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The problems that Libyan crisis caused for Turkish contractors

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Abstract

By obtaining an important position among the world's largest contracting companies, Turkish contractors undertook 7.371 projects worth of $ 274.1 billion in 103 countries from 1972 to 2013. As of March, 2014, this figure reached to $ 277.7 billion. From 1972, the sector beginning its overseas journey in Libya, established trade relations with many countries in 2014.

Together with 2011 Libyan crisis, many companies had a difficult time and after the end of the crisis, their hopes for stability in the country come an end point. During this period, the sector turning its direction to other markets, managed to come out of the Libyan crisis getting stronger, and with a project worth of $ 26.6 billion, achieved the largest growth.

In this study, the Libyan crisis and the construction sector were tried to be evaluated together, making them to relate with each other. After analyzing domestic and international development of the construction sector and its place in economics, the state of the industry together with the Libyan crisis was introduced using the data.

Keywords: Libyan Crisis, Construction Sector, Overseas Contractor Services

Introduction

Construction sector is one of the most important sector in our country in the course of development with its added value and employment aspects. The sector which started to develop in 1920s became the driving power of the economic growth especially in 1980s.

Growth of the construction sector in our country was caused by the housing demand resulted by the rural population's migration to the urban areas and building of the shanty houses to meet

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the this housing demand. Housing needs in reconstruction of the collapsed cities in a devastating earthquake in 1999 also created a demand boost in construction sector.

Turkish construction sector owes its growth to activities abroad as well as the domestic buildup. Turkish construction companies have undertaken more than 7000 projects in 100 different countries until January, 2013 and sum of the projects was valued 242 billion USD. Turkey, which was already among the 12 producers of cement, glass, iron-steel and ceramic products became one of the leading countries in producing the construction materials. (TAMFA;2013)

Without consuming any of the equity capitals or sources and being exempted of the stimulus of exporting the goods, contractorship services abroad represent our country with a success, gain foreign currency, crate employment for Turkish workers, use new technologies, enlarge the experience fields by making partnership with different country's companies and create new markets for mainly construction materials and other Turkish exporting goods. (DPT ;2007)

Countries where Turkish construction companies undertake projects are mostly Russia, Libya and Turkmenistan. However, Turkish contractors have lost their market in Libya after the crises has emerged in this country. Contractors, who have borne the project based investments with Libya for a long time since 1972 and the first abroad, had hard times when the projects were stopped in this country. Contractors have waited for the end of the crisis to complete their half finished projects, but their expectation have come to an end since the stability of Libya is not settled.

Staggered with Libya crisis, Turkish construction sector was able to survive with the precautions of the government and face to different markets in a short time and it is keeping on marching on its path by growing.

1. History of Turkish Construction Sector

Anatolian Peninsula where Turkey stays on has become the world history stage in a centric location since 8000 B.C. when human being adopted the first permanent settlement and then 13 civilizations lived and left magnificent historical sites and architecture structures. Diversity and richness of the Anatolian cultural heritage including Hittites, Romans, Byzantine and Ottomans is an important factor that fed maturing the Turkish construction tradition in the 1000-year course of the development.(Association of Turkish Contractors;2014).

Turkish construction sector whose foundation were seen in 1923s have started with the reconstruction of the country which was devastated by the war. " First construction works initiated were seen with the efforts to provide national unity and generalize transportation networks." (Isik, 2008: 4). In this period, foreign companies were hired since the lack of technical knowledge and qualified personnel, foreign companies were awarded with the first bids of the building projects and then the Turkish contractors were selected as builders as their experience, development, machines and equipments increased. Due to the technical personnel inadequacy, activities were done under the foreign companies' supervision for a certain time. (Isik, 2008:4).

It was especially given weight to the construction of the big substructures between 1950 and 1960. State Water Supply Administration and Highway Administration which have technical capacity and knowledge were established to sustain the investments with the support of the state. (Isik, 2008:4). Migration from villages to cities has increased and caused the demand of the housing and created the shanty housing problems. In 1958, Ministry of Development and Housing was founded to solve the housing problem but no effective solutions were found for the shanty housing problems.

Volume of the investments of the State Water Supply Administration was rather big in 1960s. In 1970s, qualified personnel have shifted to the private sectors and there has been a significant lack of personnel in public sector. On the other hand, since the private sector shifted its activities to the industrial sector and its investments were intensified, construction of the factory-type buildings has increased and it provided the prefabrication systems to be developed in construction technology (Hozan, 2006:12-13). In this period, developing contractorship sector first spread to abroad to make investments in the countries who made big profit of the petroleum price increase in 1973-1974 and wanted their recourses to spend in development, substructure and reconstruction of the country.

