

Turkish Transport News

INTERMODAL

Combined Transport and Logistics Systems Magazine

Issue 27

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Vital connections in Turkey, specifically in İstanbul, where two continents hug each other, are coming into life one after another. There are significant leaps in every field of transport and logistics with strait and gulf bridges some of which have railway tracks; underwater tunnels for automobiles and trains; giant airports; newly opened and improving seaports; fast trains and even with new energy lines.

When intercontinental traffic is in question, one should not ignore the ferries that have successfully been serving between various cities like İstanbul, Bursa, Yalova, Bandırma and Çanakkale. In addition to these inland waterways, RO-RO operators that run scheduled international trips have reached global scale investment and service quality levels. Nearly 300 thousand vehicles use RO-RO lines for transports especially to and through Italy and France on annual basis.

I trust that everybody can clearly see the transport opportunities, service advantages and logistic progress that Turkey has and offers. But among all the improvements in the country, especially the motorways in Turkey deserve a separate and dedicated subtitle. Divided roads that are alternative to express highways and modern motorways enable comfortable and safe driving. Thanks to those roads that became shorter and whose quality significantly increased in the last decade especially though the tunnels, it has become much easier to go to Bulgaria and Greece in the west, to Georgia, Iran, Iraq and Syria in the east and south.

Railways are in progress as well. In addition to the investments into the national lines, Baku-Tblisi-Kars railway will enable the passage through another difficult landscape. When the project is realized - together with integration of Marmaray line - it will be possible to transport goods non-stop from Europe to China. The line that passes through the territories of Turkey (76 km), Georgia (259 km) and Azerbaijan (503 km) has total length of 838 kilometers and will cost 450 million US dollars. Mid-term projection of goods transport through the line is 3 million tons per year. By the year 2034, 16 million 500 thousand tons of goods and one million 500 thousand passengers are expected to be transported. But it has not been only the infrastructure of Turkey that yielded a lot of opportunities; legal substructure has also improved noticeably. A number of acts compatible with EU regulations have been adapted. International conventions including ADR convention have been signed. These helped many related problems to be solved. Drivers have gained ADR licenses. This has helped overcoming interruptions in chemicals industry that has a European-integrated production and logistics process. Bridges, ferries, new road, tunnels, canals, airports and their opportunities are all brilliant. ■

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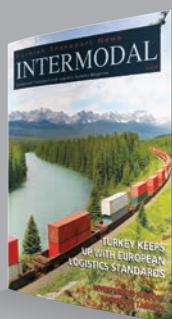
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TURKISH AUTOMOTIVE SECTOR RESULTS AND EXPECTATIONS

Adnan AĞAÇLI
Board Chairman



► The total vehicle production increased by 9 percent to 1 million and 486 thousand in 2016 as compared to previous year while the automotive production increased by 20 percent to 951 thousand in the same period. The total market reached 1 million and 8 thousand in 2016, similar to the previous year. The total automobile and light commercial vehicle market increased by 2 percent to 984 thousand. The automobile market increased by 4 percent to 757 thousand in the same period. Domestic automobile sales increased by 2 percent and international automobile sales by 5 percent. The automotive exports increased by 15 percent while the automobile exports increased by 23 percent in 2016 as compared to the previous year. The total exports reached 1 million and 141 thousand while the automobile exports reached 746 thousand in this period, meaning that a new record was broken in total exports. The automotive industry also made the most exports to EU countries in February. Exports to Union countries increased by 21 percent to \$ 3.4 billion. In the first two months of the year, the sector increased its exports by 23 percent and reached an export value of 4.2 billion dollars, also

increased in the Far East and Asian markets. Exports to the Russian Federation increased by 19.49 percent in the first two months of this year, raising the export figure by \$ 37.4 million. Exports in the first two months of the year the automotive industry made to Iran increased by 134 percent to \$ 77.6 million. In the first two months of the year, exports also increased to the American continent, which is from distant markets. While automotive industry exports to Canada grew by 650 per cent, exports to Mexico increased by 145 per cent, to Brazil by 6.4 per cent, and to the United States by 13.47 per cent.

2017 Estimations and Expectations

The economic data formed by the experts in 2017 increased our concerns slightly for 2017. Our concerns are mainly based on: The automobile and light commercial vehicle market decreased by 3.8% in the first two months of 2017. The automobile sales decreased by 5.63% to 60.347 while the light commercial vehicle market increased by 1,62% to 21.941. Despite our concerns for 2017 and the results of the first two months, we expect an increase trend in the automotive sector in the second half of 2017. Both the increase in exchange

rates and special consumption tax will gradually affect the domestic market prices for the automotive sector in the first months of 2017. A major shrinking is expected in the market in the first quarter of the year. However, the exchange and interest rate trends in the second quarter will determine how the market will develop throughout the year. Despite relatively negative signals deriving from economic data, the government and sector dynamics will not be indifferent to the adverse developments and will give the necessary support. Therefore, we hope that 2017 will end with a low level of loss or around 850 to 900 thousand, closer to 2016 figures. That is because we believe that the Turkish automotive sector has a better potential and margin. As Arlod, we are sure that the Turkish Automotive Sector will maintain its production, export and market share and continue its sectoral growth like in the previous years thanks to its dynamic structure. Thanks to the investments made by the Turkish automotive industry in R&D and engineering fields in the last years, capacity increase and new model launches, we expect and hope that Turkey become the most important European hubs for automotive production. ■

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TURKEY DESPITE EVERYTHING

İlker ALTUN
President - Aysberg Group



► Turkey has problems resulting from its surrounding region that also affects the country itself. But in the meantime, new possibilities are rising as well. Iraq gate closes, Syrian passages halt but Iran and Russia, on the other hand, afford some new opportunities. Iran has attracted much attention after the removal of embargo. Potential of goods transport to Iran directly from Turkey and from Europe as well is very high as the requirements in the country have boomed.

Russia, on the other hand, is a huge market itself. Turkish transporters and logistics operators have experience in and relations with the country and know its roads, ports, warehouses, customs and all kinds of working conditions. This knowhow presents great opportunities also for the western companies. Instead of reaching Russia from north and with limited options, it is possible to opt for more economic, stronger and various solutions that are available in Turkey.

Turkey is surrounded by territories suffering wars -that also affect Turkey - but also the ones that yield many opportunities. Turkey has been well positioned and paves the way with brand new projects and investments. Yavuz Sultan Selim Bridge is among those sparkling projects that cost 3 billion US dollars with its 116 kilometers of motorways, railway connection and with its 59-m width, holds the title of being the widest suspension bridge.

Marmaray passage that links Asia to Europe under water for the first time is a realization of a historic Turkish dream. The line has attracted great attention and millions of people have already used it. Eurasian Tunnel that recently opened is another option to link not only the two sides of the city but also the continents.

Another important construction is the Osman Gazi Bridge which is a suspension bridge across the Gulf of İzmit along the eastern end of the Sea of Marmara. It offers an advantageous option for the way to the southern city of İzmit by the Aegean Sea. On the crossroads of İstanbul, İzmit (Kocaeli), Adapazarı (Sakarya) and Bursa, the cities where the heart of Turkish industry beats, the bridge crosses the gulf of İzmit that is surrounded by seaports and shortens the way to the Aegean Region.

The bright project – the new İstanbul airport is under construction. The project attracts global attention for being one of the largest airports in the world and claims to make a lot of changes in the world of aviation. Alongside the works for passenger traffic, infrastructure investments for cargo operations are continuing. Logistics operators that have expansive network have already taken their places at the site.

Some further projects are developing and some of them have already been started. Tube tunnel is among them and the project, which has already been given a start, will be a new link

between Asia and Europe with a railway connection.

Çanakkale Bridge is a project that is directly designed for connection of Europe and Asia. With that bridge the cargo going to the south of Turkey will no longer have to go through İstanbul or wait in the ferry queues. The construction of the bridge will ease the traffic to the Aegean Region and beyond and also stop the traffic extending to İstanbul. Kanal İstanbul, on the other hand, is exactly a 'crazy project' just as it was defined when it was first announced to public. The project refers to the construction of a new and artificial strait in the west of the İstanbul Strait. This will help reducing the marine traffic from and to the Black Sea through the strait while minimizing the risks and dangers of the oil tankers threatening the city. The facilities of the project will also contribute to the trade and logistics needs of the countries by the Black Sea and it will be possible to develop new projections related with the goods coming via the Danube River.

The non-stop projects and actions highlight the importance of development in the field of logistics. Turkey's infrastructure proves to be capable of providing logistics services to the entire world. And despite everything Turkey is growing, developing. Logistics' actors who have relied on and invested in Turkey so far have profited out of it. And there is no special reason that they will not do so anymore. ■

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ÇETİN NUHOĞLU RE-ELECTED UND PRESIDENT

- Çetin Nuhoglu was again elected president at the 39th General Assembly of the International Transport Association (UND).

The General Assembly meeting of the UND celebrating its 43rd year this year was held in Istanbul from March 4-5. Transport and Maritime Affairs Minister Ahmet Arslan and Minister of Customs and Trade Bülent Tüfenkci attended the General Assembly, where Cetin Nuhoğlu was elected again. A large number of transporters participated in the general assembly, which gave good news about the sector. In the general assembly activities; While selecting the new management board and chairman, the necessary things to be done about the future of the industry were also discussed with the panels made. The World Trade Organization's Trade and Economic Facilitation Agreement on Economics and External Trade Impact emphasized the importance of world trade growth

through the removal of non-tariff barriers. The time when the goods subject to exportation will be able to pass the borders without waiting in customs anymore will start and the steps to be taken as Turkey were invested in the table.

UND President Çetin Nuhoğlu said that UND developed the sector from the first day it was founded. Nuhoğlu stated that "Logistics sector is one of the sectors that will provide economic development based on competitive, sustainable, export-based economy of the Turkish Economy. We can proudly say that the first 500 companies in this year's service exports have more than 200 logistics companies in tourism and abroad as well as contractors and service exporters. After 19 billion dollars of tourism service export revenue, logistics is second rank with 14.5 billion dollars."

Transport Minister Maritime and Com-



munications Minister Ahmet Arslan, who attended the UND General Assembly meeting, pointed out the importance of the work carried out on the new transport corridors by removing obstacles in front of the transport. "We need to work in transport corridors," said Arslan. "We see the big picture and complete the transportation corridors. We are trying to make life easier by doing these things. The sector we are in is indispensable for the growth of the country's growth, towards its 2023 targets. If you do not build a healthy commercial structure, you can not improve how well you do your infrastructure. We look at it this way" he said. ■





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BAKU-TBILISI-KARS RAILWAY PROJECT TO BE COMPLETED SOON

► Minister of Transport, Maritime Affairs and Communications Mr. Ahmet Arslan has met non-governmental organization officials and opinion leaders. Commenting on many projects, Mr. Arslan has also given information about Baku-Tbilisi-Kars Railway Project and said: "We hope that the testing phase will start in March - April thanks to heavy construction works. It is of great importance for us and the neighboring region that the project will end in the second half of 2017."

Baku-Tbilisi-Kars Railway Project will be opened in the early second half of 2017 thanks to heavy construction works in March and April.

"The project will benefit both the region and Turkey"

Giving a speech at the meeting, Mr. Arslan underlined the importance of the development of the neighboring region and remarked that: "If not only Kars but also the surrounding region including Ardahan, Iğdır, Ağrı, Erzurum and Artvin develop with the project, both the surrounding region and Turkey will benefit."

Telling that they

have completed a number of projects and will continue to organize many more, Mr. Arslan further commented as follows: "Baku-Tbilisi-Kars Railway Project is of great significance both for Kars and the surrounding region but is a slightly delayed one. The delay was caused by the pending lawsuits. We were thinking of working more especially this winter. However, this winter is very cold and there is heavy snow. Thanks God for the winter and snow. But it prevents the construction works. We hope that the testing phase will start in March - April thanks to heavy construction works. It is of great importance for us and the neighboring region that the project will end in the second half of 2017."

An important phase of modern Silk Road

The construction of Baku-Tbilisi-Kars railway line has been on the agenda for long years. It is known as Silk Railway Road. The railway line will pass start from Baku, Azerbaijan and pass through Tbilisi and Ahılkelek, Georgia and end on Kars, Turkey. This railway line aims for uniting Azerbaijan and Turkey. The railway line is 838,6 kms long and will cost 450 million in total. 76 kms of the railway line will be located in Turkey, 259 kms in Georgia and 503 kms in Azerbaijan. ■





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ÇANAKKALE BRIDGE TENDER IS COMPLETED

► The tender for the construction of a bridge on Çanakkale Strait aiming to unite Europe and Asia on a different route has been awarded. Minister of Transport Mr. Ahmet Arslan announced that the tender was awarded to the consortium of Daelim (Korea) - Limak - SK (Korea) and Yapı Merkezi Joint Venture. The Joint Venture has offered that the bridge and highway will be constructed in 16 years and 2 months and 12 days. This offer of the shortest construction time among others has ensured that the Joint Venture was awarded the tender.

Çanakkale Bridge will be the longest suspended bridge of the world with a center span of 2 thousand and 23 meters. The distance between the bridge piers will be 2 thousand and 23 meters. 2x3 lanes will be constructed on the bridge. Çanakkale Bridge is planned to be opened in 2023, being the 100th year of the Republic.

Marmara Highway Project will be completed with İstanbul-İzmir Highway including Osmangazi Bridge, Northern Marmara Highway including 3rd Bridge and Kınalı-Tekirdağ Çanakkale-Balıkesir Highway Projects. The Ring Project will be completed with the bridge to be constructed on Çanakkale Strait.

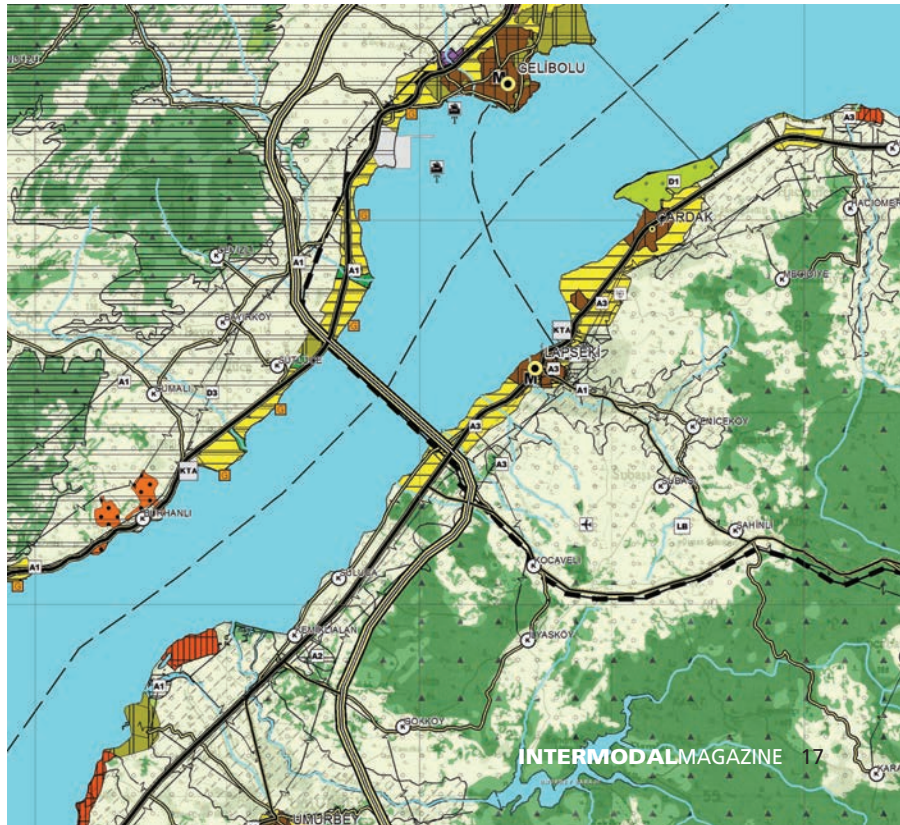
İstanbul-İzmir and Northern Marmara highways, being the two parts of Marmara Highway Ring, are currently in the construction phase. The third part of the project will be Kınalı - Tekirdağ Çanakkale - Balıkesir Highway.

