

Turkish Transport News

INTERMODAL

Combined Transport and Logistics Systems Magazine

Issue 29



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Digitalization, the hottest topic of not only logistics industry but all industries available on earth heralds a change also in the nature of the roads and the

vehicles. New road projects that are compatible with electric cars - for example- are very inspiring. But what about the chronic pain in the neck – the problem of finding truck drivers?

All through the year we have heard, talked and wrote about these two topics a lot: digitalization and shortage of truck drivers. The main issue about the drivers are under fierce discussions and the apparent reasons of not having as many as the industry needs can be listed as the bad image of the occupation, tough working conditions and underpayment by the bosses. The bad image is mainly associated with the fact that truck driving is mostly covered by media only when there is an accident, crime or another negative happening. Even the parents put their children off from becoming a driver. The payment made to the drivers is not attractive enough for the young people to compensate for their social losses including the difficulty of founding a family. But what is really wrong about not being able to get through the challenges? Why aren't we talking about lack of pilots or train drivers so often but have real trouble about replacing the old drivers on the roads by the newcomers? That is the question to concentrate on and some answers would come up through careful and detailed benchmarking against similar professions. Whatever they are, the problems should be detected and solved by joint efforts of the producers, shippers, forwarders, consignees and even the consumers of the goods that are supposed to be transported by drivers. Or there is the danger of finding empty shelves when we are in need of those goods. That is not something anyone would like to face. Furthermore when the autonomous trucks are released eventually the need for truck drivers, whose definition will have changed by then, will be different and finding them will be even more difficult. Although the commercial vehicles industry is not rushing about the launch of fully automated heavy trucks, it is a fact that such innovations are just around the corner and once the technologies are ready the governmental bodies suddenly become very enthusiastic and strict about placing policies that support the rapid injection of those new technologies into the market. If the industry continues with the same principles about training and employing the drivers there will be more disappointment about the outcomes. To avoid the break of the supply chain, it is a must to redefine the profession of truck-driving and do the necessary to encourage young generations to choose that profession voluntarily. ■

Altınay Bekar
Editor-in-chief

Issue 29

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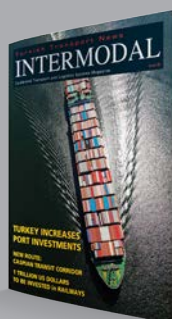
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INTERNATIONAL ROAD TRANSPORT SECTOR CONTINUES TO SUPPORT TURKISH EXPORTS AND EXPORTERS

Çetin NUHOĞLU
President



► The logistics sector as being the driving force behind the increase in the competitiveness of Turkey fulfills the mission of leading the way for the Turkish companies with the services it provides and the development it promises. Especially taking into consideration the current situation of Turkey, the obstacles before the transport sector and any practice increasing the costs, it is clear that how successful the performance of the sector is and how self-devoted the sector is.

Logistics sector is not only a sector serving the exporters but a sector which exports itself, too. Being ranked the second after tourism in the exports of Turkey, the logistics sector has an export volume worth of 14 billion US dollars. Our goal is to increase it to 50 billion US dollars by 2023. Taking into consideration the increase trend in the service exports, we can of course achieve this performance. The Service Exporters Union (HİB) established to increase service export is an important development to pave the way for the logistics sector. Carrying out the 30 percent of the total service exports, the sector aiming to carry out service exports of 50 billion US dollars by 2023 has strengthened its hand with this Union. The main goal of the Union is to increase

the service exports. The Union will focus on studies which will improve the financial power of the companies and also take on important roles to ensure that the companies benefit from state supports and incentives. Setting off the resolve the problems of the sector, the committee has started its activities to increase the transit position of Turkey, to increase the competitiveness of the institutions and to ensure that the transporters get a bigger share from the international transports outside Turkey.

The logistics sector is the second after tourism in service exports. The logistics sector both contributes to the country exports and also has a great importance in the promotion of the country. Therefore, it should also benefit from the supports and incentives provided. We will continue with our efforts to ensure that the international transport being the most locomotive power in terms of leading the way for the real economy among the service exporting sectors of Turkey will benefit from the incentives under the umbrella of the Service Exporters Union.