In 1980s, form of the shanty housing have changed in rural areas and multi-story buildings were started to be constructed in place of the one-story buildings and roles of cooperatives, Housing Development Administration and Bank of Real Estate have increased.

Even though they were affected by political and economic crises in time, Turkish construction companies who were spread to abroad in 1970s were able to survive until now by growing. There is no doubt that the role of construction sector is a rather big over the GDP which started to grow since 2002. Turkish construction sector has always grown except in 2001 when an economic crises experienced, in 2008 when the financial crises emerged in US banking system and affected the whole world and in 2009 when the crises deepened.

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Table 1: 2001-2013 year between GDP and Construction Industry Development Speeds

Year	GDP Growth Rate (%)	Construction Sector Growth Rate **(%)**
2001	-5,7	-17,4
2002	6,2	13,9
2003	5,3	7,8
2004	9,4	14,1
2005	8,4	9,3
2006	6,9	18,5
2007	4,7	5,7
2008	0,7	-8,1
2009	-4,8	-16,1
2010	9,2	18,3
2011	8,5	11,2
2012	3,1	1,5
2013	4.0	7.1

Source: TUİK data

Construction sector which has the % 5,9 of the Gross State Product and employs 1.8 million people, has an important role in Turkey's economic development. When considered the direct and indirect effects on the other sectors, construction sector has %30 share in Turkish economy and %10 share in non-agriculture employment (TMB; 2014). Sector which has a big potential nationally and internationally, is called as a "locomotive sector" with the ability of mobilizing the more than 200 sectors connected to itself and a "sponge sector" with creating big employment recourse (Kilic, 2008:29). According to results of a study carried out in U.K., there are 23.000 parts in an average house relating to 150 different occupational branches. When considered that no economic activities have such a power to create direct or indirect effects, irrevocable value of the locomotive power of the sector is clearly seen for the developing countries (INTES;2014). Construction sector which is affecting directly sectors such as cement, ceramic, kitchen goods, iron-steel, ready mixed concrete, construction goods, roofing, paint and glass enables these sectors to grow by increasing their use of capacity.

Apart from that, construction sector has a very important role in employment. While unemployment was 2 million 743 thousand people in our country in 2013, construction sector provided %7 of employment. Employed people number in construction sector in the summer time increases and reaches an average of 1,6 million annually (konutder;2013)

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Table 2: 2007-2013 Construction Sector Employment Numbers

Year	The number of persons employed in Construction
2007	1.224.000
2008	1.125.000
2009	1.297.000
2010	1.442.000
2011	1.512.000
2012	1.647.000
2013	1.954.000

Source: TUİK data

2. Overseas Contracting Services

Only information on when the Turkish contractors directed to abroad is that Sezai Turkes left for Saudi Arabia in 1965. Turkes went there to study water main of Mecca, was not able to get the project but he first experienced foreign countries' atmosphere in heat of the hell. Second attempt of Sezai Turkes was in 1968 for Libyan Tripoli Harbor which was wanted to be downsized. Although the studies of months, Sezai was not able to find chance to prepare the offer file. Muammer Kaddafi toppled down King Idris who was under treatment in Bursa and acquired the power, and the harbor project fell asleep until 1973, almost five years (akt.Tayanc ,2011;34)

The fact that there is no adequate information when Turkish contractors were mobilized and found job abroad made people accept the year 1972 as "starting year" of "contracting services abroad". In 1972, upon the point of view, ENKA or STFA started to work abroad (Tayanc ,2011;34). In 1973 and 1974 with the petroleum crises, working abroad continued to invest in the countries who made big profit of the petroleum price increase and wanted their recourses to spend in development, substructure and reconstruction of the country (Isik 2008: 4).