Build-Operate-Transfer Model

Malkara-Çanakkale section (including 1915 Çanakkale Bridge) of Kınalı - Tekirdağ - Çanakkale - Savaştepe Highway Project has been tendered by the General Directorate of Road of the Ministry of Transport, Maritime Affairs and Communications with build, operate and transfer model. The successful tenderer will finance, prepare the project of, construct and operate, maintain and repair Malkara-Çanakkale Section during the operation period within the framework of the predetermined principles and procedures and deliver the highway in good condition, well maintained and free of any debt and undertaking to General Directorate of Road against no payment.

24 Companies Received Tender Specifications

Minister of Transport, Maritime Affairs and Communications Mr. Ahmet Arslan gave the following information regarding Çanakkale Bridge: "24 companies received tender specifications for 1915 Çanakkale Bridge tender. Nearly half of them are Turkish companies. The rest is Chinese, Japanese, Korean and Italians. Some of them are large companies having completed construction projects both in Turkey and abroad. Based on the assumptions of the tender specifications, we hope that 4 to 5 groups will bid for the tender. Bids will be made tomorrow." ■





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NEW CUSTOMS LAW IS DRAFTED



The new Customs Law of Turkey has been drafted and is currently evaluated by the sector representatives. The draft law introduces many new practices from transformation to digital customs environment to the Authorized Economic Operator Certificate.

► Mr. Sercan Bahadır, EY Global Trade Leader and Senior Manager, made the following remarks on the draft law: "The main objective of the new EU Customs Code is to facilitate the internal trade. The Code introduces new practices such as "a digital customs environment (a gradual transformation till 2020)" and "Authorized Economic Operator (AEO) Certificate", and "Central Customs Operations and Self-Assessment" option. We expect that the new customs law will introduce similar practices. The draft law includes corporate structures that quicken the customs transactions and tax payments of authorized economic operators similar to the ones in the EU Customs Code. For instance, AEOs can make

a collective customs declaration payment for more than one customs declaration if they satisfy the collateral related terms (like the VAT declaration payments). This is a remarkable innovation taking into consideration that the current customs law requires that each customs declaration should be made separately for each customs transaction. Similarly, central customs transactions opportunity also has a similar purpose. These new options will only be accessible to AEOs. Currently 46 companies have received AEO certificates. This number should increase more. As this number increases, the companies will better understand the innovations introduced by the new customs law." Stating that new customs law aims

for facilitation of trade activities, Mr. Sercan Bahadır further commented as follows: "Therefore, not only legislative changes but also electronic infrastructure changes will be made. This purpose will also change the customs transactions model. We believe that the logistics companies will need to change their transport strategies. Especially AEOs will prefer on-site customs and central customs options, which are directly related with the logistics companies. AEOs will want to engage logistics companies that also have an AEO certificate. Moreover, trade activities carried out with inward processing regimes also require AEO. From this respect, the AEOs which are considered as reliable will become more important with this new law." ■



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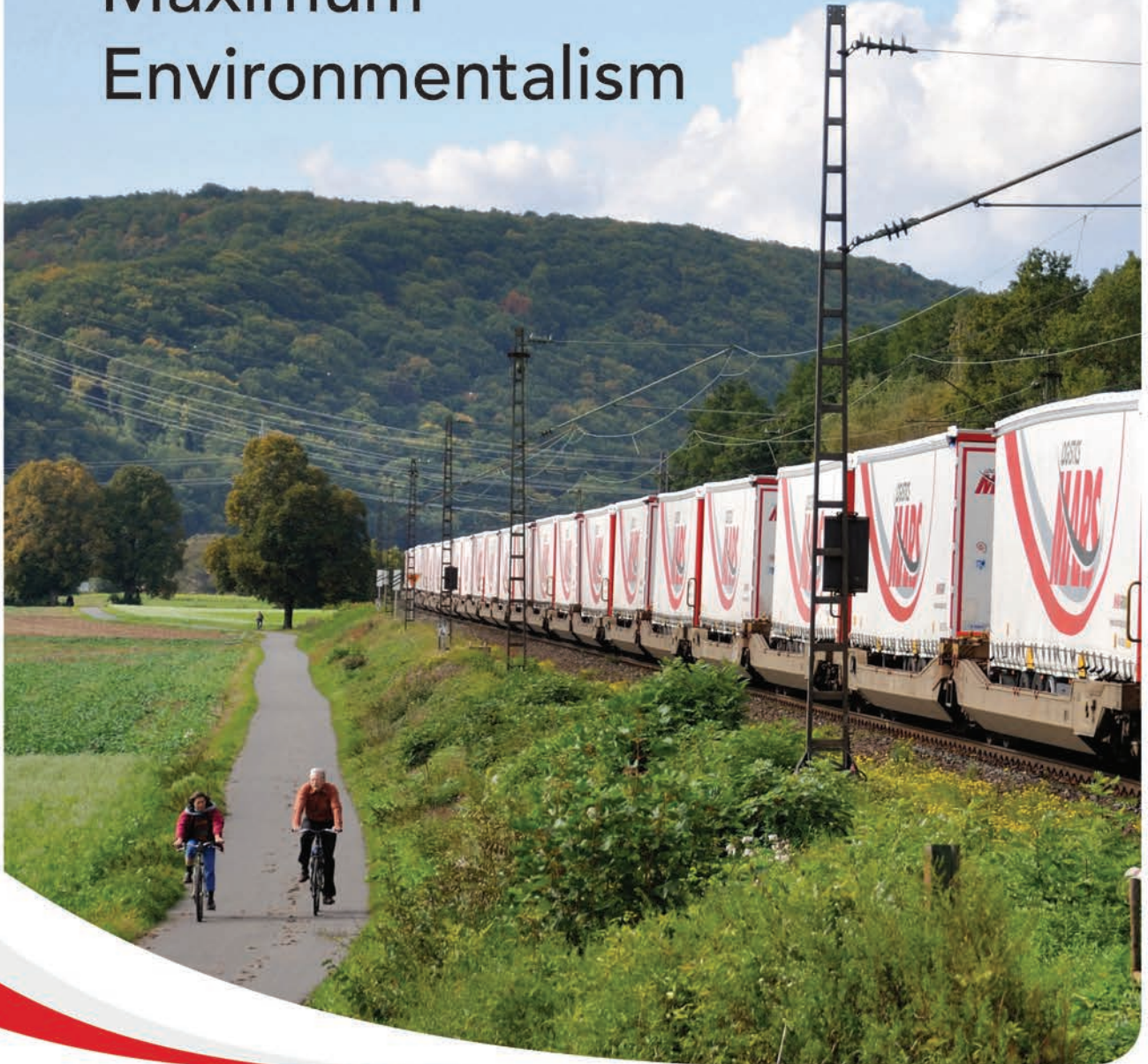
LOGISTICS SECTOR VOLUME INCREASED TO 7.17 TRILLION US DOLLARS

► Transit 2016, International İstanbul Transport Congress and Exhibition was held from December 1 to 3, 2016 by İstanbul Metropolitan Municipality at İstanbul Congress Center. The theme of the Congress and Exhibition was "Future of Public Transport 4T". Making a presentation on "Autonomous Trucks and Digital Goods Brokering" in the panel on "How Smart Technologies Will Change Transport Preferences?", Frost & Sullivan Commercial Vehicles Automation and Transport Director Christoph Domke noted that major OEM service providers are interested in popular trends such as alternative hybrid, NG and electric cars, digital goods brokering and autonomous cars. Mr. Domke remarked that serious investments are

made in this field and major mergers and company purchases are made. Stating that the logistics market's worth has reached 7.17 trillion US dollars in a global economy worth of 71.8 trillion US dollars in 2015, Mr. Domke has told that the logistics market will create an economy of 9.43 trillion US dollars in the global economy to reach 85.76 trillion US dollars by 2020. Noting that we are in a process of transformation to smart transport with autonomous commercial vehicles thanks to the technological developments and associated vehicle technology, Mr. Domke underlined that autonomous vehicles will significantly decrease human errors and will ensure 40 percent

energy efficiency per kilometer. Emphasizing the environmental quality of this development, Mr. Domke told that the autonomous vehicles will ensure fuel saving of 10 percent and generate 15 percent less carbon emission. Claiming that this technology currently being developed will have important effects on the city life, Mr. Domke told that smart cities will have smart roads and the route of smart commercial vehicles will be determined accordingly. Mr. Domke further stated that a smart connection will be established between cities, road and commercial vehicles in near future and emphasized that the current development speed will increase in future. ■

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4 BIDS MADE FOR BIG İSTANBUL TUNNEL PROJECT



► 4 companies made technical and financial bids for the surveying, project and engineering tender of 3-Floor Big İstanbul Tunnel to pass under the Bosphorus.

The financial bids of İdom, Tecnimont and Yüksel Proje made in the first tender organized for the survey, project and engineering services of the project were made on August 10 but the tender had been cancelled due to the financial problem in one of the bids of the companies.

Both Road and Railway

The tunnel will offer both road and railway options in a single tube. To

be built as a three-floor structure, the tunnel will have a double-track railway on the second floor and a two-lane road on the first and third floors. To be the first of its kind in terms of size and length, the project will be completed in two phases; i.e. the first phase being the high capacity and high speed metro system starting from İncirli in the European side to Söğütlüçeşme in the Anatolian side over the E-5 axis and the second phase being the 2x2-lane road system starting from Hasdal intersection in the European side and Çamlık intersection in the Anatolian side over TEM highway.

Travel Time Decreases to 14 Minutes

İstanbul Tunnel will be integrated to TEM highway, E-5 highway, Kuzey Marmara highway and 9 metro lines. Aimed to be constructed with Build-Operate-Transfer model in 5 years, the trip from İncirli in the European side to Söğütlüçeşme in the Anatolian side over a 31-km high speed metro line of 14 stations will take 40 minutes. The road trip from Hasdal intersection on the European side to Çamlık intersection on the Anatolian side will take around 14 minutes. Every day 6,5 million passengers are expected to use the line. ■

Gateway to logistics



**November 15-17, 2017
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**international transport
logistics exhibition**

THE LARGEST TURKISH TRANSPORT AND LOGISTICS SECTOR ARCHIVE TELLS STORY OF SECTOR'S TRANSFORMATION

► Aysberg Press and Publishing Co. has provided the Turkish transport and logistics sector the largest photograph and video archive of the sector thanks to its great efforts. Created from the rearrangement of the personal archive of Mr. İlker Altun, the founder of Aysberg Press and Publishing Co. issuing globally well-known magazines such as Kargo Haber, Kasa, Intermodal, the archive includes around 50 thousand photos and more than one thousand videos. Stating that 'The photos tell the story of how Turkey transformed

from transport to logistics', Mr. Altun further commented as follows: "The rearrangement of this private archive was completed by a professional team of 3 members for around one year. Comprised of photos of events such as opening ceremonies, meetings etc. from 1985 to 2005 as well as private interviews and portraits, this visual archive is like a time tunnel of the sector. Every photo has its own special story. Each photo tells an event or a moment in the transformation of

the sector. I invite you all to benefit from this archive."

First exhibition at logitrans

Offering an insight into the past of the logistics sector, the archive was first exhibited at 10th logitrans Transport Logistics Fair in November of the previous year. Some of the photos from the archive were displayed on digital screens and received great interest from the visitors. ■



PHARMACEUTICALS HANDLED WITH CARE & EXPERTISE: TURKISH CARGO'S GROWTH

We made several investments to improve pharmaceuticals service. As Turkish Cargo, we redefined SOP for the pharmaceuticals. We have inaugurated a new 3.000 m² special cargo storage area and now 41 separate special cargo rooms. We built local pharma handling expertise and a pharma mindset by training the employees on pharmaceutical handling.



► We are aware of the huge potential in the pharmaceutical market that continues to grow day by day. An increase in income and social welfare results in an increase of purchasing power. However it also causes health problems. The demand for pharmaceuticals will continue to increase as long as these kinds of medical problems occur. Turkish Cargo's strategy in 2017 is to increase pharmaceuticals share in our all shipments. Owing to our new investments and projects that support this strategy, we expect more than 50% increase at the end of the 2017 in pharmaceutical transportation.

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an active temperature controlled container provider. To prevent our cargoes from being exposed to often changing temperatures during flights, we use Envirotainer active Temperature controlled containers. Working together with Envirotainer and by using their solution, we help to maintain constant and desired temperature throughout the entire cold chain even to long-distance destinations. With our data entry

**TURKISH
CARGO** 
Globalize your business

log, we also report to our customers about the changes in temperature of their shipments during the whole transportation process. Thanks to our agreements we've made with international container suppliers, we can realize shipments between -20°C and +25°C at demanded circumstances and capacities. Turkish Cargo is awarded with IATA's 'Center of Excellence for Independent Validators' (CEIV) in Pharmaceutical



Logistics at its Istanbul hub. We have started providing thermal dolly service and will plan to expand service in 2017. Thermal Dolly is an active temperature controlled dolly used for the transportation of temperature sensitive cargo in between temperature controlled rooms and aircraft. All Turkish Cargo staff that are involved in the transporting of cargoes participate in international and in-house training and certification programs. These trainings are carried out in accordance with the regulations established by the Directorate General of Civil Aviation and standards specified in the IATA Airport Handling Manual. In addition to these trainings provided by related companies, we also provide refresher trainings. In addition to all these improvements, we are also planning to launch new products for pharmaceutical shipments in 2017. As Turkish Cargo, we want to show our customers that we care and value their pharmaceutical shipments. ■



A FIRST IN TURKISH CARGO

► Turkish Cargo brought together representatives of the Frankfurt health and pharmaceutical sector on the "Pharma Day" panel. The top managers of cargo agencies holding 80% of the world pharmaceutical market attended the organization, which was completely organized by the Turkish Cargo sales team, and a first for our Corporation. After Central and Southern Europe Regional Director Mr. Tarık Parlak's opening speech, Chief Cargo Officer Mr. Turhan Özen took the stage, and declared that Turkish Cargo's vision and growth trend would continue and shared the aim of Turkish Cargo to be one of the top 5 air cargo companies in the sector by the year 2023. Noting that one of the primary objectives among the products carried is to advance in special cargo, and especially pharmaceuticals to the attendees, Mr. Özen stated the importance of the opinions, suggestions, and the feedback as a result of such meetings as business partners for Turkish Cargo on its way to growth and achievement of objectives, and emphasized that it is the right time to progress

together.

The panel continued with Turkish Cargo corporate presentations under the respective titles of "Pharma in Germany" and "Germany Offices," after which Special Cargo Manager Mr. Bahadır Büyükkaymaz briefed the participants about Turkish Cargo vision and investments in pharmaceutical sector, and completed with a workshop, where attendees participated with interactive exchange of ideas, moderated by Chief Cargo Officer Mr. Turhan Özen. As the participants stated that the facility built in Istanbul and the areas reserved for special cargos exceed their expectations, they also demanded that the whole special cargo processes in Istanbul HUB should be organized by a separate team specialized on the handled products, which requires such proficiency due to their characteristics. The event that agencies found to have the opportunity to share their views on the current situation and the future of the healthcare industry, and ensured the continuity of their existing co-operation, was a fruitful organization on behalf of development of our Corporation's cargo operations. ■





2017 DEVELOPMENTS OF U.N. RO-RO

"We believe that our most important investment in Trieste to make a great difference for our customers will be the intermodal connections. We will be able to handle 6 trains per day including 2 trains capable of being handled at the same time thanks to the additional train lines under construction at T.F.T Terminal and high capacity crane. Thanks to this investment, we will be able to manage our trains at our own site, start train lines with other countries and increase our train operations."



► Thanks to including T.F.T Terminal to our network, we have gained new storage areas and additional parking areas. However, we believe that our most important investment in Trieste to make a great difference for our customers will be the intermodal connections. We will be able to handle 6 trains per day including 2 trains capable of being handled at the same time thanks to the additional train lines under construction at T.F.T Terminal and high capacity crane. Thanks to this investment, we will be able to manage our trains at our own site, start train lines with other countries and increase our train operations. Another intermodal development in 2017 will be at the Toulon Port in Paris. After the changes in the port and connection lines, the schedules of trains from Paris and Barcelona will align with ship trips. This will minimize costing trade problem especially in France, enabling easier, cheaper and faster deliveries to important countries such as UK, Benelux, Spain and Portugal. Another development in 2017 will be related to our ship fleet. The length of two of our ships will be increased in the first half of 2017. This will provide a capacity increase of 23% to us. Thanks to these ships, waiting will not be a problem any more for transporters who suffer from long queues at border gates at the weekends in busy days or for busy lines. We will engage Turkish shipyards for the ship length increase project. These project with high investment costs will be assigned to a Turkish shipyard for the first time thanks to the trust in the Turkish shipyards. This will ensure a serious knowledge for Ro-Ro ship length increase projects for Turkish shipyards and provide

support for their engagement for similar projects.