The logistics and transport sector is going under a fast transformation. The countries make investments to decrease costs

and increase transports. They try to ensure increase in efficiency for the logistics being the most effective argument for achieving a competitive edge in the global trade. The world, on the other hand, faces wars. The countries take protective precautions which are way stricter than the old days of protectiveness.

The world is in on a quest. The decrease in the prices of production and trade and its distribution between different countries and regions have led the countries with strong production and trade activities to look for a new way. They see that this power that they have hold up until now might change hands with a good organization structure. This organization is the logistics and its game field is the entire globe being a major market. Therefore, logistics is everything. The development and supporting of our sector being the carrier of all sectors and increasing its investment power is of great importance for the future of our country.

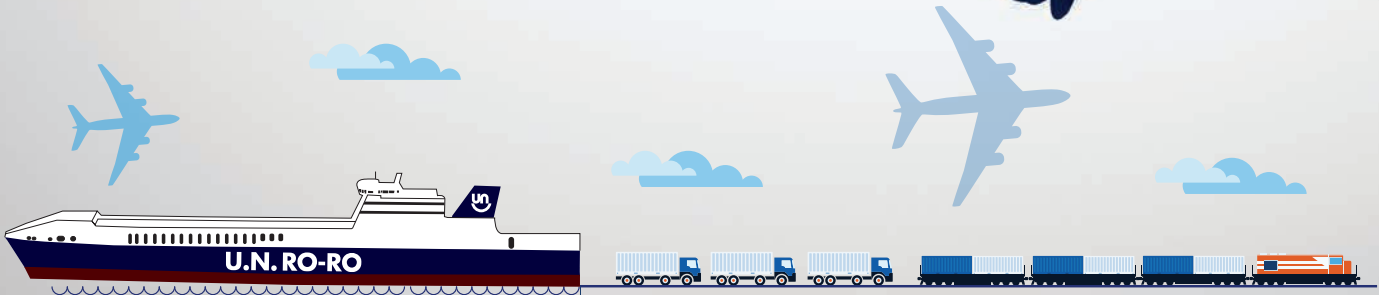
We should never forget that our country can achieve economic growth only with its performance in logistics. The steps taken in the recent years show that we are now aware of this power. However, we should take more frequent steps in this respect.■



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FREIGHT FORWARDING REGULATION AND LPI FORM THE AGENDA OF 2018

Emre ELDENER
President



► It will not be wrong to say that the Turkish logistics sector had a bad year in the last quarter of 2018. The most important development of this year is of course the publication of the Freight Forwarding Regulation. Our profession as being 'freight forwarders' is now based on a standard framework with the new Regulation. It will enter into force on January 1, 2019. We as UTİKAD (Association of International Forwarding and Logistics Service Providers) have both closely monitored the preparation of the regulation and have made many recommendations by taking into consideration the interests of the sector and Turkey. However, we should not go on without saying that the Regulation still includes two important matters that we do not consider appropriate for the sector. The first one is that one of the requirements to get a freight forwarder authorization certificate is to have a minimum capital or operating capital of TL 300.000 and the other is that the authorization certificate costs TL 150.000. The cost of the certificate is a very high and non-affordable cost for many of our small and medium sized members operating in our field. Although a small certificate fee is collected or no such fee is requested in the developed countries to be included in the system, asking the companies to pay TL 150.000 for the first 5 years before starting to work as a freight forwarder will adversely

affect the financial structure of the companies right from the beginning. This high certification cost also present in the Road Transport Regulation is unfortunately still ongoing and is a serious obstacle before the companies to start working.

Another major agenda item for 2018 was the decrease in the Logistics Performance Index. According to the Logistics Performance Index 2018, Turkey is ranked the 47th among 160 countries. As compared to the previous years, Turkey has shown its worst performance in 2018 up until now. Taking into consideration the public investments made in the recent years and the progress of the sector, I believe that we should have got a better result. However, as we have been underlining for long years, the completion of digital transformation of the customs is of great importance for the global integration of the logistics sector. Especially taking into the studies to ensure the operation of new trade roads such as Bir Kuşak Bir Yol Project, the lack of competitive conditions of the shipments will prevent Turkey to get the share it desires from those trade roads and cause the direction of the goods to alternative routes. The LPI 2018 have emerged the structural problems of Turkey which should be revisited, let alone the areas of improvement for Turkey. The things that can be done for the improvement of the logistics performance are

now beyond the infrastructure investments and and facilitation of trade. Sustainability, flexibility and technological development are not matters that require attention both by the public and private sector stakeholders.