Fist country where Turkish companies exported their contracting services was Libya in 1972, and the first project was the Tripoli Harbor construction with a value of 109.000.000 USD (INTES; August 2013). Turkish contractors started their projects in this country by importing the required technologies from European countries, and they faced towards other countries in Middle Asia in less than 10 years. With its %68.28 share, Libya became the number one market of the Turkish contractors when they first open to international arena. Market shares within other countries were Saudi Arabia (%14.32), Kuwait (%10.62), Iraq (%6.72), Greece (%0.05) and Iran (%0.01). Main activity fields were housing (%32.1), harbor (%18.1), industrial facilities (%15.6), road/bridge/tunnel (%11.7) and urban substructure projects (%8.2) (TMB;2014)

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Between 1980 and 1989, Even though contractor made their the most activities in Libya, export rate has shrinked from %72.53 to %55.2. However the biggest drop in export to Libya was seen between 1990 and 1999. Because of the economic and political uncertainties in middle east and Libya, Turkis construction sector directed to other markets and there has been a market diversity comparing to the previous years.

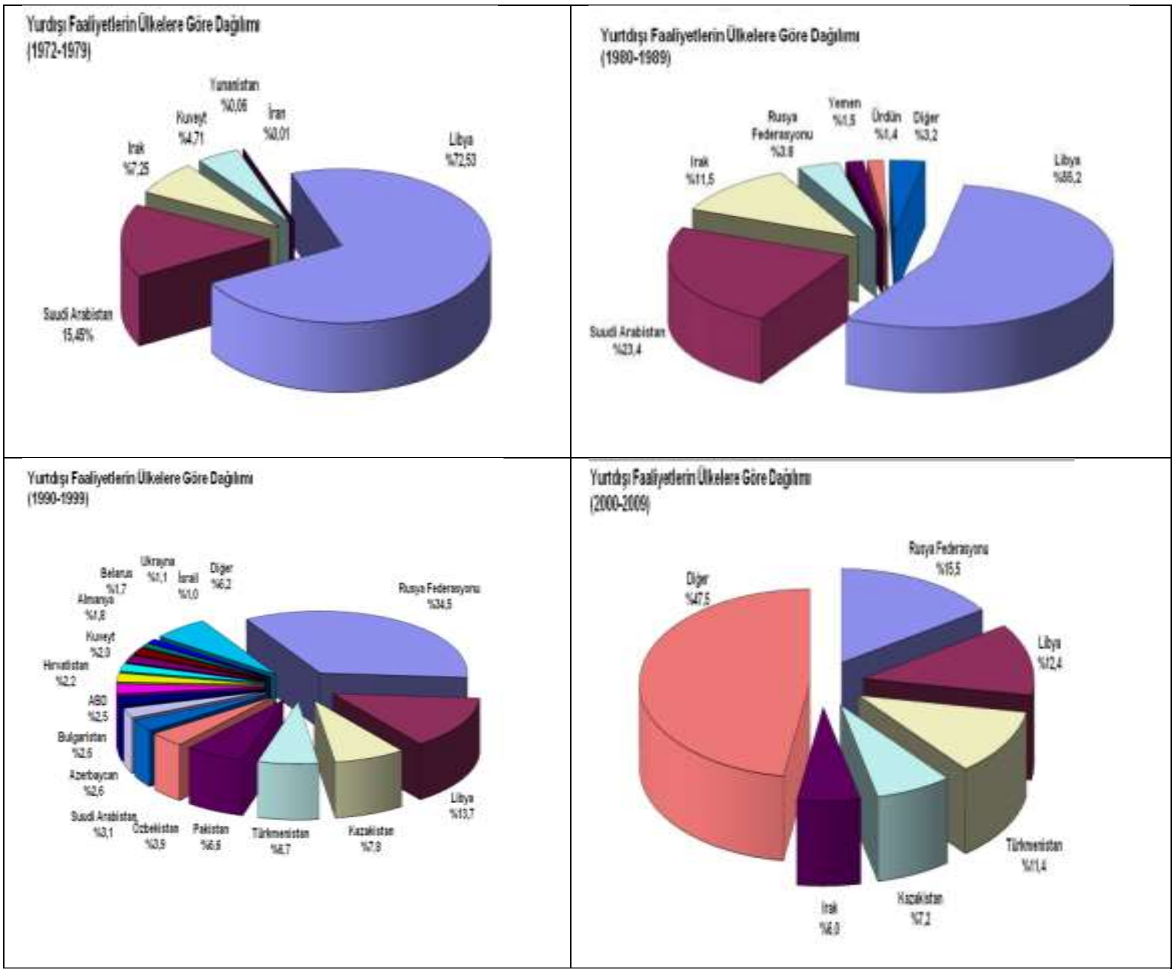

Figure 1: Distribution of Turkish Contractors of Company Activities Abroad (1972-2009) . Source: TMB

When activities abroad were assessed between 1970 and 2010, Russia is seen the most extensive market of the Turkish contractor companies with %18 and Libya the second with %14.1. Turkmenistan, Kazakhstan, Algeria, Romania, UAE, Qatar, Saudi Arabia and Iraq were the other countries where Turkey exported. (Figure 1).