U.N. Ro-Ro will continue with its fixed freight rate, bulk ticket and turnover discounts, new campaigns and value-added services in 2017.

Trips from Çeşme to Start

2017 will be a year that will directly and positively affect our operations when we will extend the scope of our services launched last year, according to our plans. Thanks to the increase in our ship and train capacity, new train connection points and storage



areas, we will serve our customers in 2017 as a part of our growth strategy. With the purchase of Ulusoy Denizcilik, one of the most important investments of the Ro-Ro and maritime sector, the volume of trade with Europe has increased and the transporters now have the option to export also from Çeşme Port covering the Aegean Region, in addition to current Pendik, Ambarlı and Mersin ports options of U.N. Ro-Ro. Therefore, we will be able to support faster transport of Turkish export goods to Europe with more competitive prices. We will increase the number of trips



U.N. RO-RO
İŞLETMELERİ A.Ş.

from Çeşme to Trieste and start new lines to new geographies such as Bari and Lavrio.

A Productive 2016

Ambarlı Port has become the most ideal loading point for the standard vehicles and containers transported from the European side of İstanbul. We will continue our calls to Ambarlı in 2017 to satisfy the high demand.

In 2016 - being a challenging year for us -, we have given support to our customers for their empty vehicles, intermodal connections, container transportation and goods destined to the North Africa. We have given support to two different train lines to Milan - the industrial region of Italy -. We have also increased the capacity of Ro-La and ISU trains destined to Austria by 15%, thus continuing with our investments in intermodal transport. In addition to Samer Terminal where we operate at Trieste Port since 2013, we have also purchased T.F.T Terminal next to it. ■

Damla Alişan
Vice Chairperson

ALIŞAN LOGISTICS GROWS WITH NEW INVESTMENTS

Alişan Logistics, which is one of the important global brands in logistics of Turkey, continues its investments in different fields. We talked about the new investments of the company which grew 20 percent on average every year and the global growth strategies with the Deputy Chairman, Damla Alişan.

► **Could you please give us some information about Alişan Group?**

Established in 1985 as an international transportation company with a fleet of 20 vehicles, today Alişan has become a group of companies which mainly owns firms in logistics, construction, insurance and chemical washing sectors with its experience of 32 years.

Alişan Den Hartogh was established in 2005 with its Dutch partner. In its modern and environmentally friendly facilities, the company dismantles the equipment carrying chemicals in Turkey with modern techniques that are in compliance with the European standards. This process prevents wastes from being mixed into nature by eliminating them with special treatment systems.

Alişan Logistics, which has been operating in many fields including chemistry and FMCG industry, has deep expertise in handling, transportation and storage of dangerous chemicals, one of the most important branches of the chemical industry, with a settled infrastructure and based on a successful working model. Alişan Logistics gives services in fields of international freight, domestic distribution, warehouse operations, liquid and energy logistics, multimodal transportation operations and their value-added services. In the field of integrated logistics services, the company has become a well-known and respectable brand.

Can you tell us about your warehousing services?

There are logistic centers in Gebze Güzeller, Dilovası and Tuzla Leather OIZ's that are mainly in Gebze region. In addition, there



are storage and transfer centers and various service units in various regions and cities of Turkey i.e. Gaziantep, Iskenderun, Adana, Mersin, İzmir, Marmara Ereğlisi, Ayvalık and Konya. In March 2016, a new warehouse of 20.000-pallet-capacity was opened in Güzeller Organized Industrial Zone followed by another warehouse of 15.000-pallet-capacity warehouse in the same zone in Summer 2016. Alişan Logistics recently added a new operation center to its domestic distribution services and



opened a new warehouse in Konya that has capacity of 5.000 pallets and has 3.500 m2 closed and 5.000 m2 open area. Thus, in addition to Marmara, Thrace, Aegean and Çukurova regions, the company also covered the Central Anatolian Region with a total storage capacity of 255.000 pallets all over the country.

What are your short-term targets and projects?

Alişan Logistics has achieved an



average growth rate of at least 20 percent in recent years. In this direction, there is still a growth target at about same levels in 2017. Within the year 2017, we have aims to provide all the channels that customers need with the most practical and innovative solutions with specialist teams keeping them up-to-date in line with global market needs. Central Anatolian region is very important and valuable for Alişan Logistics, and the company is located in this region as the closest partner of many large and modern industrial establishments and adds value to the regional economy with its experience in logistics. We will continue our business in 2017 in same manner and our preparations for opening new facilities in 2017 are continuing at a fast pace. ■

SGS TRANSITNET NOW OFFERS GUARANTEE SERVICES FOR MORE COUNTRIES

SGS Transitnet can provide large scope services not only in Common Transit Regime member countries but also in other countries such as Moldova, Russia and Ukraine. Their customers benefit from various advantages from fast and privileged service and minimum waiting time at RO-RO port customs directorates, discharge from four customs restrictions to savings up to 108 euros by only paying 15 euros for the guarantee services.

- SGS TransitNet provides T1/T2/ TR services for export, import and national movements from customs to customs inside Turkey with total guarantee of 700 million liras presented to the European Union customs directorates and to the Turkish Ministry of Customs and Trade. Being the only company in Turkey capable of providing those services, SGS TransitNet differentiates itself from other companies in the sector by providing guarantees in more than one country and working as integrated with the customs systems of other countries. Making significant contributions to the profitability of companies by significantly minimizing the transaction process at the customs directorates, SGS TransitNet provides transporters with more movement capabilities thanks to numerous loading and unloading opportunities compared to other guarantee systems and this ensures competitiveness in the transportation sector dominated by intense competition. Safety and language are of significant concern when it comes to issue transit certificates online.



Reminding that SGS TransitNet is an extremely safe and multi-licensed web-based platform for issuing transit certificates, submitting them to customs directorates and following up the same, SGS TransitNet Transit Sistemi Destek Hizmetleri A.Ş. General Manager Hüseyin Kiyak explains the remarkable features of SGS compared to other transit guarantee systems.

Savings up to 108 euros per transportation...

Drawing attention to broad experience of SGS and how well it ensures confidentially thanks to being independent from transporters, Mr. Kiyak tells that they adopt a fair pricing policy compared to the allocated guarantee.

Underlining that the employees of SGS TransitNet with an extensive and comprehensive background enabling them to act as consultants when required have a major role in the services provided by SGS, Hüseyin Kiyak states that "Maximum monitoring by our teams in İstanbul, Mersin, Pendik, Geneva, Zagreb, Warsaw, Lebanon, Manila, Kapitan

SGS TransitNet

Andreevo, Trieste, Toulon, Ruse, Vidin, Ancona, Vilnius, Belgrade, Skopje, Madrid and Bucharest ensure minimum customs fee payments for our customers."

SGS TransitNet customers can present Turkish NCTS transit certificate in their exports transportations and automatically generate EU T1 certificate by using this certificate without additional fees.

This ensures savings from additional software costs for Turkish NCTS transit certificates. The system also provides savings from ENS costs in transportations with T1 certificate by ensuring definition of more than one customer and presenting certificates simultaneously in several customs directorates. Emphasizing that as an additional advantage, they also provide faster services to SAMER, SOGECA,

Billitz, and Parisi thanks to the established partnerships, Hüseyin Kiyak said, "We can provide large scope services not only in Common Transit Regime member countries but also in other countries such as Moldova, Russia and Ukraine. Our customers benefit from various advantages from fast and privileged service and minimum waiting time at RO-RO port customs directorates, discharge from four customs restrictions to savings up to 108 euros by only paying 15 euros for the guarantee services."

Reminding that SGS TransitNet provides guarantees for transit transportations to non-EU countries such as Ukraine, Russia and Moldova in addition to its T1 services for transportations from Turkey to EU and EFTA countries without TIR Carnets, Hüseyin Kiyak told that they now act as a guarantor in a total of fourteen countries.

Kiyak told that they provide T1 and T2 services for Turkey, Germany, France, Italy, Romania, Poland, Bulgaria, Hungary, Croatia, Serbia, Spain, Macedonia, Latvia and Lithuania. ■





Metin Okyay Öztuğran
Assistant General Manager,
International Transport

BORUSAN LOGISTICS: THE AMBITIOUS BRAND OF INTERNATIONAL TRANSPORT

To get a better growth in international transport market, Borusan Logistics will realize the first phase of its vehicle investment and will add intermodal TIR transport option to its operations this year. The intermodal transport network to be established to continental Europe countries will include Ro-Ro, Train and TIR services. This transformation will be an important milestone for green logistics and will ensure that the global companies working with Borusan Logistics will satisfy their carbon emission decrease goals and will make them more environmentally friendly.

► The fast growing international transport business of Borusan Logistics attracts attention with the value it creates for and contributions its making to the sustainability of customers. In the international transport field, Borusan Logistics carries out road transport, container transport, sea transport, railway and intermodal container transport activities.

Using modern management technologies effectively and giving a competitive edge to its customers with continuous improvements and practices creating difference, Borusan Logistics adds value to its business processes. Covering the Project Transport end-to-end, the services of Borusan Logistics include Ship Rental, Project Consultancy, Heavy Goods Transport, Ship Loading and Unloading and Delivery, Customs Clearing and energy logistics.

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Increasing its existence in Europe especially with its sales structure in Germany, Borusan Logistics will open two offices in Europe as of the end of 2017. This will ensure that Borusan Logistics is closer to its customers and will have the option to develop end-to-end logistics solutions. Borusan Logistics also aim for changing ineffective and inefficient agencies, making new business partnerships and buying new companies when necessary and strengthening its market position.

With its Air - Sea Forwarding Department improved at the beginning of 2017, Borusan Logistics gradually gets a higher voice in the container and sea transports to Africa and the Middle East region for the construction

sector. Thanks to its strong global agency / partner network, Borusan Logistics can offer air-sea transport solutions from/to any location in the world.

Thanks to its structure in Kazakhstan, Borusan Logistics is a key solution partner for the transports from Turkey and Europe to the Commonwealth of Independent States. Last year, Borusan Logistics has provided serious advantages to its customers on the Iran - Kazakhstan and Russia line with its speed, price and service offers. Having achieved an increase of 60% on the Middle East and Central Asia in the field of International Transport field compared to the previous year, Borusan Logistics has become a key service provider especially in Turkey - Iran and Turkey - Kazakhstan.

Borusan Logistics has achieved many more successes last year. Thanks to its new warehouse located closer to Halkalı customs at a strategic location and its strategic business partner Bor Gümrük, Borusan Logistics has



offered fast capacity, fast transactions and price advantages to its customers.

Borusan Logistics has mainly offered services to textiles, retail, ready made garment, energy, automotive, sub-industry and cigarette consumables like paper. Borusan Logistics is insistent on accessing to far away markets, increasing its share in the markets it provides services to and include new sectors into its portfolio.

One of the most important advantages that Borusan Logistics offers to its customers is Borusan Port in Gemlik, being one of the first ports of Turkey having the first Green/ Eco Port certificate. Having received an investment of 200 175 million US dollars in the last 5-10 years, the carpark capacity has been increased by 40% in 2016 with the last investment made in 2016.

Borusan Port has broken business volume records in every business. The business volume for April in general cargo operations was 450 thousand tons. The highest stock

level has been reached on April 30 with the stocking of 242 thousand general cargo. In June, 24 and 25 thousand TEUs of containers and 35 thousand of vehicles (37 thousand CEUs) were handled, breaking a new record. The port has handled 3,4 million tons of general cargo, 300 thousand of vehicles (320 thousand CEUs) and 250 thousand TEUs of containers. These results are the highest business volumes until now.

Borusan Logistics has made 330 ship connections last year in the ship rental business and transported 2.300.000 tons of goods in total to mostly Mexico, Brasil, Egypt, Mediterranean ports and USA. Also, Borusan Logistics has organized metal sheet transports of Borçelik, Mittel and Samsung to Romania by sea and wagons instead of road, thus providing a remarkable cost and time advantage. In this project, metal sheets were transported to wagons waiting for the ship and delivered to the destination without waste of time.

Borusan Logistics will focus on Wind Power Plant logistics in 2017. Breaking many grounds in Turkey with the Wind Power Plant logistics operations in recent years, Borusan Logistics will take over the projects of its major global customers starting from the international stages and perform all logistics processes. Moreover, with the production of wind power plant blades and towers in Turkey, Borusan Logistics expect to get a share from the export transports to be made from Turkey.

In 2017, Borusan Logistics also aims for changing its ship rental business currently focusing on export and import activities in Turkey to more international transports and ships that do not call at Turkish ports. In this business, Borusan Logistics will focus on construction and machinery, bulk goods, iron ore, coal and fertilizer transports.

Despite the economic and geopolitical problems in neighboring countries and international markets, Borusan Logistics will continue with its growth by implementing correct strategies, providing solutions and services creating value and difference and accessing to new markets. ■



INTERMODAL BREAK THROUGH NEEDS FURTHER INNOVATION

- The distribution of new trucks and trailers is driven by the high value of the goods, which are all built to order and therefore needs a swift delivery after the production is finished. The Industry expects the collection within 48 h after the vehicle is ready in the factory and the final customer is expecting to receive it in the shortest possible lead time. This needs a fine adjusted combination of all mode of transportations as well as a good control of the Interaction between the transport modes. Therefore VEGA invests in its own infrastructure in the main hubs as well as in special equipment for rail solution, where the different kind of waggons are mainly not usable for the special and valuable cargo VEGA is moving. There is a lot of space for improvement on the equipment side in rail, too

VEGA's key corporate target is to integrate its flows of new trucks and trailers into intermodal solutions using road, rail and sea.

many different kind of waggons are operated and no intermodality on the waggons has been achieved yet. VEGA therefore has built up a project team, which is working intensively on the improvement of this poor status and some results have already been achieved, but major steps have to be taken in order to simplify the processes and the rail equipment to

a level, which makes transaction and operability

Much more efficient than today's solution. Therefore Intermodal break through will need further investments and innovation!

VEGA operates today an interesting rail route for the Turkish transporters from Trieste to Karlsruhe/Mannheim region as a company train and is working on it to open it for other clients too in particular for customers who have none craneable trailers and who want to join the rail system. In addition there are further connections from Karlsruhe/Mannheim region planned to Gent/Zeebrugge for the UK flow as well as to Hamburg/Kiel for the Scandinavian flow. There are talks as well to open a regular rail service from Trieste to Poznan and Gliwice in Poland too as open train for all type of cargo, Container, craneable



Non craneable trailers loaded into train wagons.

and none craneable trailers.

Beside the development of new lines and new rail hardware it stays very important to invest permanently into the soft skills, therefore employees and their education are still the key to any company's success. Our slogan 'excellence is our driver' is a real challenge to the whole organization and the human beings are the major factor to achieve this goal. The aim is that the slogan is lived in any action done inside and outside the company,

always benchmarking on the very best performance you could do.

The focus on training are helping VEGA to overcome one of the major challenges facing the industry as a whole – human resources. The company says that young people are not opting to join the industry and need to be attracted in a different manner. Though the skills of young people rise in the computer age are very well for logistic, the sector is no longer attractive to them due to heavy stress level and long and unusual working time. It will be needed to develop a new working scheme for young people to keep the sector attractive - VEGA is working with its own HR Academy on that very important issue.

VEGA delivers new trucks and trailers worldwide. It has subsidiaries and representatives in Germany, Benelux, Czech Republic, Croatia, Russia, Romania, Turkey, Georgia, Italy, Azerbaijan and agencies in Iran and Kazakhstan as well as in China. Services include the entire transport logistics process, including clearing. VEGA's shipping department collaborates with the main shipping companies and is able to offer shipments to any destination required. Around 100,000 commercial vehicles are transported every year - by up to 800 specially trained drivers. The firm also offers other services for the commercial vehicle industry such as warehousing, refurbishing, and clearing.



The future focus will be in more innovative and rail oriented transport solutions for the land transport in combination with smart short sea connections, like our partnership with STENA Lines and FINNLINES in the North and Baltic Sea and U.N. Ro-Ro in the Mediterranean.