Those two above mentioned agenda items have led the logistics sector and naturally the studies of UTİKAD. The sudden recent fluctuations in the FX rates have required the revision of the annual plans and goals of the sector. However, if the steps under the Trade and Investment Actions prepared within the framework of 100-Day Action Plan are achieve, we can look into the future with higher hopes. In the meanwhile, UTİKAD Summit hold on September 19 with the Logistics of Future theme has raised the hopes of the entire sector. As the world goes under a fast change, the logistics sector and the freight forwarding take its part from this change and undergoes a fast transformation. Technological innovations such as blockchain will entirely change our profession and our way of doing works in a very short time. The integration with the world might be achieve in an easier, more efficient and faster way that what we expect thanks to blockchain. We as UTİKAD will continue to be by the side of our members during this transition and work with them to ensure that both our sector and the world get the share it deserves from the transports. ■

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DEVELOPMENTS AND REGULATIONS IN LOGISTICS SECTOR AND THEIR IMPACTS

Ali Ercan GÜLEÇ
Chairman of Board



► Anatolia has always been an important place in terms of logistics and transit. The world trade has passed through Anatolia for long years. It still has an important place in the world trade corridors. The developments in the international trade roads in recent years have once again proved that.

One of the major developments that will affect the international trade (railway) roads of Turkey is the One Belt, One Road (OBOR) Initiative of China. As is well known, China has announced its OBOR Initiative on September 7, 2013. This initiative aims for increasing the interconnectivity between Asia, Europa and Africa continents and for establishing partnerships between countries.

Three different railway corridors starting from China under OBOR reach Europe through different countries.

These are:

Northern Corridor: China - Russia - Europe

Southern Corridor: China - Iran - Turkey - Europe

Central Corridor: China - Central East Countries - Azerbaijan - Turkey - Europe

The "Central Railway Corridor" under OBOR initiative covers Baku - Tbilisi - Kars railway line, i.e. the "Iron silk road" which directly connects Azerbaijan, Georgia and Turkey. Baku - Tbilisi - Kars railway line was opened on October 30, 2017. The line is currently operational.

These railway corridors will significantly increase the political, economic and cultural relations between the countries on those railway corridors. The Central Corridor (the line including Baku - Tbilisi - Kars Railway and the historical silk road) and the Southern Corridor (Iran - Lake Van - Malatya and beyond) pass through Turkey. Being on the

railway corridor routes, Turkey can act as a "Hub" for all countries in Europe, Asia and Africa connecting all the rail and sea transport roads and distributing the goods thanks to its geographical location, as well.

However, the full utilization of this potential requires rendering the legal and physical infrastructure to comply with international standards as soon as possible. It is very difficult to establish a major logistics corridor passing through Turkey without a railway infrastructure at international standards. With this awareness, necessary actions have been initiated and are currently ongoing at a fast speed.

The liberalization of the railway transport in Turkey started on 01.01.2017. Currently one public and two private sector companies carry out goods transport by railways. Further private sector companies also plan to organize goods transport by railways. The "Eleventh Development Plan", "Turkish Logistics Master Plan" and "Transport Master Plan" of Turkey for the period from 2019 to 2023 have been completed with the participation of the public and private sectors and universities.

The transformation action plans for the "Transport and Logistics Sector" under the Tenth Development Plan covering the period from 2014 to 2018 have been reviewed and included in the Eleventh Development Plan for the finalization of the ongoing action plans. These action plans will be shared as the declaration of a "well rooted change resolution" for the Turkish Transport Sector. The Turkish Logistics Master Plan (TLMP) has set criteria for the "Logistics Centers" where all logistics activities are carried out, which allow access to multimodal transport modes

(intermodal, multimodal and combined) and the international transport corridors and include all institutes and institutions allowing performance of all commercial processes.

The TLMP will accelerate the process of ensuring that the national and international logistics centers allow performance of logistics activities at a single place, facilitating access to logistics services, decreasing transport costs, allowing the use of multimodal transport opportunities and access to international transport corridors and locating all institutes and institutions for performance of all commercial processes at a single place.