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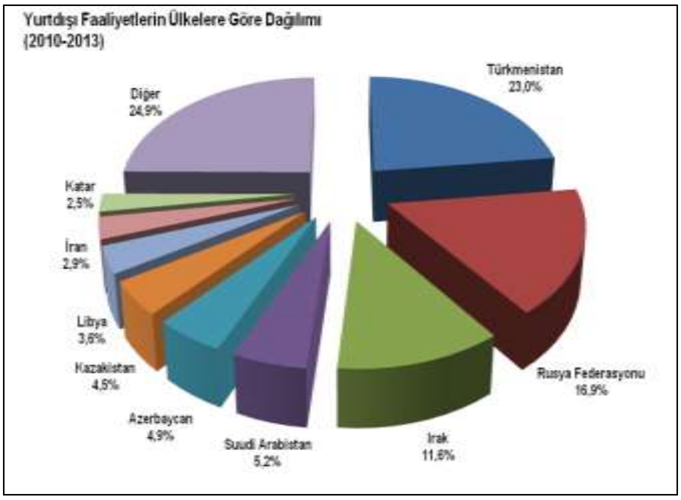

Figure 2: Distribution of Turkish Contractors of Company Activities Abroad (2010-2013) Source: TMB

Between 2010 and 2013, Turkmenistan had the biggest share with %23 and Libya's share dropped to %3,6 in foreign activities. (Figure 2).

Turkish contractor companies are mostly seen in the house building field when their activity fields abroad are assessed. Their activity fields and shares in respect with the years are given in Table 3.

Table 3: Other Operating Area by Year of Turkish Contractors

1972-1979		**1980-1989**		**1990-1999**		**2000-2009**		**2010-2013**	
Field of Activity	(%)	Field of Activity	(%)	Field of Activity	(%)	Field of Activity	(%)	Field of Activity	(%)
Housing	32.1	Housing	36.7	Housing	24.9	Road / Bridge / Tunnel	14,0	Road / Bridge / Tunnel	15,8
Port	18.1	Urban Inf.	17.2	Road / Bridge / Tunnel	12.7	Housing	12,6	Business Center	11,8
Industrial Plants	15.6	Road / Bridge / Tunnel	7.0	Industrial Plants	9.0	Airport	8,0	Housing	9,8
Road / Bridge / Tunnel	11.7	İrrigatio n	5.4	Business Center	8.1	Sports Plant	7,0	End. Tesis	8,8
Urban Inf.	8.2	Health Facility	4.1	Tourism Facility	5.9	Business Center	7,0	Pipe Line	8,3
Other	14,20	Other	29,6	Other	39,7	Other	51,4	Other	45,5

Source: TMB

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Turkish construction companies have also paced in international competitions as well as the domestic rivalry; In 2012, 33 Turkish construction companies took place in the list of "The Biggest 225 International Contractors of The World" publish by "Engineering News Record Magazine" which is one the leading publications in the sector and Turkey came second after China. While there were only 8 companies in this list in 2003, the company number raised to 33 in 2010 (Engineering News- Record). Turkish companies which took their place in ENR list between 2012 and 2014 are given in Table 4.

Table 4 : Between the years 2012 -2014 Turkish contractors located in the ENR list

Companies	**2012**	**2013**	**2014**
Renaissance Construction, Ankara	81	64	53
Enka Construction & Industry Co. Inc., Istanbul	95	79	52
Tekfen Construction and Installation Co. Inc., Istanbul	88	85	101
Polimeks Insaat Taahhut ve San Tic. AS, Istanbul	56	90	86
ANT YAPI Industry & Trade JSC, Istanbul	100	94	107
TAV Construction, Istanbul	106	103	83
Calik Enerji Sanayi Ve Ticaret Anonim Sirketi, Istanbul	129	111	157
GAMA, Ankara	94	118	206
Yuksel Insaat Co. Inc., Ankara	120	124	132
Cengiz Construction Industry & Trade Co. Inc., Istanbul	132	127	146
IC Ictas Insaat Sanayi Ve Ticaret AS, Ankara	168	129	103
Onur Taahhut Ticaret Ltd. Stl., Ankara	136	135	138
Atlas Group, Ankara	202	145	153
MAPA Insaat ve Ticaret AS, Ankara	142	146	172
Nata Construction Tourism Trade & Industry, Ankara	148	150	116
Yapi Merkezi Insaat ve Sanayi AS, Istanbul	143	159	127
Kayi Insaat San. ve Tic. AS, Istanbul	160	171	169
Kontek Construction, Istanbul	213	174	195
Alarko Contracting Group, Gebze/Kocaeli	135	176	162