Turkey plays a major role in our multimodal transport concepts as our hub in Istanbul is just 10 km away from Pendik, where U.N. Ro-Ro connects Turkey to France and Italy. Out of the 100.000 vehicles moved our company in Turkey VEGA Logistik AS is touching more then 20.000, either for the domestic market, for export from Turkey or in transit for Iran, Iraq and Central Asia. Just recently a project has been effected with new water tankers for the region of Erbil/ Iraq.

New logistic channels are currently opening as well alongside the old silk road and VEGA cooperates already with the Chinese truck manufacturer DONGFENG and bus manufacturer YUTONG in the deliveries from China to Russia and Central Asia.

VEGA is the leader of the commercial vehicle transfer in Europe and ready to extend the position by innovation and enlargement of our network. VEGA is ready for the challenging future of Intermodal transport. ■



Export busses from Turkey in front of the U.N. Ro-Ro Highway.



Trucks loaded on train in front of Austrian mountains.



Eşber Horasan
Commercial Director

ALTERNATIVE INTERCONNECTS EUROPE AND TURKEY

There is still room for growth in the Ro-Ro market and Alternative plans to further invest the ever-rising demand. After the acquisition of MELEQ, another ship will replace FADIQ in 2018, which is currently on charter. Each new ship represents an investment of more than 50 million Euro. Negotiations are underway for the acquisition of two new Ro-Ro ships.



- Instilling confidence in Turkey and the future of the transport industry, Alternative Transport is investing more than €100 million to expand its self-owned fleet, building bridges between Europe and Turkish transporters by increasing the number of ports of call.

Alternative makes a difference through its service quality in the ports of Haydarpaşa, Lavrion, Trieste, Sète, and Izmir. Alternative started its Ro-Ro trips in January 2013 with the goal of enhancing the competitiveness of its customers and offering effective, high quality, and sustainable services. With this strategy, it is expanding its Ro-Ro fleet with ships equipped with cutting-edge technology.

Recently, MELEQ was added to the Ro-Ro fleet comprising HATCHE, PAQIZE, QEZBAN, FADIQ, and AYSHE. The 210 meter-long MELEQ, which is also 20 meters longer than the other ships, represented an investment of more than €50 million. It is this greater length enables it to carry 20 percent more cargo. MELEQ has a capacity of 280 trailers, but this can be increased to 340 by the double decker container load project brought to Turkey. The average speed of the Ro-Ro ships on the Trieste line is about 19 knots per hour. However, MELEQ more than fulfills expectations thanks to its 21.3 knot-per-hour speed.

Alternative To Expand Its Fleet Through New Investments

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FADIQ in 2018, which is currently on charter. Each new ship represents an investment of more than €50 million. Negotiations are underway for the acquisition of two new Ro-Ro ships.

Yalova Ro-Ro Terminal Will Reduce Traffic

Another significant investment, the Yalova Ro-Ro Terminal is days away from opening. By April, we will have built the Ro-Ro terminal in Yalova by investing over \$40 million in an effort to provide a more integrated, exceptional service. The terminal will feature a customs office, agency buildings, recreational facilities for drivers, as well as bonded and nonbonded warehouses.

Situated very close to Turkey's largest industrial enterprises and automotive manufacturers, the terminal will bring new operational advantages to international road transport.

Alternative Becomes a Regional Player With International Investments

In addition to its investments in Turkey, Alternative continues to increase its international investments every day. Europa Multipurpose Terminals (EMT) is the operator of a port used for the Ro-Ro and unit train services in Trieste, Italy. The majority of the company's shares was acquired in December 2016. With additional investments, the port will be upgraded to handle two separate Ro-Ro operations simultaneously, and the train loading capacity will grow to 10 trips a day. Currently providing

services to Turkish and Greek Ro-Ro ships, the port will offer services to countries such as Israel and Egypt in the coming period.

As part of Ekol's expansion strategy, this intermodal bridge will connect Scandinavia and Northern Germany, and the Baltic Sea with such countries as Turkey and Iran.

Alternative Is Drawing New Road Maps To Expand The Market

Alternative Ro-Ro strives to draw a new road map by determining Turkey's need for new lines, while also growing the Turkish Ro-Ro shipping market. It provides intermodal infrastructure services, particularly for its shippers, in order to give them a competitive edge against their European competitors. As such, it offers railway connections on the Trieste to Cologne-Mannheim-Ostrava and Sète to Paris lines. Also, the Sète-Calais railway services are planned to be extended all the way to the north of the U.K. through Calais. In addition to the Ro-Ro shipping to and from Sète, Trieste, and Lavrion and interconnected railway services along the Mediterranean coastal strip, Alternative is taking steps to link the African continent to the other side of the Mediterranean. All the loads at these ports will be consolidated through the alternative transfer points planned to be built on the Mediterranean, and then be shipped to Africa. The ultimate goal of this approach is to become an intermodal infrastructure supplier with an extensive preferred network within Europe. These efforts will make Alternative an up-and-coming Turkish brand across the region. ■

Zahit Sağlık
CEO

SAĞLIK LOGISTICS COMPLETING INSTITUTIONS WANT TO EVALUATE GLOBAL OPPORTUNITIES

Sağlık Logistics, one of Turkey's most established logistics companies, has also completed the institutionalization process with new plant investments. Preparing to celebrate the 40th anniversary next year, the company will focus on topics such as 'intelligent storage and storage', 'air cargo' and 'micro distribution' in the upcoming period.

- Having opened a new operation center by investing 50 million Euros last year, Sağlık Logistics is preparing to make bigger investments in the coming period. Company's board chairman Zahit Sağlık told our magazine about the future plans and objectives.

Preparing to celebrate the 40th year of next year, how does Sağlık Logistics reach a line and what kind of future does it draw to itself?

Sağlık Logistics was established in 1978 to carry out international transportation. Next year we will celebrate our 40th birthday. Not only in Turkey, but also in the world as a whole, the number of logistics companies that have reached such

is a much more difficult and distressing process. In fact, we have taken important steps for institutionalization for a long time because we have activities besides logistics, but we have completed this process with our recent studies. The important thing is not to grow, but to catch healthy and institutional growth.

Today we reached 500 vehicle fleets with an average age of 3. Our indoor space capacity reached 150 thousand square meters. The other issue that I would like to draw attention to is that all our vehicles and facilities are not rented but solved. The sum of our recent investments totaled 50 million Euros. Apart from that, we planned to invest another 100 million Euros.

Sağlık Group

services.

We want to further strengthen the other links of the international logistics and supply chain. We can also achieve global partnerships and partnerships for this. In such a cooperation, the intervention is not a material partnership but a cultural and synergistic partnership.

People now want to reach the products they want to supply in a shorter time. This turns out to be an element that brightens the star of the air cargo. So we will focus on the future, and one of the priority areas will be air cargo.



a large structure starting from the foundation is very small. We achieved this success with the intensive efforts of our company founders and the next generations. However, the step-by-step approach needed to be fully institutionalized to reach this point further.

The most important investment we have made in recent years is the investments we made towards 'institutionalization'. We have consultancy services from experienced specialists and academicians. We have already completed the institutionalization in our physical sense with our move to our new facility. As you know, especially in family companies, institutionalization

Hadımköy and Orhanlı, we have the most modern storage facilities. We will have new warehouse and storage investments. We will equip these warehouse investments with 'smart warehouse' features.

What areas will you focus on in the coming period?

At the beginning of the topics we will focus on next period 'micro distribution' comes. With our new smart warehouse investments, we want to be an important player in this area. We want to make people's lives easier by using state-of-the-art technologies. The increase in cargo and package deliveries also opens up new services in this area. We will provide boutique

Our next slogan is; 'Enlarge the Future'. We put goals in this direction.

How do you see Turkey's future in the sector?

Having a geopolitical position and great advantages, our country will always be a global claim in the logistics sector. Working hard, solution focused entrepreneurs; It serves the circulation of goods that accelerate and multiply over the world in the best way. Turkey has made great investments in transportation and continues to do so. Especially with the new Istanbul airport being in service, Turkey will be a passenger and goods and product transfer center. ■

"DIGITALIZATION HAS BECOME THE MEGA SUBJECT OF THE 21ST CENTURY"

Special Aysberg interview with Rainer Bomba, State Secretary at the Federal Ministry of Transport and Digital Infrastructure (BMVI) of the German Government and responsible for infrastructure, mobility, research, digital society and road construction.

► Prof. Dr. Stefan Iskan, Professor of Logistics and Business Informatics at the German University of Applied Sciences Ludwigshafen am Rhein, Iskan Advice Management Consulting & Training and the Academic Advisor of the Aysberg Media Group talked with State Secretary Rainer Bomba about Industry 4.0 and digitalization in logistics, the capabilities of autonomous driving, truck platooning in European land transport and the lessons learned in

the "Action Plan Large-Scale Projects" of the German federal cabinet derived from the recent delayed major construction projects in Germany.

Prof. Dr. Stefan Iskan: Industry 4.0, Smart Data and Autonomous Driving. Currently, a digital revolution is being called out. Is the hype justified?

The topics addressed are drivers of digitization. I do not rate this as a hype. A hype is for me a

short-term phenomenon, which is greatly exaggerated. However, the advancing digitization of these topics is a long-term and sustainable issue with far-reaching implications. The world is more and more connected. By consistently combining the virtual and the real world, the increasing dynamism and complexity can be mastered. In 18th century we spoke of mechanization. In the 19th century industrialization and the subsequent electrification were characteristic. In the 20th century, the automation and supply chain management. With the beginning of the 21st century, terms





**Rainer
Bomba**

**Prof. Dr.
Stefan Iskan**

competitiveness of logistics companies. Digital networking and thus modern and fast communication possibilities are revolutionizing not only the company, but also business models and processes, also in logistics. As examples, I only mention the booking for travel via smartphone or the transmission tracking at the parcel service. Today, these are just standards that customers expect. Automated port handling, the automated exchange of information between connected machines, vehicles, containers are the keyword Logistics 4.0. The means of forwarding must face new opportunities in the logistics sector, so that it can remain a key pillar of German prosperity in the future.

Do you expect future platform business models such as Uber to bring German freight forwarders into trouble? So, in order to express it with Alman Demiryollari CEO Dr. Grube - will established transport companies be demoted to "wagon drivers", who are controlled by intelligent platforms as a kind of "subcontractor"? How do you perceive this discussion and fears of practitioners?

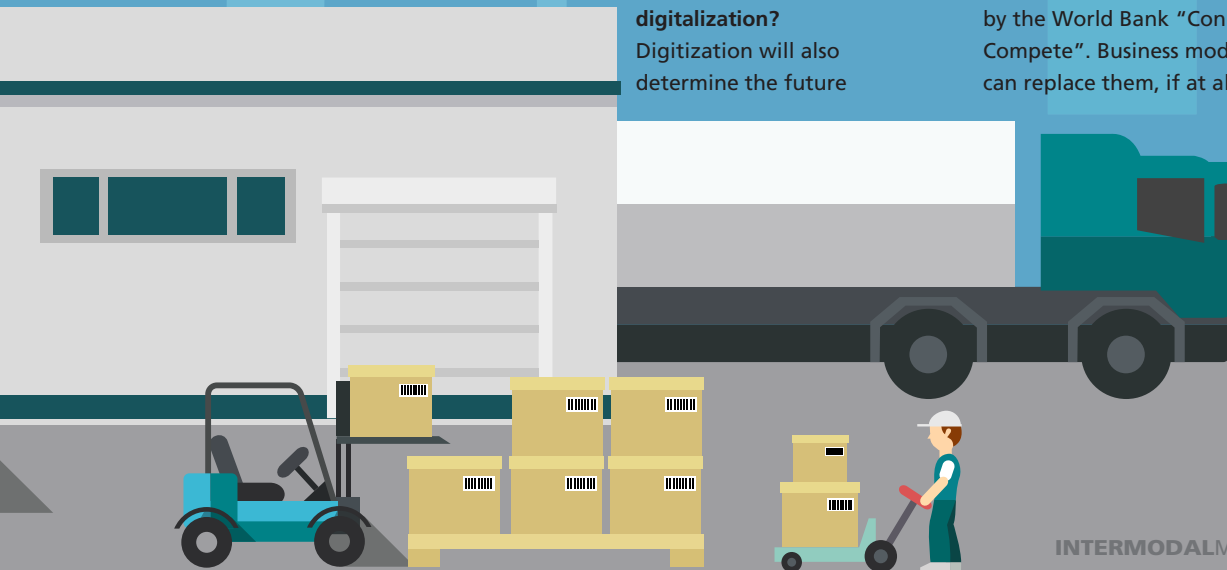
German logistics services are qualitatively ranked as world leaders. This is confirmed by the latest study by the World Bank "Connecting to Compete". Business models like Uber can replace them, if at all, only in

such as "Cyber-Physical Systems", the embedded systems, and the "Internet of Things" are circulating. Physical and digital infrastructure are increasingly combined by, for example, providing components with computer chips and enabling real-time communication. Concepts such as "Smart Factory" or "Connected Supply Chain" offer solutions.

In road and rail freight traffic, IT has not been used only since yesterday. Why is there such a drive in digitalization right now?
Numerous developments have already existed for a long time under

the keyword telematics: long-distance influencing systems, temporary side-strip release, transport computer centers for optimized control and information of traffic, as well as the mobility data marketplace with available online traffic data. The issue of digitization has become a mega-theme of the 21st century. This is due in particular to new technical possibilities that enable the use of high-performance broadband networks and fiber-optic lines.

What thoughts would you like to give to the German forwarding mid-sized companies with regards to industry 4.0 and digitalization?
Digitization will also determine the future





niche markets. Practitioners know their professionalism. Just think about the contract logistics, project logistics or models like one-stop shop. Here we are far from concepts such as wage-drivers.

The logistics industry in Germany is driven by the digitalization process. What are currently the top 3 topics in your department in this context?

At the forefront is a comprehensive and powerful digital infrastructure. To this end, we are implementing broadband expansion and the federal funding program. A comprehensive access to fast Internet is fundamental prerequisite for everyone to benefit from the innovations of digital change. For 71.2% of households in Germany, connections with at least 50 Mbit / s in the downstream are already available today. The broadband funding program of the Federal Government provides a total of 4 billion euros for the expansion.

In particular, the expansion of future-oriented glass fibers is being promoted. A second important issue is the new mobile radio standard 5G. He will shape logistics decisively. The 5G technology allows, among other things, the next stage of the goods tracking. By means of asset tracking, highly accurate localization data of the means of transport or goods can be collected. In the future, the entire transport process from the date of the order will be accessible to the supplier as well as to the customer at any time in real-time. As a third theme, I call the automated and connected driving as well as the platooning of trucks. In September 2015, the Federal Government adopted the "Strategy for Automated and Connected Driving – Remain a leading provider, become a lead market, introduce regular operations", which it now implements under the auspices of the BMVI- Federal Ministry of Economic Affairs and Energy. The Federal

Government is committed to creating optimal framework conditions and the necessary prerequisites for the introduction of systems for automated and connected driving.

In which areas is networking the most advanced in freight transport? In the near future, will we be able to experience intelligent traffic systems that will control the traffic flow on motorways with regard to autonomous vehicles?

Concrete plans for the steering of traffic flows with particular consideration of the autonomous, that is, the driverless driving, do not yet exist. First of all, it is about creating the prerequisites for the next development stage of automated driving, highly automated driving. With the continuous further development of automated driving, step by step the expansion takes place around networking components, which are then to interact in the long

term with intelligent traffic systems. With regard to automated and connected driving in freight transport, it is certainly the Truck Platooning that is one of the most advanced applications. Here, it is expected that the electronically coupled truck driving will have achieved market readiness in the semi-automated operation from around 2020 onwards.

About a year ago, your ministry has set up the A9 digital test field on the A9 motorway. Under real traffic conditions, a fully connected road is to be tested for the automated process. What are the first experiences for cars and commercial vehicles (Baden-Württemberg)? What are the technical and legal issues to be clarified in this context, and what will be the situation in the coming years?