The Transport Master Plan (TMP), on the other hand, will consider the transport sector as a whole and ensure the development of the sub-systems of transport in a structure complementing each other and establishment of necessary policies to ensure satisfaction of the economic and social life needs on time and in a safe manner. The TMP is also an important step to remediate the imbalance between the sub-sectors of transport and will establish more efficient, faster and more environmentally friendly transport systems and ensure more efficient use of the resources of Turkey. Turkey will launch new transport systems based on an environmentally friendly and "human oriented" development and management approach as a solution to transport and logistics problems. Being on the railway corridor routes, Turkey will act as a "Hub" for all countries in Europe, Asia and Africa connecting all the rail and sea transport roads and distributing the goods thanks to its geographical location, as well. Turkey will become the most important "Logistics Center" of the world soon. ■

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JANUARY - SEPTEMBER 2018 RESULTS FOR TURKISH AUTOMOTIVE SECTOR (MARKET, PRODUCTION, EXPORT AND IMPORT RESULTS)

Adnan AĞAÇLI
Board Chairman



► In order to evaluate the performance of the Vehicle Logistics sector for the first nine months of the year, we should first examine the production, market, import, export and sales figures for automobiles and commercial vehicles. Taking into consideration the fact that nearly all vehicle shipments in Turkey are made by road, we consider these figures to be equal to the number of vehicles transported by our sector. The production figures, on the other hand, show the potential business volume.

Accordingly, the total Turkish automobile and light commercial vehicle market volume decreased by 26% to 463.456 during the first nine months of 2018 as compared to the same period of the previous year. The Automobile Market has decreased by 24% to 362.465 and the Light Commercial Vehicle market by 33% to 100.991 in the same period.

The Automobile and Light Commercial Vehicle Market decreased by 68% to 23.028, the Automobile Market by 67% to 17.595 and the Light Commercial Market by 70% to 5.433 in September 2018.

During January to August 2018, the total production decreased by 5 percent while the automobile production decreased by 9 percent as compared to the same period of the previous year. The total production and automobile production were 1.034.097 and 683.069, respectively, during this period.

The total market decreased by 20 percent to 455.943 as compared to the same period of the previous year. During this period, the automobile market decreased by 19 percent to 344.870. The total automobile exports decreased by 4 percent and the automobile exports by 8 percent. The total number of

exports was 857.479 and of the automobile exports was 573.278 in this period. The total automobile imports, on the other hand, decreased by 22,65 percent to 281.531. The automobile sales in Europe grew by 5,7 percent and reached 12 million and 871 thousand and 153 in the first eight months of the year as compared to the total of EU (28) and EFTA countries.

General Evaluation and Concerns for Turkish automotive sector for January - September 2018 period

The economic data of the experts for the last nine months of 2018 have remarkably increased our concerns during the last quarter of 2018. The unpredictable increases in the rates, interest and inflation in Turkey have affected the automotive sector.

When we examine the exchange rates, Euro rates have increased by around 65 percent since the beginning of the year.

This increase has not reflected on the automobile prices yet due to the current stocks. When the stocks with costs based on old FX rates are totally sold and new vehicles enter into market, the increase in the costs caused in parallel with the FX rates will be reflected on the prices and is expected to increase the contradiction in the market. The actions taken by the government to solve this problem such as resetting special consumption tax base limits and increasing scrap initiative will directly contribute to our sector. However, the FX rate and interest pressure is currently the biggest problem of the automotive sector.

The consumers are also worried about high interest rate. While especially the contraction

continues to increase in the internal market sales, the sector representatives says: "The loan interest rates are very high and banks are not eager to grant loans. The support given for real estates should be also given to the automotive." That is because the market which has exceed 1 million two years ago has decreased back to 900 thousand. The total market expectation has decreased to around 600 thousand this year. It is anticipated that this figure might decrease below 500 thousand in 2019. We are more afraid of 2019. Since the investments are made for a market of 1 million vehicles, such a decline might cause major losses in the Automotive Sector.