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Limak Insaat Sanayi ve Ticaret AS, Ankara	181	180	163
Eser Contracting and Industry Co.Inc., Ankara	198	182	176
Tepe Insaat Sanayi A.S., Ankara	162	188	217
Aslan Yapi ve Ticaret AS, Ankara	**	189	194
Metag Insaat Ticaret AS, Ankara	173	190	200
Rasen Insaat Ve Yatirim Ticaret AS, Istanbul	175	196	203
Summa Turizm Yatirimciligi AS, Ankara	193	198	187
Hazinedaroglu Construction Group, Istanbul	**	200	150
TACA Construction Inc., Istanbul	191	201	198
Dogus Insaat ve Ticaret AS, Istanbul	178	203	224
Nurol Construction and Trading Co., Ankara	154	208	179
Dorce Prefab. Building & Constr. Indus. Trade, Ankara	**	212	**
Yenigun Construction Inc., Ankara	179	213	212
Lotus Muteahhitlik AS, Ankara	**	215	215
MAKYOL Constr. Indus. Tourism & Trading Inc., Istanbul	214	218	**
GAP Insaat Yatirim ve Dis Ticaret AS, Istanbul	165	237	235
STFA Construction Group, Istanbul	201	240	230
Kolin Insaat Turizm Sanayi ve Ticaret AS, Ankara	**	242	219
Gurbag Group, Ankara	**	243	228
ILK Construction, Istanbul	**	**	184
Bayburt Group, Ankara	**	**	191
Zafer Taahhut Inşaat ve Ticaret AS, Ankara	**	**	242
AE Arma-Elektropanc, Istanbul	**	**	245
Gulermak, Ankara	**	**	247
TML Construction Co., İstanbul	**	**	249

Source:ENR

Countries' status were given in Table 5 in regard with the company numbers in ENR 225 list between 2008 and 2012. In 2013, in the assessment of ENR company number raised from 225 to 250 and 34 Turkish companies were listed ENR 250 list in 2013.

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Table 5: EN 2008-2012 Contractors Country Ranking

COUNTRIES	**2012 (ENR 225)**	**2011 (ENR 225)**	**2010 (ENR 225)**	**2009 (ENR 225)**	**2008 (ENR 225)**
Gin	52	51	54	50	51
Turkey	**33**	**31**	**33**	**31**	**23**
US	26	22	20	25	35
Italy	19	23	22	26	22
Japan	14	13	13	15	16
Spain	12	13	11	11	11
S.Korea	12	11	12	13	11
India	5	5	3	2	2
France	4	5	5	5	5
England	4	4	4	5	4
Germany	4	4	4	4	5
other	40	43	44	38	40
total	**225**	**225**	**225**	**225**	**225**

Source : TMB

Between 2009 and 2014, with its %8,5 growth expectations (new, renovation and construction materials), Turkish construction sector which was noticed in the international arena was among those who were very affirmative countries. " Demands for housing, increasing urban transforming projects, expectations in increase in direct foreign investments, planned substructures for renewable energy area and major energy transmission projects passing through Turkey support the growth in housing construction, non-housing and substructure constructions in Turkey. (*TOBB;2011).*

3. Arab Spring and Libya Crises

Arab Spring is a serious of movement of Arab people which is called some names such as protest, uprising, attempt, revolution, revolt and so on that caused countrywide protesting, occupying the public areas, setting fire up the state and police buildings, raiding the prisons, revising and renovating of regime, administration and leaders in Northern African and Middle Eastern countries starting from December 2010 and continued till now. Protests started first in Tunisia as a result of unemployment, political corruption, lack freedom of speech, irregularities and poor living

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conditions in Arab World when Mohammed Buazizi burned himself. Then protests have showed a domino effect and spread into the other countries suffering similar problems (Buzkıran,2013;79).