On the digital test field highway, innovative applications in the field of automated and connected driving are tested by companies of the automotive and supply industry as well as the ICT sector. For example, MAN used the test field in the field of commercial vehicles as part of the testing of electronically coupled trucks - so-called platoons. With the "Automated and Connected Driving Strategy" (Strategy AVF), the Federal Government has adopted guidelines to create the best possible conditions and necessary preconditions for the introduction of automated and connected driving systems. The strategy is implemented in the fields of action infrastructure, law, innovation, networking, cyber security and data protection as well as social dialogue. In the legal area, for example, we are working on a draft law to amend the road traffic law, which is intended to regulate the fact that the driver must be able to rely on the functioning of automated systems

and that malfunctions do not have to be taken into account.

Small and medium-sized companies, as well as corporations in the freight forwarding business, currently also test individualized e-lorries. Innovative solutions are available here, which nevertheless have a manageable range. When do you expect a breakthrough in terms of the range of batteries and the necessary infrastructure?

Electric utility vehicles are increasingly gaining in importance for emissions and noise control reasons, especially in urban freight transport. At present, there is an increased commitment of the vehicle manufacturers and technological advances in the area of electric delivery vehicles. In the context of the IAA Commercial Vehicles, several volume manufacturers have announced the launch of purely electric trucks on the market. In the coming years it is to be expected that electric trucks will spread more and more, especially in the urban context, and that the reach will rise steadily. In addition, we continue to pursue the hydrogen / fuel cell drive option. The BMVI supports the current trend through the above-mentioned procurement and research funding. The package of measures adopted by the Federal Government on 18 May 2016 to promote additional electromobility also includes EUR 300 million for the "Charging Infrastructure for Electric



Vehicles in Germany" program. From 2017 to 2020 the construction of a comprehensive loading infrastructure network is to be supported. Transport will also benefit from this.

Do you consider trolley trucks as an alternative?

As a mid-term and long-term option, I see the use of hydrogen as a fuel, especially in combination with the fuel cell, in heavy long-haul truck traffic. Of course, the hybrid overhead line truck is, in principle, an option with which the energy transmission can take place in road transport - however, one with significant risks and side effects. If only Germany was to use this approach, but not one of our neighbors, such an insulation could lead to the fact that only about a quarter of all trucks on the electrified German motorways would use the hybrid overhead line technology, but the remaining three quarters would continue to do so with a combustion engine. Moreover, only trucks with internal combustion engines could drive on any non-electrified motorways. Also, the hybrid overhead line truck would still be driven off the electrified motorway network with a combustion engine. In addition, the construction of overhead infrastructure will cost a double-digit bill. Against this backdrop, the question arises as to how financial resources can be used more purposefully for the development of energy sources in transport. First, we should look to see if we are able to take heavy hydrogen long-distance truck traffic with hydrogen technology. It is only when one day unexpectedly it turns out that this route does not lead to the goal, one could think about the hybrid overhead line truck as a possible option.



Especially the Stuttgart area has recently triggered a more frequent fine-tuning alarm. There are some indications that the CO2 emissions issue also leads to a further worsening in the city sector and thus in the supply of logistics companies. What does the transport sector have to face in the coming years? What does this mean in the future for possible delivery concepts in the inner city sector?

It is right that German municipalities have to reduce their emissions in the cities. For this, we need alternative delivery concepts as well as new traffic concepts. Therefore the increased use of electrically operated vehicles and alternative fuels is financially supported by the Federal Government. Both electrically powered delivery vehicles and passenger cars are financially subsidized, and a corresponding tank infrastructure is also being built up. The alternative

means of transport include the load bicycle. In Germany it is already used in urban areas, which offer appropriate conditions. This includes the possibility of setting up a transshipment point as well as a sufficient number of receivers within range.

Do you think the industry 4.0 debate is still ethically justifiable, given the increasing use of robots, for example in the case of package delivery? What is your perspective on this? Do we not also enter into a social policy issue in Germany during the rationalization efforts in the transport and logistics sector? Developments under the keywords Industrial 4.0 or Digitization can not necessarily be described as rationalization efforts in the transport and logistics sector. Rather, they are the expression of a globally changing information and communication structure, which many people call the 4th industrial revolution. Employees

will in the future carry out less and less recurring standard activities, but will assume a broader task spectrum compared to today. If you are a logistics company today, you will become an information logistics expert.

It is said that the demographic change and the skilled labor force make further digitization and automation necessary in Germany. What other considerations are there in Germany?

The chances of digitization must also be used, in order to make demographic change constructive. This is what the digital infrastructure needs. Global economics and action does not exclude local life, economics and working in rural regions in the digital age. Broadband expansion can therefore mitigate the effects of demographic change. The rural area, which is most affected by demographic change and the labor

force deficit, also benefits from digitalization. For example, by home office / telework possible - fast internet in the country provided. In order to ensure first-class medical care in all parts of Germany, telemedicine will become significantly more important in the future. One example is the setting-up of so-called microclinics, where trained staff can carry out initial investigations and then turn the experts on, so to speak. For example, a specialist radiologist is not worth a small hospital. Using teleradiology, imaging techniques such as on-site computer tomography can be offered to patients. The radiologist in the "Partner-Klinik" receives the digital recordings and evaluates them. The patient thus saves the time-consuming transport and the hospital overall time and costs. High safety standards must of course be complied with at this point. Another example is the sensor system. Cardiovascular disease is one of the main causes of death. The patient can be monitored with appropriate sensors and the monitoring techniques can reduce the acute risk of heart attacks or strokes. This shortens reaction times, which can be a decisive factor especially in rural regions with long distances. As life expectancy in Europe has risen by 10 years over the last 40 years, such medical care / monitoring services are becoming increasingly important.

According to the latest results of the "EU Traffic Monitor 2016", Germany ranks third behind the Netherlands and Sweden. What can the transport industry expect in the coming years with regard to infrastructure? What programs are currently planned? The new German Federal Transport Infrastructure Plan for 2030 (BVWP 2030) was approved by the Federal Cabinet on 3 August 2016 and was

subsequently published by our minister, Mr Alexander Dobrindt. The objective of the BVWP 2030 is to establish a realistic and manageable overall strategy for infrastructure maintenance and construction. The new federal road map has a volume of EUR 269.6 billion and more than 1,000 projects. Compared to BVWP 2003, which amounted to EUR 173.2 billion, this is a significant increase. Of this total investment volume, € 132.8 billion (49.3%) is accounted for by road, € 112.3 billion (41.6%) by rail and € 24.5 billion (9.1%), On the waterway. The focus is on strengthening the main axes and nodes. On our motorways, we take the necessary measures to reduce the length of the route, with a length of approximately 2,000 km. On the rail, we are reducing bottlenecks on a route length of around 800 kilometers.

Rail freight transport is characterized by growth rates and a positive future (intermodal / container). Despite all the liberalization efforts in the Pan-European area, one has the impression in practice that the individual countries still operate quite independently of each other's systems. What developments do you expect for cross-border rail freight traffic in the coming years and how do you assess the degree of networking among these systems? In fact, international rail freight transport is currently lagging behind



its potential. It is indispensable to strengthen the projected transport volumes in an environmentally friendly manner. Within the EU, this is done through the TEN corridors, but also through the work on the newly established cross-border freight transport corridors. The increase in Euro-Asian rail freight traffic is very pleasing, but the technical and legal obstacles that still exist are also to be removed.

From the logistical point of view, Turkey currently has a number of lighthouse infrastructure projects for inspection (keyword: 3rd Bosphorus Bridge, autotunnel under the Bosphorus, etc.). What can we learn from Turkey in this context and vice versa?

An efficient infrastructure is a prerequisite for economic growth. Large infrastructure projects - such as the projects in Istanbul - will therefore always be necessary in order to remain internationally competitive. In Germany, large-scale projects have been partly in the headlines because they did not meet the cost and deadline schedule. Planning and building, however, a German core competences are still highly respected both nationally and internationally. Every year the German planning and construction industry successfully implements thousands of projects. In order to secure this long-term reputation, we have adopted a large-scale action plan at the end of 2015 in the Federal Cabinet. We will use the opportunities of digitalization under the motto "First digital, then real build". We will pay more attention to risks, deal with each other in a more partnership-oriented manner, and provide greater transparency to the public. The implementation is in full swing. We would like to pass on our experiences to our Turkish partners. ■



GREAT INVESTMENT IN ROAD TRANSPORTATION

General Directorate of Highways will work on an investment portfolio of 170 billion in 2017. The number of these projects included in the 2017 investment program will reach 390. The General Directorate of Highways plans to speed up their work in the framework of sustainable, economic and environment friendly project. There are 349 state and provincial roads between 2017 and 2019.

► Turkey, which is at an important transition point, is moving faster than other modes in road transport. Infrastructure investments such as new bridges, highways and tunnels for roads continue while steps towards international standards are being taken. While many cities in the country are connected to each other by divided roads, technical and technological investments have been focused on border gates. With the recent investments, the length of the divided road in Turkey has reached 23,444 km.

170 Billion TL Planned In 2017

General Directorate of Highways will work on an investment portfolio of 170 billion in 2017. The number of these projects included in the 2017 investment program will reach 390. The General Directorate of Highways plans to speed up their work in the framework of sustainable, economic and environment friendly project. There are 349 state and provincial roads between 2017 and 2019. The projects that the Directorate General of Highways will pass on are not just motorways. According to the information obtained, the institution is preparing to sign 27 different projects in the tourism, energy and agriculture sectors as well as 14 highway projects. Within the project plan of the General Directorate of Highways, there are 18 different north-south road corridors with a total length of 12.1 thousand kilometers. It is stated that the physical and geometrical improvements of 9.8 thousand kilometers of these have been completed, and work on the 1.108 kilometer area continues.

Within the scope of KGM's rehabilitation tender plan, there is also 1.143 km road coverage. It was stated that the works were carried out on 5 east-west highway corridor with a total length of 8 thousand 524 km. Tender work continues for the 783-kilometer section where the work is not completed.

2017 Will Be Tunnels Year

Among the tunnels under construction, the target is to complete another 8 important tunnels.

Kırık Tunnel: When the project of 15.8 km is completed between İkizdere District of Rize and İspir District of Erzurum, the road will be shortened by 33 kilometers.

Dallıkavak: 3 thousand 100 meters long tunnel located on Erzurum İspir road will shorten by 4,4 kilometers.

Cankurtaran Tunnel: The 10.4 km long tunnel on the route of Artvin-Ardahan-Kars-Erzurum will shorten the Hopa-Borçka road by 12 kilometers.

Geminbeli Tunnel: The tunnel between Sivas-Zara-Geminbeli

NUMBER OF ROAD MOTOR VEHICLES

Year	Bus	Small Truck	Truck
1966	12.041	31.462	47.931
1975	23.763	98.579	108.381
1980	32.783	165.821	164.893
1985	47.119	212.505	205.496
1990	63.700	263.407	257.353
1995	90.197	397.743	321.421
2000	118.454	794.459	394.283
2005	163.390	1.475.057	676.929
2010	208.510	2.399.038	726.359
2011	219.906	2.611.104	728.458
2012	235.949	2.794.606	751.650
2013	219.885	2.933.050	755.950
2014	211.200	3.062.479	773.728
2015	217.056	3.255.299	804.319
2016	220.361	3.442.483	825.334

Source: General Directorate of Public Security

The total length of the 14.6-kilometer Eurasia Tunnel is followed by work on giant tunnel projects. Tunnel projects which are planned to be completed in 2017 and which will provide economic contribution as well as speed and comfort will have tunnels of Kömürhan, Kırık, Dallıkavak, Cankurtaran, Geminbeli, Güzeldere and Demirkapı, as well as Ovit which will be the world's second longest double tube highway tunnel. The total length of 41 tunnels planned to open in 2017 is 68 kilometers. Here are those tunnels:

Ovit Tunnel: The route will be shortened by 3.8 km with the tunnel made on Rize-Erzurum road.

-Suşehrii with a length of 8,454 meters will shorten the route by 3 km.

Güzeldere Tunnel: Van-Başkale highway on the road will be completed by the tunnel length of 3 thousand 137 meters 2.2 kilometers will be shortened.

Demirkapı Tunnel: The tunnel in Antalya's İbradı district will be shortened by 7 kilometers.

Kömürhan Tunnel: The tunnel between Malatya and Elazığ is 2 thousand 400 meters long.

Historical Lawsuit Goes on with EU

The case against the application of toll collection in Europe from Turkish

trucks was presented at the European Court of Justice. In the meantime, the EU Commission has expressed its opinion that the fee taken in the framework of the Turkish theses should be abolished.

The lawsuit filed against the Hungarian National Tax and Customs Administration started in the court in Luxembourg. In the case of the appeal to the penalty for the company against the payment of the Hungary's transitional document, the 15-minute opening speeches of the parties followed the question and answer section.

The lawyers of the Turkish company expressed that the toll paid by Hungary is contrary to the EU-Turkey Association Council. It was emphasized that the passage of the transfer fee was contradicted by the Customs Union Agreement regarding the free movement of goods. In addition, it was stated that discrimination was made only by obtaining a toll from Turkish trucks, which is contrary to EU law. It has also been noted that the introduction of tolls for the carriage of goods has affected the prices of goods originating in Turkey from Europe.

Damage to the Commercial

On the other hand, the EU Commission stated that, within the

framework of the thesis of the Turkish side, taxation is contrary to the 4th and 5th articles of the EU-Turkey Association Council Agreement. The matter must be addressed within the framework of the Customs Union, and since Hungary is also an EU member, it is emphasized that the obligations in this regard are also linked to Hungary. Therefore, he pointed out the necessity of lifting the toll. Moreover, it is stated that due to the transfer fee, there are billions of Euros lost in trade between the EU and Turkey and it restricts the trade.

Turkey is Currently One of the Largest Commercial Vehicle Market

The adverse developments experienced in 2016 also negatively affected the light and heavy commercial vehicle market in Turkey. It is estimated that sales will reach 2015 levels in 2017 due to the rapid recovery of the transportation sector, even though it is a lucrative loss during sales.

The total market for Turkish automobiles and light commercial vehicles increased by 1.62 percent in 2016 to 983,720 units, a record high. Last year, 242 thousand 421 units of light commercial vehicle market, realized in 2016 by 6.45

percent compared to the previous year, decreased to 226 thousand 782. However, this figure in 2016 in our country and the geography that we are living in, considering the events that are not considered as a result is not bad. Light commercial vehicle sales fell 6.45 percent last year, while heavy commercial vehicle sales contracted 44 percent. The most important cause of casualties was the decline in private sector investments and the decline in the tourism sector. In 2016, companies paused to invest in upgrading and upgrading commercial vehicle fleets. This has led to a slowdown in production and sales. In 2017, the picture started to turn positive again.

According to the Automotive Distributors Association (ODD) data, light commercial vehicle sales increased by 3 percent, domestic light commercial vehicle sales increased by 4 percent, imported light commercial vehicle sales increased by 2 percent in January 2017. The market share of imports in light commercial was 48 percent.

Heavy commercial vehicle market decreased by 20 percent. Trucks are down by 15 percent, midi-busses by 49 percent, buses by 25 percent. Sector representatives are demanding that the scrap incentive for both

FREIGHT AND PASSENGER TRANSPORTATION AND THE CIRCULATION (MILLION)

Year	VEHICLE-KM				TONNE-KM				PASSENGER-KM			
	Total	State Road	Provincial Road	Motorway	Total	State Road	Provincial Road	Motorway	Total	State Road	Provincial Road	Motorway
2001	52.631	41.918	5.265	5.448	151.421	123.283	10.929	17.209	168.211	135.808	13.703	18.700
2005	61.129	45.818	5.845	9.466	166.831	128.343	9.984	28.504	182.152	134.681	15.865	31.606
2010	80.124	58.159	7.016	14.949	190.365	138.921	8.503	42.941	226.913	158.072	18.463	50.378
2011	85.495	62.276	7.512	15.707	203.072	147.631	8.548	46.893	242.265	167.851	19.779	54.635
2012	93.989	64.661	12.949	16.379	216.123	151.722	15.650	48.751	258.874	172.226	29.725	56.923
2013	99.431	67.915	13.551	17.965	224.048	156.609	16.358	51.081	268.178	178.045	31.139	58.994
2014	102.988	70.246	13.983	18.759	234.492	163.918	16.845	53.729	276.073	183.566	32.307	60.200
2015	113.274	77.273	15.420	20.581	244.329	170.029	17.425	56.875	290.734	193.427	34.785	62.522

Source: General Directorate of Highways.

