Finance for an EPC+F tender in August 2021. A contract was signed with Taş Yapı + CMEC Business Partnership, TL 14.7 billion. Loans for the project were foreseen to be provided by China as the joint venture included a Chinese company. It was however determined that loans could not be provided for the project due to high financing costs. (August 22)*   1. **Kırşehir - Aksaray High Speed Railway** (TRY 3,3bn)   *Preliminary studies are ongoing. Total length is 74.3 km / project speed is 200 km/h. One station has been planned on the line to provide services to Bozkır Ortaköy (Aksaray) on Km: 41+300. Project also includes of 85 culverts, 40 underpasses, 15 overpasses, 1 cut-and-cover tunnel, 4 bridges and 5 viaducts. Construction works on the line are foreseen to be completed in 4 years.*   1. **Eskişehir - Antalya High Speed Railway** (USD 3bn)   *The line has a total length of 520 km with 87 overpasses, 316 underpasses, 377 culverts, 59 tunnels, 47 bridges, 14 viaducts, 11 stations and 5 sidings. The line will consist of 3 parts: Eskişehir-Afyonkarahisar, Afyonkarahisar-Burdur and Burdur-Antalya. In March 2022, the scrutiny stage has been reached in the EIA process. Design works are continued by Turkish State Railways (TCDD)*   1. **Sivas - Erzincan High Speed Railway** (EUR 3,6bn)   *The 247km project starts from the city centre of Sivas and ends at the city centre of Erzincan, featuring five stations. The line also includes 59 viaducts, 35 tunnels and 18 overpasses.*   1. **Erzincan - Erzurum High Speed Railway** (USD 1bn)   *Total length of the line is 172 km; including 4 stations, 22 tunnels, 16 cut-and-cover tunnels, 12 bridges, 12 viaducts, 15 underpasses, 39 overpasses, 171 culverts and 1 siding.*   1. **Erzurum - Kars High Speed Railway** (TRY 4,48bn)   *Total length of the line is 208 km; including 13 tunnels, 15 escape tunnels, 6 cut-and-cover tunnels, 5 stations, 18 viaducts, 63 underpasses, 34 overpasses and 263 culverts. Construction period of 4 years is expected.*  *It is an important axe of the railway corridor connecting east and west while works are continued on Ankara-Sivas High Speed Train Line and Sivas-Erzincan line as design works are continued on Erzincan-Erzurum line."*   1. **Sivas - Malatya High Speed Railway** (USD 2bn)   *Total length of the line is 265 km double line consisting of Sivas-Çetinkaya and Çetinkaya-Malatya sections. Project was designed on the basis of 200 km/h speed.TCDD plans to propose Project to 2023 Investment Program according to feedback from the presidency budget department. Environmental Impact Assessment (EIA) process has been completed by December 2021.*   1. **Gaziantep - Şanlıurfa Railway** (TRY 3,88bn)   *Total length is 198 km. 1 station, a siding, 2 tunnels, 12 bridges, 3 viaducts, 73 underpasses, 44 overpasses, 10 cut-and-cover tunnels and 163 culverts. Positive EIA opinion” has been given in February 2022. 4-year construction period*   1. **Şanlıurfa - Mardin Railway** (TRY 4,76)   *The total length is 179 km / 4 stations, 3 sidings, 13 viaducts, 18 bridges, 56 underpasses, 41 overpasses and 270 culvert. The Environmental Impact Assessment (EIA) process has been started in October 2022*   1. **Urban / Istanbul HIZRAY High Speed Metro Project**   *$6bn Hizray (high-speed rail) project is in preliminary stage. 13 stations-72 km from Sabiha Gokcen Airport to Beylikduzu. Total duration of journey will be 50 minutes with an headway of 2 minutes. Total number of cars will be 360 / 10 sets.*   1. **Urban / Istanbul Mahmutbey-Bahçeşehir-Esenyurt Metro** (EUR 550m)   *18.5 km with 12 stations. 70,000 passengers per hour per direction. It was started in September 2017 but halted due to lack of finance during the previous administration. IC İÇTAŞ is the main contractor. 220 million Eurobond has been secured / they need EUR 330 million extra finance for this project, borrowing authorization was made, and approval from the Ministry of Treasury and Finance is awaited by August 2022 / The project design needs some revisions.*   1. **Urban / Istanbul Sefaköy-Beylikdüzü** (USD 1bn)   *17 stations and 29.5 km length. The section TÜYAP to Sefaköy (18.9km) is financed by EBRD, but looking for partners including in the provision of rolling stock. Following the approval of AYGM on 25.07.2022, the line was submitted to Presidency Strategy and Budget Department as “New Project Proposal Within Year” for inclusion in Public Investment Program. Presidency approval will be needed for the project to be included in Investment Program in 2022 and launching a tender in 2023.* |
| **Current MOUs and other agreements related to rail/transport/trade** | * In March 2024, The UK launches talks with Turkey on a new, modernised trade deal targeting the services sector set to benefit businesses across the country (<https://www.gov.uk/government/news/british-businesses-to-benefit-as-uk-launches-new-trade-talks-with-turkey>) * In its early stages so one to monitor with the DBT FTA team to see where transport and rail asks can be thread in. * Planned MOU between the DfT and the Ministry of Transport scheduled to be signed November 2024 |