Before calling the movements of Arab people as "Arab Spring", movement in Tunisa was called as "Jasmine Revolution" maybe because the developments were considered limited to Tunisia. When the uprisings spread into Egypt and Libya, it was talked about "Domino Effect" meaning the progress by enlarging the domain of an event (www.tuicakademi.org/).

Causes of the emergence of Arab Spring that affected many Arab countries fundamentally may be stated as followings; Economic Causes: Unemployment, inflation, poor living conditions, food shortage. Political Causes: presence of the non democratic dictatorship administrations, restricted individual freedoms, reactions against the harsh, suppressive, improper and corrupted administrations. Cultural Causes: Emulating of the people to the more democratic countries and societies that they are aware of with the help of increasing communication- especially Arab youth on the social media- and transportation abilities in such a globalizing world and then revolting against the system. International Causes: Active political support from the western countries, especially the United States, strategic military support by bombarding Kaddafi forces to support the opposition forces. There are many causes leading to the Arab Spring, but the main cause is the economic collapse of the Arab regimes. For this reason, many secular, religious, Muslim, Christian political groups all together shaked the Arab politics. Shared dynamic combining all these different groups is economic failure of the regimes. From this aspect, Arab Spring is not religious like Iranian Regime in 1979 or ideological like Nasser's movement. Arab Spring is a course that the fundamental dynamics such as high prices and housing problems of ordinary people aroused. (Akt;Paksoy vd 2012;50-51)

Libya, third country after Tunisia and Egypt that the Arab Spring spread in, is an African country, once was the part of Ottoman States until 1911, on the Mediterranean cost neighboring Egypt in the East, Algeria and Tunisia in the west, Nigeria and Chad in the South, Sudan in the southeastern with 1.759.540 km2 area and has the 9th of petroleum reserve and 20th of the natural gas reserve in the world. Country was occupied by Italy in World War I and passed completely into Italian control in 1931. Becoming the colony of U.K. and France in 1943, country was the first which had its independence state in 1951 after a long struggle and resistance.

Once was a poor country, Libya became a rich kingdom in 1959 when the petroleum reserves were found. However, people could not find its hope regarding that the income of the petroleum would be spent for problems such substructure, industry and education of the country. That the people of the country continued to live a poor life while the welfare level of the kingdom family increasing caused the fundamentals of the internal unrest in that period.

Countrywide unrest against the injustice income distribution seemed to end with a military coup lead by Kaddafi in 1969, but Kaddafi has taken the all administration since then.

Kaddafi governed Libya for 42 years. Kaddafi had put forth that people was the absolute power in theory with a system he invented named "Cemahiriye", but he kept his role of absolute politics determiner for a long time in practical with the help of his loyal men he emplaced in the key positions. (Report of SETA, 2011). Kaddafi had tried to configure the Cemahiriye System under socialism, nationalism and religion synthesis.

Kaddafi consolidated his position due to the tribal structure of the country, and he triggered the conflicts between the tribes since he ignored some of them and privileged the other, especially the Kaddafi tribes. He was assassinated two times in 1993 and 1996 because of the conflictive environment.

Arab nationalism, Arab unity and socialism were the predominant notions in 20 years of Kaddafi Revolution. But affiliation of two Libyan citizens with the bombing of Pan Am airliner (Lockerbie Disaster) and Kaddafi's reluctance of handing these two people over to Netherland caused Libya to face UN sanctions and this slowed Libyan development course (St John, 2008;91).

After Lockerbie Disaster, Kaddafi abandoned his vision of Arab unity since they stayed silent against the western sanction, then he faced to Africa. In this period, basis of his politics was the fight against terrorism and he collaborated with Unites States after September 11 Attacks. Kaddafi Regime, supporting the United State's fight against terrorism for his own interests, renounced its nuclear program by its own will in 2003 and the United Stated lifted the sanctions that it is implementing unilaterally, and Libya was taken out of the list of the states who finance the terrorism in 2006 (Report of SETA 2011:11).

In 2000s, Kaddafi tried to establish economic relations between Libya and Europe and followed mild policies. Libya, treating petroleum and weapons with European countries, seem to put the relations on solid basis, but criticized the western intervention into African problems, and the economic relation were never able to remove the distrust between Libya and western countries.

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Kaddafi Regime was shaked by many opposition groups together in February, 2011. After the opposition combined under one front and many military personnel left the armed forces, armed struggle paced up and former opposition and military figures and even some political figures once were Kaddafi supporters took key positions to direct the country's futures" (SETA Report, 2011:178).