Data covers the transportation on the road network within the responsibility area of General Directorate of Highways.

light and heavy commercial vehicles enter into force in 2017 to realize an increase in production and sales in the commercial vehicle market.

Demand to Truck Decreasing in Heavy Commercial Vehicle Market

Turkey's heavy commercial vehicle market shrank sharply in 2016, with a nearly half-year decline followed by a reversal of the passenger car market, one of the brightest times. The heavy commercial vehicle market expected to decline at a certain rate due to the cost impact of Euro 6 norms, which started to be implemented in early 2016, declined by 44 percent due to the political crises experienced during 2016 and fluctuating exchange rates. Nevertheless, there has been a significant increase in the export figures of heavy commercial vehicle brands in Turkey.

According to TAID data, the truck sold in our country in 2016 was 11 thousand 486. In 2015, 18 thousand 837 trucks were sold in the Turkish market. In 2015, 18 thousand 831 tractors were sold in the Turkish market. In 2016, 9,271 of these figures were reflected in the sector as the negative effects of foreign trade and logistics, especially the tension in Russia, civil war in Syria and instability in Iraq.

The great share of the attractor in the total heavy commercial market has been reversed in recent years, with an increasing tendency from the beginning of the 2000s, and a tendency to shift from transport to logistics.

For many years in favor of attractive tendency in 2011, 16 thousand 801 trucks sold in Turkey, 21 thousand 920 units were sold attractive. Due to heavy competition and external factors, the transport sector slowed down its investments and slowed down attractive purchases. In 2014,



18,804 tractors were sold against 16,54 trucks. With the adverse effect on the logistics sector continuing, the year of 2015 was the period when approximately 18,800 trucks and attractive sales were equalized.

Shares of Construction Vehicles Output to 55 Percent from 40 Percent in Five Years

The distribution of road and construction truck sales to the construction vehicles defined as offroad has been increasing in recent years in relation to infrastructure and construction sector which does not slow down in the Turkish economy. While 18 thousand 837 trucks sold in 2015 were 9 thousand 74 offish roads, 6 thousand 389 trucks of 11 thousand 486 trucks sold in 2016 are offroad, revealing the heavy commercial trend of construction. The proportion of construction trucks based on 55 percent of total truck sales in 2016 is only 5 years ahead; We see that in 2011 the level is 40 percent.

The Sales Have Changed The Balance

It would not be right to examine the Turkish trailer and superstructure industry separately from the Turkish economy and negative developments affecting the social life in 2016.

Though the country's internal war has

spread, the rising terrorist incidents have taken innocent lives even in the metropolises and Turkey's biggest airport, and the coup attempt on July 15 changed the country's agenda, the economy's wheels continued to turn. Contrary to the passenger car and light commercial vehicle market, there have been drastic changes in the heavy commercial vehicle market, which has been one of the most difficult periods in recent years, and the trailer market, which is generally in parallel with this segment. There is also a trend in heavy commercial vehicles like trucks, tractors on road vehicles. Due to different circumstances, the vacancy of tilted and refrigerated trailer sales is filling the damper.

The vehicle produced in Turkey in 2016 and sold in domestic and foreign markets is almost the same as 2015. According to TREDER statistics, while 16,586 trailers were sold in domestic and foreign markets in total in 2016, this figure was realized as 16 thousand 436 in 2015. It is also worth mentioning that there are 5 brands that do not report their sales figures for the 2016 statics.

It is worth noting that trailer brands that are not TREDER members but can not qualify as production facilities and product qualities are not included in this evaluation. ■

MARITIME SECTOR TO BOOM

Having a great maritime potential, Turkey tries to become a global player with its actions and infrastructure investments in recent years. While the number of new technological ports increase, the ship construction industry has a strong growth trend.

NUMBER OF SHIPS CALLING TO TURKISH PORTS

Year	NUMBER OF DIFFERENT SHIPS						TOTAL NUMBER OF CALLING SHIPS					
	TURKISH FLAGGED		FOREIGN FLAGGED		TOTAL		TURKISH FLAGGED		FOREIGN FLAGGED		TOTAL	
	Number of Ships	Gross Ton	Number of Ships	Gross Ton	Number of Ships	Gross Ton	Number of Ships	Gross Ton	Number of Ships	Gross Ton	Number of Ships	Gross Ton
2015	3.379	4.568.959	5.835	132.505.334	9.214	137.074.293	38.397	130.762.155	35.288	616.777.791	73.685	747.539.946
2016	3.443	4.706.342	5.746	134.138.512	9.189	138.844.854	37.644	142.603.067	33.576	606.309.954	71.220	748.913.021

"General Directorate of Maritime Trade - Department of Planning and Statistics"

- The maritime sector has maintained its share of 84% in 2016 like in the past 5 years. The global transports increased by 1 billion tons and grew by 4% in 2015 compared to 2016. While 13.18 billion tons of goods were transported in total, the maritime sector transported 11.10 billion tons of this.

In terms of types of goods transported globally, Minor Bulk Goods and Crude Oil took the first place with a share of 17%. They were followed by container transports with a share of 15%, iron ore with a share of 13% and coal and LPG-LNG transports with a share of 10%.

Turkish Port and Maritime Transports Develop

Desiring to benefit more from its geopolitical location advantage in maritime sector with new investments, Turkey continues to achieve a remarkable development despite the political and economic problems in its neighboring region. In addition to government investments, companies with national and foreign capital make major investments in ports and maritime sector. While in average, 5 ports are put into operation every year, currently around 20 ports are under construction. Added with railway and road infrastructure, these ports also have a high ratio of technology use.

Sustainable Increase in Handled Goods Graphics

The Turkish ports have handled around 416 million tons of goods in 2015. This figure has increased to around 430 million tons in 2016. The handling ratio of Turkish flagged ships is also remarkable in 2016. The Turkish flagged ships handled 36.5 million tons of goods in 2015 and 38.6 million tons in 2016.



Increase in Tonnage of Ships Calling to Ports

Although there seems to be a slight decrease in 2016 in the total number of ships calling to Turkish ports, the total gross tons of the calling ships have increased. While 73.685 ships called at Turkish ports in 2015, Turkish ports hosted 71.220 ships in 2016. The total tonnage of these ships was 747.5 million gross tons in 2015 and 750 million gross tons in 2016.

Global Investments by Turks Have Also Increased

The Turkish companies have made over 2 billion dollars of investments in international ports. Currently 29 ports have Turkish partners or operators. The number of purchased or participated in ports will probably increase to 50 in future. Being the most important foreign investor of goods transport, Yılport operates 14 foreign ports out of 20 ports operated in total. Yılport Holding Chairman Mr. Yüksel Yıldırım said that: "We will make new investments. We have successfully passed the second phase of the tender of Ports America, being the biggest port operator in USA. We continue with our negotiations."

"Major Investments to Boost Maritime Transports"

Stating that the world and Turkey have left behind a year full of negative developments, Mr. Yusuf Öztürk, the Chairman of İzmir Branch of İstanbul and Marmara, Aegean, Mediterranean and Black Sea Regions Chamber of Shipping, remarked that 2017 will be a challenging year like 2016 but the completed and ongoing investment infrastructures will clear the way for Turkish maritime sector. Noting that great developments were achieved in 2016 for İzmir maritime sector, Mr. Öztürk further commented as follows: "An Environmental Impact Approval has been given to Gulf and Port of İzmir Rehabilitation Project carried out by the General Directorate of Turkish State Railways and İzmir Metropolitan Municipality. Dredging works will start in 2017 after the finalization of the tenders whose preparation is currently ongoing. The channel to be opened on the north axis will ensure circulation in the Gulf of İzmir. Thanks to the calling channel of 13 kilometers with a width of 250 meters and a depth of minus 14 meters, larger container ships will be able to enter into the Gulf. In order to keep it alive, we need to extend Alsancak Port,

being invaluable both for İzmir and Turkey. The port will have a better opportunity for extension thanks to dredging. Konak Mayor Ms. Sema Pekdaş has announced that they will not object to the cruise and good ports construction plans. Now necessary investments can be made for the privatization and effective operation of the port. This will ensure that İzmir will have a cruise ship with a modern passenger terminal where 4 to 5 ships can call at the same time.

Hope for 2017

The Chairman of İstanbul and Marmara, Aegean, Mediterranean and Black Sea Regions Chamber of Shipping Mr. Metin Kalkavan said that the Turkish maritime sector has achieved to enter 2017 with hope. Noting that ship and yacht exports have reached its peak in the last two months of 2016, Mr. Kalkavan made the following comments: "We have achieved record breaking figures for ship and yacht exports in the last two months of 2016. The export ratio was 166,88 percent in November, being the highest monthly increase ratio. Having achieved the second highest increase in December with 154,9 percent, the sector has exported 156 million and 404 thousand US dollars

of goods."

Stating that the sector entered into 2017 with hope, Mr. Kalkavan has evaluated the developments in 2016: "This is a crucial development for the ship construction sector and thousands of tradesmen and workers at shipyards and sub-shipping industry. We had problems also with the foreign investors who want to invest in Turkey due to short land allocation periods for the shipyards. This has allowed for cooperation of foreign investors.

Moreover, other important developments cheeping the sector up in 2016 were construction of all surface combatants by domestic shipyards, defense industry projects, loan guarantee fund support given to SMEs and exporters, and facilities provided for re-registration of foreign flagged yachts owned by Turkish ship owners to Turkish flag."

First Phase of East Mediterranean Terminal is Opened

Constructed to increase the competitiveness of Mersin International Port (MIP), a subsidiary of Akfen Holding, and to ensure that mega ships can call at the port, the "East Med Hub Terminal" (Eastern Mediterranean Terminal) has been

opened with a ceremony.

Minister of Development Mr. Lütfi Elvan, Mersin Governor Mr. Özdemir Çakacak, Akfen Holding and MIP Chairman Mr. Hamdi Akin, PSA Europe&America Region CEO and MIP Board Member Mr. David Yang, well-known city members and sector officials and senior executives of PSA, Akfen and MIP have attended the ceremony held at the new terminal site.

Giving a speech at the opening ceremony, Akfen Holding and MIP Board Chairman Mr. Hamdi Akin said that they continue to make investments for the sustainable growth of Turkey like in the previous years. Mr. Akin further made the following comments: "Akfen Holding will make an investment of 6 billion liras in total in 2017. 3,4 billion liras of this investment will be made in health sector to Isparta, Eskişehir and Tekirdağ city hospitals to be constructed with Public-Private Partnership model. Our City Hospital projects will be opened at the end of 2017. We also plan to make an investment of 1,8 billion liras in the energy sector. In order to contribute to the fast increasing energy demand of Turkey, we continue to invest in renewable energy with more

TOTAL HANDLING STATISTICS FOR TURKISH PORTS (TON)

	LOADING				
	EXPORT				
YEAR	TURKISH FLAGGED	OWN COUNTRY FLAGGED	OTHER COUNTRY FLAGGED	TOTAL	TOTAL LOADING
2015	13.754.810	3.008.896	75.388.916	92.152.622	176.644.210
2016	15.272.855	3.234.429	76.297.836	94.805.120	182.491.290

"General Directorate of Maritime Trade - Department of Planning and Statistics"

hydroelectric power plants, solar energy systems and wind power plants projects. Recently we made the highest bid with a bid of 1 billion and 250 million liras for Menzelet and Kılavuzlu hydroelectric power plants tendered by Elektrik Üretim A.Ş. (EÜAŞ) tendered by the Directorate of Privatization Administration in November. We do our best for the transfer of these power plants to our group as soon as possible."

"We Plan to Initiate Phase II in 2017"

Emphasizing that they continue with their investments in the port and mining sectors, Mr. Akin gave the following information: East Med Hub Terminal (Eastern Mediterranean Terminal) of Mersin International Port (MIP) forms the first phase of our ongoing investments. We are opening today the first phase of the pier enlargement project initiated in 2014. With the East Med Hub Terminal, the pier capacity of the port has increased to 2.6 million TEUs. We have invested in around 170 million US dollars until now. We will initiate the second phase of the enlargement project in 2017."

"Total Investment Costs of MIP Exceed 1 Billion US Dollars"

Reminding that they have paid a royalty of 755 million dollars in 2007, Mr. Hamdi Akin further commented as follows: "With the EMH Terminal recently put into operation, the total



value of our investments for MIP has exceeded 1 billion US dollars. Before EMH Terminal, the port could only host ships with a maximum length of 400 meters, depth of 15 meters and a capacity of 18.000 TEUs. Now the port can serve mega ships, which allows direct trips.

Mr. David Yang: "A Crucial Investment"

Attending the ceremony, Mr. David Yang, PSA Europe&America Region CEO and MIP Board Member, told that the container ships have achieved a great growth in the last 10 to 15 years and these ships with extraordinary dimensions have maximized the development speed of the sector. Mr. Yang made the following remarks: "The features of East Med Hub terminal can satisfy the current needs of the sector. This crucial investment has opened the doors of Mersin to mega ships. With direct trips to be organized soon and

the shortening of the flight times, MIP will become the main port for the Middle East and CIS countries. In addition to the investments of infrastructure, technology and human resources, MIP makes important contributions both to the city and the country economy with the ecosystem it has created in the region."

Mr. David Yang further commented as follows: "As a result of all these investments, MIP has become a world class port which handles 1 million and 500 thousand tons TEUs of containers, 9 million tons of conventional goods and annual total volume of over 30 million tons. We connect to more than 100 ports with 17 container operators we serve. Moreover, the annual container handling capacity of the port has increased from 1 million and 800 thousand TEUs to 2 million and 600 thousand TEUs with the infrastructure and equipment of EMH Terminal. We would like to create a global port in Mersin in future." ■

	UNLOADING							
	IMPORTS					TOTAL COASTAL TRADE	TOTAL TRANSIT	TOTAL HANDLING
	TURKISH FLAGGED	OWN COUNTRY FLAGGED	OTHER COUNTRY FLAGGED	TOTAL	TOTAL UNLOADING			
	22.724.776	10.332.537	175.268.995	208.326.308	239.392.485	52.472.668	63.085.097	416.036.695
	23.350.424	8.809.274	182.972.821	215.132.519	247.709.872	53.300.216	66.963.307	430.201.162

INCOMPLETE PARTS ARE COMPLETED IN RAILWAYS

► After providing the main lines in Turkish railways with challenging geographical conditions, there was not much volunteering to carry the train line to areas where population and trade were low due to high investment costs. In recent years, high-speed trains for passenger transport have been almost halved for metropolitan connections. The construction of the other main connections continues. Especially with the projecting of rail-

way connections of newly constructed and planned ports, it is desired to re-establish freight transport. Parallel to this development, the liberalization step was also taken on the railways to accelerate trade. Private firms can now use national railways.

Alternative for Asia-Europe Connection

The connection of the Marmaray project with the Asia-Europe railway

connection was provided, but due to heavy passenger transport, the use of this line of freight trains was not possible until this time. However, the infrastructure of the 3rd Bosphorus Bridge, which was opened in 2016, was designed to be suitable for railway crossing. In this way, the new railway line will be able to switch to the European continent by using the new bridge before entering into Istanbul. The connection of



In recent years, especially focusing on the high-speed train infrastructure, Turkey has re-focused on rail freight transport as railway-connected ports have begun to come alive. It is expected that the sector will gain momentum if the liberalization of the railways is officially started.

this line will complete an important part for the Europe-China railway connection.

Investment of 23.5 Billion Dollars

2023 will be 100th anniversary of the Republic of Turkey. Completion of these projects is of special importance. It is aimed to increase the railway line to more than 13.000 km by investing 23.5 billion dollars on the railways.



Liberalization Begins by 2017

From January 1, 2017, rail freight was released and re-opened. The private sector has no obstacles in front of carrying out train operations with its own vehicles and personnel. Within the framework of "Law No. 6461 on the Liberalization of Turkish Railway Transshipment" published on May 1, 2013, infrastructure and transportation are separated from each other; TCDD infrastructure operator and TCDD Taşımacılık A.Ş. was defined as train operator.

TCDD Transportation Inc; The organizational structure based on the business unit and the main units of cargo, passenger and vehicle maintenance aimed at carrying out activities according to profitability and productivity principles. According to the information obtained from the authorities; This will result in better quality, more efficient transportation by ensuring separation of accounts, monitoring of costs and field specialization. Within this scope; High speed, conventional and suburban suburban trains as well as Marmaray, Baskentray, while carrying passengers, domestic and international freight forwarders, logistics services, ferries and freight and passenger transportations.