If we are to look specifically at the Vehicle Logistics sector, we would see that the targeted vehicle transport figures could not be reached for the first nine months of 2018. To top it all off, due to the business value contracting because of the FX and interest rate in the sector and significant contraction in the sales, the sector has to deal with the idle capacity caused by the automobile transporter trailers used only for transporting vehicles and resist the fixed operating costs and the negative conditions caused by them. Moreover, despite being aware of problems such as the requirement to renew the vehicle fleet, the increase in the input costs, the road, bridge - highway transit fee increases, creating competition and decreasing the profits to nearly zero will prevent doing this job in the right way in medium to long term. ■

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► Not only the commercial vehicles industry but also the freight operators and the local authorities are seeking the answer to the critical question on the movement of goods of tomorrow: Who is going to transport them and how will they be transported? On the way of finding the answer, the industry authorities and the decision makers, who conflict from time to time, need to lead the way to the freight operators and the public opinion as well. As much as the vehicles that are the main instruments of transport industry, roads and seaports that constitute the entire infrastructure also matter. The operators and also the natural and social environment that are affected by the whole process are of course the other primary parties of this phenomenon. Decision makers naturally aim at taking measures for protecting environment so as to satisfy public opinion but the commercial vehicles industry leaders have their own concerns about the changes on limits of emissions. The European Commission proposes to reduce CO2 emissions by 15 percent by 2025 and further 30 percent by 2020, compared to 2019. The industry leaders on the other hand, find these targets very ambitious and the penalties for missing the targets are claimed to be 'exorbitantly high and almost arbitrary'. Along with those discussions the commercial vehicle market is growing. And further, the rise in freight volumes and commercial vehicle sales increase the responsibilities of the industry. Countries like Turkey, Serbia, Poland, Ukraine and Russia that have been pushing their limits to meet the norms set by EU Commissions and have not completed their vehicle investments yet, come face to face with new target lists. In the meantime the societies change. Not only

in terms of demography but also the value systems and relatedly the demands of people... They all undergo changes. It is a must to find cleaner and more sustainable solutions to handle the changing demands and nobody would reject it. For this reason, all the stakeholders of the road transport industry are responsible for taking the necessary measures against climate change. Although road transport cannot be held the sole responsible of the record increases in temperatures, it is said to be the strongest nominee as a major cause of the global warmth as long as it continues to create 25 percent of the CO2 emissions in the EU region. Besides struggling with emission levels, the automotive industry is in the search of autonomous vehicles without drivers and it is already obvious that such vehicles will have larger shares in some fields of operation. Nevertheless it is not yet possible to say that driverless trucks are coming in all areas. For short distance deliveries and collections electrified and autonomous vehicles seem to be very close on the horizon but when it comes to trucks and trailers, the primary focus is still on the issues such as more comfortable driver cabins, better aerodynamics for fuel efficiency, smart roads, digital communication systems and a driver who is in control of the entire system. That means as everything becomes more and more digitalized the value and importance of truck drivers will increase rather than decreasing. Driver employment issue is still at the top of most of the logistics operators' agenda. A lot of companies suffer from shortage of drivers and delivery staff. For the moment Germany and the UK are the EU countries that have the biggest problem about finding truck drivers. For example in Germany

one million drivers -out of the approximately 1,5 million existing ones- are over the age of 45. On the other hand, the goods volumes rapidly increase all over the world and majority of these goods are overwhelmingly transported by truck-trailer combinations. Although the protective economies fall behind the improvements, the boom in the e-commerce and international transport contributes to this uptrend. Headlines like digitalization, electromobility, connectivity, platooning, launch of prototypes etc. attracts the public opinion to the industry. Electrification of roads, system security issues, efficient alternative fuel technologies like LNG, CNG, natural gas are all matters to develop, discuss and lobby about. We are talking about how to redesign the transportation ecosystem. Mobility of people and goods are integral parts of social and economic developments. The connected goods of tomorrow will be carried on connected vehicles driven by modern operators. They also will be in contact with each other, the shippers and the other social stakeholders. But beyond all, we all have to see and understand that new logistics concepts and giant infrastructural investments are vital for sustainable and successful transport of goods of future. This requires initiatives and investments by private sector, incentives by public authorities, cooperation between countries and belief in the free movement of goods beyond the borders. The way of equalizing the imbalance in global trade and distributing the welfare as equal as possible passes through maintaining the continuous flow of all transport corridors; be it BRI routes or TEN-T corridors... Only then can we talk about notable and noble transport systems that will serve the humanity. ■