Opposition in the country was not able to be in an advantageous position until NATO intervention started. After the NATO intervention, balance of power in favor of Kaddafi was degraded and Kaddafi was killed by opposition by lynching in Sirte in October 11, 2011.

Aftermath of Kaddafi's death, internationally recognized National Transition Council (NTC) as the new representative found itself in long and harsh course. While the domestic problems that the NTC will face are presence of the armed groups in the country, conflicts between Kaddafi supporters and tribes to take positions in the country's administrations, foreign problem are expectations of the supporter countries after victory and rivalry environment of reconstruction of the country. Nevertheless, these problem are not solved yet. Conflicts and internal war in Libya still continue after the Colonel Muammer Kaddafi was toppled down. It may be assessed that Libya should solve its problems in an reconciliation manner to look forward with hope

4. Effects of the Libyan Crisis on Turkish Construction Sector

Development in Libya affected the Turkish contractors too bad whose %15 of abroad business in that country. Latest development in Libya made contracting companies whose worksites were looted, employees were withdrawn to Turkey and companies that try to push their endurance with the hope of continuing the projects and ending this period postpone their hope of returning to Libya (TMB). Besides, Libyan Prime Minister Thinni made Turkish contractors lose their hopes announcing that they were planning not to let Turkish companies work in Libya anymore and Turkish companies will be alienated from the government bids. This decision may make Turkish companies actually unable to work in the country.

Value of the total works in Libya, one of the most important markets of Turkish contractors until 2011 crisis, is 26.43 billion USD between 1972 and 2012. 16 billion USD of this work was awarded in last four years and it contains the mostly continuing projects. Subjected projects are sustained for an uncertain time due to uprising, civil war and military interventions in Libya. While the project value was 11 billion USD before the crisis, value of the projects was only 1.3 billion USD between 2011 and 2012.

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Table 7: Cost of the project made with Libya

Year	Libya Project Cost (Billion Dollars)	Share %
2008	3.391.581.897	14.3
2009	4.210.110.925	18.9
2010	2.460.471.259	12.1
Between 1972-2010	26.427.390.073	14.1
Between 1972-2012	27.766.547.408	11.4

Source: Compiled from data TMB

Worksites of the Turkish contracting companies were looted and burned and 25 thousand Turkish workers had to come back to Turkey because of this unexpected crisis in Libya. According to TMB, total value of the half completed projects being carried out by more than 100 companies, mostly member of the union is 19 billion USD and the value of the completed but not cashed is 1 billion USD. Retainage and security assurance value of the continuing projects is 1.5 billion USD and calculated value of the inventories such as machinery and equipment other losses is 1,1 billion USD. In the course, companies had to pay very high amounts for the assurance and import credit commissions, letter of indemnity, subcontractors' contracts, other compensations, cost of financing and security of the worksites. Although there has been an agreement reached between Turkish and Libyan Ministry of Economy and a negotiation board was settled composed of related institutions of two countries to determine the loss of the companies and a road map for solution of the related problems, the board has never come together and made a progress for the claims of the works completed (paraleltaarruz;2014).

During this time, Turkish contracting companies started to look for alternative markets. These efforts resulted in 2012 and Turkmenistan took the first place with %18.4 share in the diverse contracting markets abroad. Iraq (%16.5), Russia (%13.7), Saudi Arabia (%8.4), Iran (%7.0), Ethiopia (%6.4) and UAE (%4.8) followed Turkmenistan.

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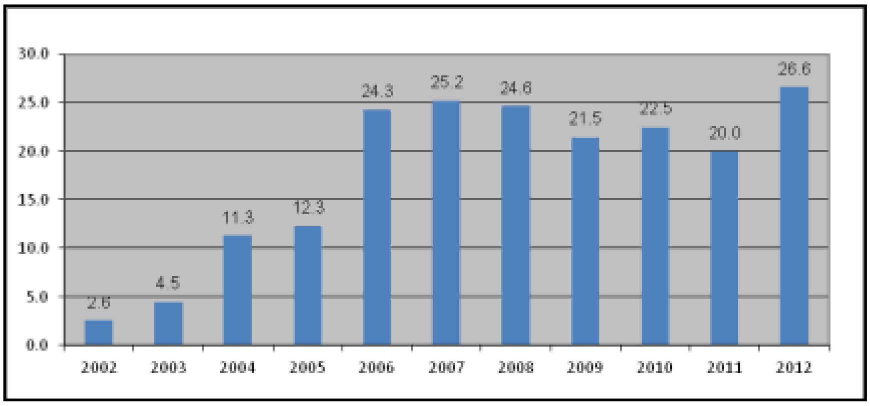
Table 8: 2012 Featured Markets in Year