With the new regulation, it is aimed to remove the railway from being a monopoly and to provide the railway sector with the conditions to realize more efficient and efficient business and infrastructure investments.

With the liberalization of the transport sector, private companies were given the opportunity to transport

their own vehicles, personnel, cargo and passengers.

It was aimed to increase the quality of the services provided by the railway companies and to make the transportation prices more competitive against other transportation types. It has been stated that the long distance transport modes of transport have been maintained, and work has been continuing to change the imbalance in favor of the railway in favor of the railway. TCDD Taşımacılık A.Ş., which has started to operate within competitive conditions, expects to increase the share of freight carried by rail by 15% and the share of passengers to 10% by 2023. In addition, the share of the private sector in freight transport is expected to increase significantly.

Other Details in the Vision

TCDD General Manager İsa Apaydın said that they planned to make 13 thousand kilometers of railway line in 2023 vision and said "We have Samsun-Çorum, Kırıkkale-Kırşehir-Aksaray, Adana-Mersin line which we started as North-South project we have developed in recent years. So we will get the Samsun and Mersin ports connected." Apaydın said that since 2003 the railway sector has had very important resource transfers exceeding 50 billion TL by the government.

"We Will Reach More Than 50 Percent of the Population"

Apaydın noted that they have been transferring more than 50 billion TL of funds to the present time and that they have renewed their proximity to

11 thousand kilometers of railway line with these resources. "Besides this, we are working to manage the high speed trains of Ankara - Konya, Ankara - Sivas. We are going to start construction of superstructure next year in Ankara - Sivas. We will start construction of superstructure in Ankara - Sivas in less than 2 hours and hopefully we will build the substructure of Ankara - Sivas in the near future. We will also connect Bursa to the Ankara-Istanbul line, so we will be in a position to serve more than 50 percent of the country's population on our high-speed train core network," he said.

"We will link Samsun - Mersin Ports with YHT"

In addition to the YHT investments,

we also talked about high-speed train projects and we started to work on some parts of our works in the southern part which will reach "Konya-Karaman, Karaman-Eregli, Adana-Mersin and Gaziantep, and some of our project works are continuing. Istanbul, Eskisehir, Afyon and Burdur, we will meet with the high speed train in Antalya and will be connected to both Ankara and Istanbul as passenger and cargo transportation. We have started to develop as a North-South project which we have developed in recent years, Samsun - Çorum, Kırıkkale - Kırşehir - Aksaray, Adana - Mersin, so we will connect the ports of Samsun and Mersin to each other and we plan to make 13 thousand kilometers railway line in

2023. We hope that we work day and night to keep this goal.

"Railway Sector is Growing Together with Sub-Industry"

Apaydin also noted that the railway industry has grown up with its subsidiary industry and said; "Over 50 companies are working on the market as suppliers for the railway. We have KARDEMİR, we produce rail for fast and convention trains. In the future will produce wheels and expand the product range. The railway sector has caught up with a certain development and its development will continue at the same pace. In this sector, we plan to raise our human resources with Karabük University. We are planning to employ these passengers as a quali-

TURKEY'S RAILWAYS STATISTICS

Year	Length of railways (km)	Number of passenger (Thousand)	Freight amount (Tonne) (Thousand)	Train-kilometer (Thousand)	Passenger-kilometer (Thousand)	Tonne-kilometer (Thousand)
1977	8.139	112.607	13.938	38.280	5.087.257	7.633.592
1978	8.139	115.665	13.204	37.517	5.600.163	6.648.948
1979	8.132	126.563	12.427	37.411	6.802.359	5.814.018
1980	8.193	113.938	10.489	35.473	6.010.878	5.167.337
1985	8.400	136.354	14.263	45.038	6.488.988	7.958.963
1990	8.429	139.089	13.426	44.190	6.410.064	8.030.575
1995	8.549	104.635	15.271	43.355	5.797.247	8.631.928
2000	8.671	85.343	18.524	45.624	5.832.577	9.895.346
2005	8.697	76.306	19.195	45.395	5.036.000	9.152.000
2010	9.594	84.173	24.355	39.025	5.491.000	11.462.000
2014	10.087	78.404	28.747	43.006	4.393.000	11.992.000
2015	10.131	95.317	25.878	41.873	4.828.000	10.474.000

Source: General Directorate of Turkish State Railways

fied human resource in our railways and in the railed sectors.”

Turkey's Longest Railway Tunnel is Under Construction

TCDD Adana 6th Regional Director Assistant Oğuz Saygılı said that the project that will link Osmaniye's Garden and Nurdağı districts of Gaziantep, covering Turkey's longest railroad double tube lane with 10,200 meters each, will be completed in 2019.

240 Million Liras Project

Providing information about the investments at the Provincial Coordination Board meeting, Saygılı stated that he will carry out 4 projects with a total value of 253 million TL. Saying that 38 million liras have been

spent for these projects so far, Saygılı continued: “We aim to use the full amount of the year 2016 of 73 million pounds until the end of the year. One of our projects and other activities is the Garden- Nurdağı connection. This will be in accordance with the fast train standards. The contract is worth 193 million TL and a project worth 240 million TL with an increase of 20 percent. 51 percent of this is now completed. When we open the tunnel, the longest railway tunnel of Turkey will be opened in this section. The work of the TBMs, which will be in the form of two separate tubes and tunneling machines, is ongoing. We aim to complete the project in 2019.”

High-Speed Train Between Adana and Toprakkale

Saying that another project is the Adana-Toprakkale High-Speed Train Project, Saygılı said: “We made the 80-km line in the month of February and we will invite the company to sign a contract worth 450 million pounds after the final decisions are made. We will complete the project in 2019. This year, an appropriation of 32 million pounds was allocated for this project and we will work on the 160-kilometer or even faster trains between Adana Toprakkale and the project completion.”

Targets of Railway Between Turkey and Iran 1 Million Tons

Naci Özçelik, Vice-Chairman of the Freight Department of the Turkish State Railways (TCDD), said that they aimed to increase the freight transport volume between Turkey and Iran to one million tons with a railway between 350 - 400 thousand tons. Naci Özçelik, Vice President of the Freight Department of the Turkish State Railways (TCDD), stated that they aimed to increase the transport volume between Turkey and Iran to

one million tons.

The Iranian capital Tehran held a five-way railroad meeting with officials from “Turkey, Iran, Kazakhstan, Turkmenistan and Tajikistan”. Speaking at a meeting held on Iranian Railways, Naci Özçelik said that the work continues to improve railway transport between Turkey and Iran.

Özçelik said that “the volume of transportation between Turkey and Iran is around 350-400 thousand tons and we aim to increase this number to 1 million tons. We attach importance to the transitions between Tehran and Van.”

Özçelik emphasized that due to Turkey's geographical position it could offer important contributions to the transit transportation between Asia and Europe and said: “Our aim is to channel the freight load on the highway to the railway. In this context, in order to be able to transport the railway sector of the private sector by locomotive, It entered into force in May 2013.”

“Turkey Has a Key Role in Euro-Iran Railway Transport”

Iranian Railways Deputy Director General Huseyin Asuri said the participating countries are determined to develop railway transport cooperation among themselves.

“Turkey has been playing a key role in Europe-Iran railway transport, and in this regard, Turkey has been playing a key role in railway transport,” said Ashuri, who pointed out that Turkey and Iran have an important position for each other in terms of railway transport: “In recent months, We are planning to make some agreements on business alliance.”

Asuri said that the 5th group meeting in the railway area was the first and that Uzbekistan and China are expected to participate in this group in the future. ■





BIGGER GOALS FOR AIR CARGO

► Having taken important actions in the field of aviation and increased the infrastructure investments, Turkey now aims for big goals in this field, too. Although 2016 was stable for the sector, bigger goals are set for 2017 and onwards. Especially with the opening of the new airport currently being under construction in İstanbul which will become one of the largest airports of the world in 2028, Turkey will have better opportunities.

International Transports Increased by 2.2%

The 2016 cargo transport performance of Turkish airports shows a decrease of 5.3% in domestic transports, an increase of 2.2% in international transports and an average increase of 0.5%. It is a fact that due to the seasonal crisis in Turkish tourism in 2016, the goods transported together with the tourists has negatively affected the Turkish tourism. Since the expectations for both tourism and foreign

trade are positive for 2017, the air cargo sector will be also positively affected.

Commercial Flight Traffic Increased by 3.3%

According to the data by the Ministry of Transport, Maritime Affairs and Communications, the number of commercial flights to Turkish airports have increased by 3.3% in 2016 compared to 2015. This increase is 4.9% in domestic flights and 1.8% in international flights. 846.404 commercial flight trips were made in total to the Turkish airports. 417.636 of these were domestic trips and the remaining 428.768 are international trips.

Cargo City to Ease Operations

A 'cargo city' will be established for the cargo operations of New İstanbul Airport to be partially opened in 2018. International Transport and Logistics Service Providers Association (UTDKAD) Chairman Mr. Emre Eldener told that

the first cargo city in the world will be established at New İstanbul Airport and they negotiate with İGA Airport Operation. Mr. Eldener also made the following comments: "We believe that this will be a global hub. As UTDKAD, we make handling warehouse operation negotiations. We cannot get the goods to be exported from many customers and deliver them to the airport for transport by air. That is because there is not sufficient space at Atatürk Airport. Our customers want to send their goods by air. However, the transport costs are very high. If we consolidate the goods at aircrafts, then we can decrease the costs and send more goods by air and fill the capacity of the aircrafts and make faster deliveries."

To Be Constructed Over An Area of 1.4 Million Sqms

Being one of the largest projects of the Republic of Turkey in its history, the New İstanbul Airport is a major

Desiring to improve its air cargo potential in parallel with its exports, Turkey aims for better performance in air cargo with the new İstanbul airport currently under construction and to be opened gradually starting from 2018. Having completed 2016 with an increase of 0.5% in terms of goods, the sector wants to get a better performance in 2017.

project that will add value to both Turkish and global aviation sector. The new airport is being constructed on an area of 76,5 million sqms on the Anatolian side of İstanbul between Tayakadın and Akpınar villages. The airport will become the largest airport constructed from scratch and the cargo city to be constructed at New İstanbul Airport will be a first in Turkey. To be constructed over an area of 1,4 million sqms, the cargo city will have an annual air cargo tonnage capacity of maximum 5.5 million tons. The cargo city will also allow for parking of 36 cargo airports at the same time. Thus, the New İstanbul Airport will become one of the largest cargo hubs in the world and will make a great contribution to the growth of air cargo transport. The cargo city will have an annual capacity of maximum 5.5 million tons. To have a total area of 1,4 million sqms, the airport will have a closed area of

over 200.000 square meters and 36 cargo aircrafts in Code E category will be able to park at the same time.

No Ring Autobuses

The new airport will not have any ring autobuses used for transfers to/from the aircrafts, which are sometimes complained by the passengers. Instead of ring buses, all aircrafts will park next to boarding bridges. Thanks to the high number of boarding bridges, there will be no ring buses. 347 aircrafts will be able to park at the airport at the same time. A carpark with a capacity of 18 thousand will be constructed over an area of around 750 thousand square meters. This carpark will be also the largest in Europe. The capacity of the carpark can increase to around 25 thousands.

A Capacity of 200 Million Passengers

When the airport is completed, flights

will be organized to 350 different points from Turkey. All construction works are carried out at the same time over a total area of 1 million and 300 thousand square meters. While moving walkways are installed to the terminal building, diggings are ongoing and concrete is laid at the same time. The closed construction area is around 3.5 million sqms. The roof area of the terminal building is 450 thousand square meters while its façade area is 500 thousand square meters. Rough construction of the award-winning traffic control tower. The capacity of the airport will be 90 million when the first phase is completed and 200 million passengers when totally completed.

Foundations are Laid for Turkish Civil Aviation Academy

The foundations for Turkish Civil Aviation Academy were laid by Assistant Minister of Transport, Maritime Af-

COMMERCIAL FLIGHT TRAFFIC

Airport	2015 YEAR END			2016 YEAR END (INDEFINITE)			2016 /2015 (%)		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
İstanbul Atatürk	132.873	314.071	446.944	131.815	319.936	451.751	-1	2	1
İstanbul Sabiha Gökçen ^(*)	129.117	75.713	204.830	140.307	79.979	220.286	9	6	8
Ankara Esenboğa	75.836	12.134	87.970	81.953	12.392	94.345	8	2	7
İzmir Adnan Menderes	60.415	19.156	79.571	63.561	16.461	80.022	5	-14	1
Antalya	45.573	116.087	161.660	48.908	75.031	123.939	7	-35	-23
TOTAL - TURKEY	443.814	537.161	980.975	466.544	503.799	970.343	5,1	-6,2	-1,1

Source: Ministry of Transport, Maritime Affairs and Communications



fairs and Communications Mr. Yüksel CoĐkunyürek at a ceremony held at the construction site at Đstanbul Atatürk Airport region. Planned to be completed by the end of 2017, the project is expected to be the largest aviation academy in the region. To be established within the scope of the 'Development of Turkish Civil Aviation Safety and Security Training Capacity' Technical Help Project co-finances by the Republic of Turkey and the European Union, the academy's groundbreaking ceremony was hosted by Civil Aviation General Manager Mr. Bilal EkĐi and attended by the European Union Commission and aviation sector representatives. Yüksel CoĐkunyürek, Deputy Minister of Transport, Maritime and Communication, stated that aviation education policies are crucial to the development of aviation in an effective way and that Turkish Civil Aviation Academy will contribute not only to our country but also to the training of the person-

nel needed in aviation. General Director of Civil Aviation Bilal EkĐi said in his speech that he would become the most important training base in the region with the Turkish Civil Aviation Academy (TSHA) as a regional hub with Turkey's 3rd Airport, which aims to be in the first 5 countries in the world. Stating that the academy, which will transform Turkey into a regional training center, will spend a total of 15 million Euros on a budget of 23 million square meters. General Manager EkĐi stated that the center is scheduled to open at the end of 2017 with the capacity to train EU and international standards for around 2,000 domestic and foreign aviation personnel annually.

Emerging Air Cargo Supports Exports

In the trade markets where trends such as minimum stock and fast terminus are rising, delivering the

product to the customers in the fastest way prevents the price advantage from time to time. Turkey, which has become an important business in production, supports the development of air cargo to deliver goods to the countries of the region, especially to Europe. Significant steps are taken for the development of advertising campaigns such as 'next day delivery' and sectors together.

Food Exporters Want Air Freight

Turkey is one of the largest fresh fruits and vegetables exporters in the region with its fertile lands and different climate conditions. Figs, cherry, hazelnut production of products such as the world is in the top three. However, these products have serious problems in transporting. Problems such as customs duties in the transport of more than one country are also causing an increase in the ratio of defective goods. The producers and exporters who

GOODS TRAFFIC (LUGGAGE+CARGO+MAIL) (TON)

Airport	2015 YEAR END			2016 YEAR END (INDEFINITE)			2016 /2015 (%)		
	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
İstanbul Atatürk	222.649	1.532.075	1.754.724	202.538	1.581.807	1.784.346	-9	3	2
İstanbul Sabiha Gökçen ^(*)	135.636	193.773	329.409	138.576	195.966	334.542	2	1	2
Ankara Esenboğa	82.548	30.475	113.023	84.011	26.210	110.221	2	-14	-2
İzmir Adnan Menderes	86.842	47.774	134.616	74.755	39.103	113.858	-14	-18	-15
TOTAL - TURKEY	527.675	1.804.097	2.331.772	499.880	1.843.086	2.342.966	-5,3	2,2	0,5

Source: Ministry of Transport, Maritime Affairs and Communications

want to overcome all these problems want to benefit from the benefits of air cargo. They especially expect to carry more cargoes from Antalya to many destinations and prices will drop to somewhat more reasonable levels. For example, the Association of Aegean Fruit and Vegetable Exporters saw the ability to send products to every corner of the world with high quality production and air cargo under the success of Chile at the Trade Mission Organization organized by Chile for the opening of new target markets. Rıza Seyyar, Chairman of the Board of Directors of the Aegean Fresh Fruit and Vegetables Exporters Association, stated that "Chile is exporting about 97 percent of the cherry produced by Chile. They only generate \$ 600 million in annual income from cherry export. Fresh grape exports are at \$ 1 billion. Every day during the season they lift air cargo planes from Santiago to Hong Kong, Tokyo, Beijing, Shanghai. Chilean cherries reach \$ 40- \$ 50 in these countries. The maker's hands are between \$ 8 and \$ 12. They deliver all varieties sensitive to shelf life to world metropolises."