| **Market demands and consumer trends** | * Market keen to collaborate on high speed rail, urban rail, rail maintenance, rolling stock and rail safety |
| **Legal and regulatory requirements to enter/operate in market** |  |
| **Market access barriers/requirements**  *(e.g. local partner, local registered office, export experience)* | * Entry to market for UK companies within a project without UKEF support becomes more challenging due to lean on more localised opportunities |
| **Rail Standards Used** | Turkish Railway Standards |
| **Market Competition** | * Localised competitions for rolling stock opportunities |
| **Opportunity scoping carried out by DBT/trade associations** | Yes, rolling stock scoping missions have taken place in both countries within 2024 |
| **Tender portals and guidance**  *(hyperlinks take you to portals)* | TBC – at the moment the best way to interact is through the contacts in the section above. |
| **UK involvement in projects to date** | * **ERG international** leading in the Ankara-Izmir High speed rail project (ERG International arm is UK-based). * **British Steel** have won a major contract for the Ankara-Izmir High speed rail project *.* * **Thales UK** (bought by Hitachi this year) are providing the signal equipment for the Ankara-Izmir and Mersin-Gaziantep High Speed Rail lines * **JCB** are providing the construction equipment for the Ankara-Izmir line * **Mosdorfer** are providing the catenary systems for the Mersin-Gaziantep line * **Rowe Hankins** have provided equipment for local Turkish train sets * **Ramboll** are providing the environmental consultancy services for the Mersin-Gaziantep line |
| **List of UK companies expressing an interest in the market/projects** | * + - Arup     - British Cables     - British Steel     - CAF     - CCS Law     - Clemtech     - CMP Products     - Concrete Canvas     - Creactive Design     - Crossrail International     - CrossTech     - ERG International     - Evolutions Systems     - Francis Kirk Socket Screws     - Fujikira     - Hitachi Energy     - Hitachi Europe     - Hitachi Rail     - KeeSafety     - L.C. SWITCHGEAR LTD.     - LB Foster     - Mima Group     - Mosdorfer     - MottMac     - Muirhead     - OE Electrics     - Pandrol     - Petards Rail     - Rail Sense     - Rolls Royce Power Systems     - Scott Browning     - Sicut     - Siemens Mobility     - Softech Rail     - Thales     - Vertex     - Viasat     - Voestalpine     - Vossloh     - Xrail Group |
| **Case Study for route to market** | Covered by the 3 high speed rail projects supported by UKEF, which requires Turkish contractors to utilise 20% of content coming from the UK   * Mersin- Gaziantap High Speed Rail * Kayseri-Yerköy High Speed Railway Project * Anakra Izmir High Speed Rail |
| **Risk Management** | * Potential for UKEF market in Türkiye to be saturated, which can be mitigated by selling the benefits of UKEF support for the Ankara-Istanbul very high speed rail project |
| **Market or project strategy**  *(timeline & list actions for FY 24-25)*  *E.g.*  *- High-level positioning of UK on projects (via ambassadors, rail minister etc.) Rail capability materials.*  *- Market-opening (e.g. short slide deck on opportunities and contacts within DBT/FCDO. Or forward look of tenders.*  *- Early-stage advisory companies to shape projects for UK content/establish client relationships (IE:UK board, Crossrail Int).*  *- Industry engagement (sharing opportunities with ITAs, trade bodies, webinars, trade events).* | Over the next year 2024-25:   1. To continue communication with Yigit at post to introduce UK supply chain within the UKEF supported high speed rail projects, including   Kayseri-Yerköy High Speed Railway Project  Ankara-Istanbul Very High Speed Railway Project   1. Cement business opportunity links at the UK-Türkiye Rail Forum event in November 2024 2. To follow-up Third Country Collaboration projects in the region. For this year, Tashkent-Samarkand High Speed Rail Line will be monitored with DBT Tashkent team for chasing TCC opportunities. |
| **Key upcoming DBT engagements**  *(trade missions, trade shows)* | **UK-Türkiye rail forum event - 14TH November 2024 in Ankara**  The programme is designed for all segments of rail sector companies who are interested in Turkish rail market. During the event, UK companies will have a chance to come together with all relevant public and private representatives from Turkish rail industry including Ministry of Transport & Infrastructure, TCDD, TÜRASAŞ Turkish Municipal Authorities and all relevant manufacturers. |