	Number of Projects	Project Cost (US $)	Share (%)
Turkmenistan	80	4,885,604,764	18.4%
Iraq	114	4,384,036,891	16.5%
Russian Fed.	40	3,640,667,064	13.7%
Saudi Arabia	27	2,245,458,430	8.4%
Iran	4	1,855,495,000	7.0%
Ethiopia	1	1,699,900,000	6.4%
UAE	5	1,288,870,744	4.8%
Train	15	892,285,480	3.4%
Morocco	5	860,986,410	3.2%
Other	150	4,857,068,147	18.3%
	441	26,610,372,930	100.0%

Kaynak: TMB

Contractors' works abroad which was in an growing trend since 2002, dropped to 20 billion USD value with the Libya crisis in 2011 and experienced a 2.5 billion USD loss comparing the previous year. Besides many projects were left uncompleted and worksites of the Turkish contractor were looted. However , Turkish contractors' journey abroad starting with Libya in 1972 have risen again in 2012 with the help of other leading markets and projects' value jumped to 26.6 billion USD annually exceeding the previous year's sum.

Table 9: Turkish Foreign Contracting Services (Billion US $)



Source:TMB

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Turkish construction sector rose its success rate higher in 2013. Total value of the 374 projects in 45 different countries reached to 31.3 billion US in 2013. First time in its history, sector exceeded 30 billion USD level on a year basis and reached highest volume of projects in a year. South Sudan and Senegal joined the league of countries where Turkish contractors having projects abroad. Turkmenistan was the country where the Turkish contractors have projects the most in 2013. Turkmenistan with 60 projects in 10,5 billion USD value was followed by Russia with 5,6 billion USD, Azerbaijan with 2,8 billion USD, Iraq 2,1 billion USD, and Kazakhstan with 1,8 billion USD. On the other hand Iraq was the country where Turkish contractors had the most projects in number with 65 projects .(Yurtdışı Müteaahitlik ve Teknik Müşavirlik Hizmetleri;2014)

CONCLUSION

Our country in a course of transforming into the strong economy and a member of G20 countries. According to the OECD data, Turkey will be the third in growth rate in 2017 following China and India. (INTES report:2014:2). It is a fact that construction sector is one of the fundamental actors along with the others which have the direct and indirect effects to GDP with its huge share.

Even though the sector has continuously grown since 2003, it has some imminent problems to be solved. According to SWOT analysis made by INTES, some of the weaknesses of the sector are;

- Abundance of the contractors, since the it is easy to enter and exit the sector,
- Shrinking of the work volume because of the contractors number,
- Abundance of the bureaucratic obstacles,
- His
- gh costs of the man power,
- Little amount of certified workers,
- Weak financial substructure,
- Insufficient research and development activities,
- Little amount of the consulting companies,

Apart from these, problems with country's policy, high inflation rates, legal problems, government policies and world policies pose huge risk factors for the sector. Problems that the construction companies abroad face are;

- Assurance problems with the banks,

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- Lack of an insurance system that assuring the contracts abroad against the political and commercial risks,
- Considering the sector as an service exporter and not taking advantages of supports that the merchandise exporters are benefited,
- Turkish contractors' destitutions from the supports and stimulus that the other foreign companies are benefited in the international markets. (Aydin24 haber;2014).

In addition to these problems, employees of the sector whose lives were jeopardized in 2011 Libya crisis had suffered very much. In our developing country, it should be a priority that the construction sector should be reinforced to struggle with the global crisis and provided to get out of the crisis with minimum damages. There should be effort to search for new markets for the development of the contracting services abroad and company activities should be supported in the countries they serve. Quality standardization for the structures should be developed by establishing cooperation with all partners including the universities. Legal substructures that the sector needs should be completed in the scope of the cooperation with the market countries. There should be market analysis get done regarding to the expectations of the sectors abroad by cooperating with the special research companies abroad. Under the condition of the current problems solves, growth in sector is an expected development thanking to the experiences of international projects.

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