Moving on to the negotiations with the Chilean Exporters' Association officials, Seyyar continued:

"Summarized the success of Chile with

two factors. The first is quality production and the second is fast delivery. In case of fast delivery, both the availability of the products is increased, the shelf life is prolonged, the better fiyatı can be sold and more revenue is generated. Kenya only earns \$ 6 billion a year through air cargo from flower exports. We would like to increase the capacity and destination number of Turkish Cargo in Turkish Airlines. In this respect, we can make a big leap in the export of our fresh fruit and vegetable products, fish, white meat, eggs, flowers and especially our shelf-life sensitive products."

Reverse Climate is a Great Advantage

We live in winter in Turkey, these days in Chile, the cherry harvest is continuing and will continue for another two months, describing the Seyyar, "Turkey has an opposite climate. Turkish exporters have the chance to supply products from Chile and sell them to customers during the season when they are not products in Turkey. During our contacts in Chile, we have become exporters who connect in this sense. Our exporters will supply products from Chile and sell them to customers in Russia and other countries."

World Air Cargo Sector on Good Road

According to WorldACD reports, the air cargo industry is closing the year 2016 with good figures. The rebound in demand, which began in early 2016, is the fastest rate of recovery since the beginning of 2010.

Reports show tonnage-based claims in November increased by 6.9% compared to last year; Demand developments in Hong Kong and China are playing an important role in "positive end-of-year developments."

We see that your growth is concentrated in Asia Pacific. Despite this, perishable cargo exporters have also gained momentum in Egypt, the US, Chile and Colombia. In October / November period, the deteriorating cargo volume increase was between 16% (Chile) and 34% (Egypt) per year. The yields from major markets in Asia Pacific have risen. Dollar-based yields between August and November rose 25% from Asia Pacific to 30% in Europe over the previous calendar year. Air cargo prices have been on the rise since 2009, and there have been no periodic increases. It was also the scene of serious volume increases. In Hong Kong (+ 30%) and Shanghai (+ 17%), there were also more significant increases than in previous years. ■

2017 TO BECOME THE YEAR OF TRANSPORT PROJECTS

Major transport projects are expected to be initiated this year to turn Turkey located on major international transport corridors into a bridge between regional and continental trade.



► In order to turn Turkey located on major international transport corridors into a bridge between regional and continental trade, some of the planned major transport projects have been finalized while the foundations of some are expected to be laid soon. A number of projects including Baku-Tbilisi-Kars Railway Project, 1915 Çanakkale Bridge, 3-Floor Big İstanbul Tunnel and Kanal İstanbul will be initiated. Known also as "Iron Silk Road", Baku-Tbilisi-Kars Railway Project is expected to be put into operation in the first half of 2017. This third major project carried out by Azerbaijan, Georgia and Turkey after Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum projects will serve for 1 million passengers and 6,5 million tons of goods. The capacity of the project is expected to increase 3 million passengers and 17 million tons of goods in 2034. The tender for Rize-Artvin Airport,

the world's third and Turkey's second airport to be constructed on the sea, will be completed this year. To be constructed at Yeşilköy and Pazar beach located around 34 kilometers to the city center of Rize, around 105 kilometers to the city center of Trabzon and 75 kilometers to the border of Artvin, the airport will have a runway of 3 thousand meters x 45 meters, a taxiway of 265 meters x 24 meters, and an apron of 300 meters x 120 meters.

The sea will be filled with 88,5 million tons of earth including around 25 million tons of stone for the construction of the airport. The average depth of the earth will be around 17 meters while the deepest point will be 22 meters.

The airport will serve 2 million passengers every year with its terminal building and other superstructure facilities as the 56th airport of Turkey.

New Tube Tunnel

6 companies which are given pre-approval by the General Directorate of Infrastructure Investments of the Ministry of Transport, Maritime Affairs and Communications have made their financial and technical offers on February 15 for the 3-Floor Big İstanbul Tunnel Project. Within the scope of the survey, project and engineering services of the project planned to be completed in 2017, land and sea deep drilling works will be made and surface data will be determined. After the end of the tender, the engineering projects are planned to be completed in 1 year. The undersea tunnel to pass under the Bosphorus will include both a road and railway in a single tube. To be built as a three-floor structure, the tunnel will have a double-track railway on the second floor and a two-lane road on the first and third floors. To be the first of its kind in terms of size and length, the project

will be completed in two phases; i.e. the first phase being the high capacity and high speed metro system starting from Đncirli in the European side to SöĐütlüçeĐme in the Anatolian side over the E-5 axis and the second phase being the 2x2-lane road system starting from Hasdal intersection in the European side and Çamlık intersection in the Anatolian side over TEM highway.

Đstanbul Tunnel will be integrated to

compared and the tender will be awarded to the company which bids the fastest.

For the construction of "1915 Çanakkale Bridge" to be known as the "bridge with the longest span", the companies to bid have already started drilling and ground studies at Đekerkaya, Lapseki in the Anatolian side and Sütlüce, Gelibolu in the European side. 1915 Çanakkale Bridge will be constructed between

Toros Mountains of the project have been opened. The completed section of the highway being Kirkgeçit Tunnel and Viaduct group is planned to be operated with the Build-Operate-Transfer model.

Construction of Kanal Đstanbul to Start This Year

Thanks to the legal enactment made for the project to add value to Đstanbul, the pastures on the



TEM highway, E-5 highway, Kuzey Marmara highway and 9 metro lines. Aimed to be constructed with Build-Operate-Transfer model in 5 years, the trip from Đncirli in the European side to SöĐütlüçeĐme in the Anatolian side over a 31-km high speed metro line of 14 stations will take 40 minutes.

The road trip from Hasdal intersection on the European side to Çamlık intersection on the Anatolian side will take around 14 minutes. 6,5 million passengers are expected to use all the lines integrated to the tunnel.

Bids will be made for Malkara-Gelibolu-1915 Çanakkale Bridge and 100-kilometer Malkara-Çanakkale section of Kinalı-TekirdaĐ-Çanakkale-Gelibolu-Balıkesir-SavaĐtepe Highway planned to be 352 kilometers. The companies which are found to be technically adequate will be asked again to bid in a short period of time and their bidding times will be

Gelibolu and Lapseki and will render Çanakkale indispensable for Marmara Region on the transport line from Thrace to Aegean and the Mediterranean.

Preparation for Tender For An Uninterrupted Highway From Edirne to Đanlıurfa

Being one of the most important highway projects of Turkey, Ankara NiĐde Highway will start from Hacılar Village to the west of GölbaĐı district of Ankara Highway and end at NiĐde-Gölcük Intersection. The highway will be connected to KırĐehir-Kayseri D260 highway from ĐĐdecik and Gölhisar Neighborhood of City Center of KırĐehir over Kızılırmak River. To be tendered on April 14 with Build-Operate-Transfer model, Ankara-NiĐde Highway Project will ensure uninterrupted transport from Edirne to Đanlıurfa with the construction of a 330-km highway. Tarsus-NiĐde section and UlukıĐla connection road on

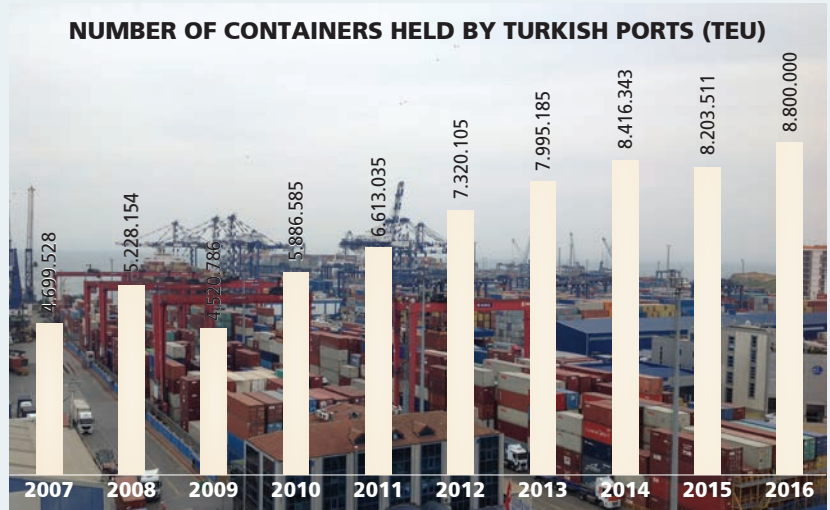
route of the channel will be able to be used without making any expropriation payments. The tender of the project to be carried out with Build-Operate-Transfer model will be either made with by comparing bidding times or by giving traffic guarantee. New areas of attraction will be created around the channel. The preliminary project of Kanal Đstanbul will be prepared by the Ministry while the application project will be prepared by the contractor. A total of 100 thousand houses will be constructed around the two sides of Kanal Đstanbul Project. The city to be created with the project to include 6 bridges will have sport and culture areas and shopping and exhibition centers. The project is planned to be completed in 2023. 15 billion dollars are expected to be invested in the project planned to have a width of 400 meters and a depth of 25 meters. ■

PROJECTIONS FOR CONTAINER HANDLING PORTS OF TURKEY

- In 2016, the number of containers transported globally has increased by 3,2% to 180,6 million TEUs compared to the previous year. The ports have also got its share from this increase and the number of containers transported through the ports has risen around 700 million TEUs including the transfers. The number of containers handled by Turkish ports has increased by 7% to 8,8 million TEUs compared to the previous year.

Container transportation is very sensitive to economic developments. This is mainly caused by the type of goods transported with containers, being either final or semi-finished products. In order to comment on

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the 2017 projections, we need to focus on the 2016 trends of the important dynamics of the container transportation market and the 2017 expectations for economic indicators. The key economic institutions of the world like the World Bank and IMF do not expect a good economic situation in 2017. Therefore, all 2017 expectations for the maritime sector are low for all types of goods. In fact, this is the case since 2008 and the important countries in the world still continue their recovery efforts. In order to deal with these stagnant economic developments, the maritime sector has to decrease its excess ship capacity. Despite the low container development ratio in the world, the high ship capacity reaching over 20 million TEUs in 2016 has increased the pressure on low freight ratios. The decreasing freights have increased the number of ships to

be scrapped. Indeed, thanks to the scraping of 660 thousand TEUs of ship capacity at the end of 2016, the total capacity has decreased to under 20 million TEUs. The new ship delivery ratios have finally remained low since 2004.

Container ship lines have earned 42 dollars less freight income per container in 2016 compared to the previous year. There are a number of reasons behind this. In fact, the bottlenecks of the maritime sector in the recent years are caused by the new economic model in the world. The ratio of demand to the maritime sector has decreased to the Gross Domestic Product development ratios. However, the development ratios of the maritime sector were way better before the 2008 global finance crisis.

The developments after 2008 are different than the normal dynamics of the sector. For instance, the

Despite the low container development ratio in the world, the high ship capacity reaching over 20 million TEUs in 2016 has increased the pressure on low freight ratios. The decreasing freights have increased the number of ships to be scrapped. Indeed, thanks to the scraping of 660 thousand TEUs of ship capacity at the end of 2016, the total capacity has decreased to under 20 million TEUs. The new ship delivery ratios have finally remained low since 2004.



container ship supply was over the container ship demand in 2010 for the first time and ship owners have opted for consolidations, mergers, scraping, delayed deliveries and laid up of ships. As of January 2017, 351 ships with a total capacity of 1,4 million TEUs have been laid up. This constitutes 7% of the total container ship fleet.

The container fleet has grown by only

1,1% in 2016 while this increase is expected to be around 3,1% in 2017. No major increase is expected in the number of goods to be transported in 2017 and the freight ratios are expected to remain similar to 2016. However, the container ship lines will benefit from the consolidations and mergers and even fight for increasing their profitability.

According to the key economic

institutions in the world, the global container transportation might remain low if the expected increase of 3% in the world GDP is achieved. In 2017, a slightly low increase is expected on the main trade route of the Far East and Europe including Turkey. Therefore, like the rest of the world, Turkey will witness some improvements even though it will be slow in 2017. ■

EXPORT TRANSPORTS OF TURKISH VEHICLES

COUNTRY	2012	2013	2014	2015	2016	CHANGE
AFGHANISTAN	2.534	2.464	2.933	2.020	2.531	25%
ALBANIA	3.909	3.895	4.040	3.256	3.252	0%
AUSTRIA	6.911	6.733	7.099	7.417	7.514	1%
AZERBAIJAN	22.412	37.558	50.805	35.207	26.553	-25%
BELARUS	2.043	2.344	2.201	2.207	9.267	320%
BELGIUM	8.086	7.928	8.288	7.216	7.963	10%
BULGARIA	12.355	11.973	13.399	13.145	15.169	15%
BOSNIA HERZEGOVINA	3.140	3.034	3.719	3.216	3.279	2%
CZECH REPUBLIC	3.689	3.319	3.967	4.426	5.319	20%
CROATIA	1.686	1.393	1.523	1.416	1.671	18%
DENMARK	2.274	2.068	2.215	2.415	2.951	22%
FINLAND	578	551	657	683	1.071	57%
FRANCE	28.204	27.884	27.237	29.652	31.142	5%
GEORGIA	78.573	60.782	45.192	36.475	43.338	19%
GERMANY	87.889	85.577	87.532	89.970	94.404	5%
GREECE	16.977	16.204	17.744	15.965	17.640	10%
HUNGARY	3.211	3.599	4.205	5.085	6.792	34%
IRAN	31.035	22.596	33.585	38.669	48.385	25%
IRAQ	580.613	605.538	558.979	473.997	436.364	-8%
IRELAND	155	165	146	128	240	88%
ITALY	37.776	40.620	41.842	43.222	43.120	0%
JORDAN	1.602	890	399	65	428	558%
KAZAKHSTAN	6.698	6.505	7.150	5.514	4.701	-15%
KOSOVO	108	97	431	989	2.536	156%
KYRGYZSTAN	1.205	1.351	1.469	756	826	9%
LEBANON	2.425	1.710	1.739	2.869	4.282	49%
LETONIA	169	173	225	173	261	51%
LITHUANIA	457	555	504	464	1.156	149%
NETHERLANDS	12.012	10.632	11.639	12.845	13.100	2%
MACEDONIA	5.032	4.591	4.594	4.187	3.987	-5%
MOLDOVIA	1.576	1.548	1.396	1.051	1.226	17%
NAKHCHIVAN	40.468	60.056	26.604	33.920	57.567	70%
NORWAY	789	856	944	927	1.166	26%
POLAND	9.812	9.217	10.366	11.131	13.792	24%
PORTUGAL	183	275	254	469	601	28%
ROMANIA	28.136	23.830	23.849	23.229	29.307	26%
RUSSIA	11.586	12.360	13.733	11.620	300	-97%
SAUDI ARABIA	3.438	8.719	4.680	4.433	2.576	-42%
SERBIA	3.730	4.124	4.454	4.353	5.386	24%
SLOVAKIA	1.987	2.194	2.176	2.128	2.173	2%
SLOVENIA	1.599	1.334	1.366	1.515	1.896	25%
SPAIN	8.165	10.514	11.582	14.106	15.393	9%
SWEDEN	4.645	4.729	4.597	5.285	5.538	5%
SWITZERLAND	3.512	3.370	3.732	3.636	3.991	10%
SYRIA	14.449	56.434	122.544	168.287	154.330	-8%
TAJIKISTAN	3.139	3.819	3.606	2.290	2.355	3%
TRNC	3.840	3.663	3.657	4.136	4.516	9%
TURKMENISTAN	25.415	28.231	34.094	32.844	28.052	-15%
UAE	275	248	154	105	95	-10%
UKRAINE	5.428	5.180	3.544	2.569	5.039	96%
UNITED KINGDOM	17.088	17.059	16.802	17.608	20.456	16%
UZBEKISTAN	5.034	7.850	7.809	6.907	9.048	31%
TOTAL	1.161.456	1.240.775	1.258.287	1.198.205	1.205.577	1%

Source: Republic of Turkey Ministry of Transport, Maritime and Communications



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