E-COMMERCE GIANT AMAZON ENTERS TURKISH MARKET

► Amazon owned by the world's richest man Jeff Bezos has launched Amazon Turkey. It has been rumored for some time that Amazon will be launched in Turkey. Suspending the launch of its operations in Turkey originally planned for summer, Amazon has looked for candidates in İstanbul and posted jobs for sales and marketing positions. Customers visiting Amazon.com.tr are welcomed by the special message of Amazon for Turkey, saying: "Since 1995 when Amazon.com was first launched, hundreds of thousands customers from Turkey have ordered millions of products from Amazon shops all around the world. Today we are proud to announced that Amazon.com.tr has been launched to enrich the shopping experience of our customers in Turkey." Amazon has invested in billions of dollars to infrastructure and technical services in order to help

The largest shopping website Amazon has entered Turkish market promising a high potential in e-commerce.

SMEs to access new customers in the world. With the launch of Amazon.com.tr, the companies in Turkey can now sell their products to customers all around to world without paying any product listing fee. Amazon offers services to these companies support tools to increase their sales such as listing tools, 24/7 online sales

support, clear and transparent sales conditions, pricing information, reports and analyses.

Alpagut Çilingir, Amazon.com.tr Seller Services Country Leader, said: "E-commerce levels the playing field between big and small businesses in Turkey and empower local companies of any size to grow their business online. We as Amazon are investing in helping sellers become successful, offer tools that do the heavy lifting and help them to sell more."

Amazon with a market value of 1 trillion US dollars has achieved a net profit of 2,5 billion US dollars during the second quarter of 2018 - a record in the history of the country as the highest quarter profit. ■



'PROJECT TO CONTINUE AT FULL SPEED WITH NEW ADDITIONS'

The Minister of Transport and Infrastructure M. Cahit Turhan noted that major projects continue to be organized at full speed and told that "I would like to inform you in advance that we will initiate new major projects in future."

► At the press meeting held after the full model wind tunnel test made for 1915 Çanakkale Bridge, the Minister of Transport and Infrastructure M. Cahit Turhan reminded that the wind tunnel test of the suspension bridge with the largest span in the world was made for Çanakkale Bridge and connection roads at the Wind Engineering Research Center at Southwest Jiaotong University in China.

Noting that the Ministry of Transport and Infrastructure carry out many projects to develop and improve the transport infrastructure of the world and to provide more secure, quality and economic transport service, Mr. Turhan said that the works are currently ongoing in Turkey for 3 thousand and 443 projects with a total value of 385 billion liras across Turkey. Telling that they organize a significant part of those projects with build-operate-transfer (BOT) model, Mr. Turhan told that they carried out transport projects worth of around 150 billion Turkish liras with BOT model. Stating that a loan of 15 billion Euros has been borrowed from abroad for the financing of these projects, Mr. Turhan noted that some part of this amount has been used for Çanakkale Bridge and Connection Roads Project. Mr. Turhan told that this project being an important transport corridor to

connect the Northern and Southern Marmara Region with Aegean Region will undertake an important role for facilitating road transport and transporting the export goods in Aegean, Southern Mediterranean and Western Anatolia regions with eastern and western European countries. Attracting attention to the fact that the project will also decrease the traffic on Bosphorus, Mr. Turhan told that the vehicle queues for ferryboats to said on Çanakkale Strait during weekends and holidays will be eliminated with this project and a more affordable, faster, more secure and comfortable transport service will be provided. Telling that the contractor of the project has provided foreign trade of 2 billion and 265 million Euros, Mr. Turhan stated that 70 percent of the project costs was covered by foreign resources. Mr. Turhan has reminded that the foundations of the bridge were laid in a meeting with the participation of

the President Recep Tayyip Erdoğan on March 18, 2017 and give information about the works carried out for the bridge.

Test Was Concluded With Success

Remarking that the tower and deck wind tests of the bridge were carried out successfully in Canada and Denmark, Mr. Turhan continued his remarks as follows: "Our bridge was subjected to a wind speed of 82 meters per second, in other words, 300 kilometers per hour, at the wind tunnel test held in China. We only took part in some part of this test. These tests are conducted with various goods systems. They will continue for some time. When it is decided that there is no problem in the bridge project, it will be finalized and the bridge components will be manufactured. The towers, deck, suspension cables and main cable will be mounted." ■



TURKISH AIR CARGO MARKET ATTRACTS ATTENTION WITH ITS HIGH POTENTIAL



► Expected to improve more with the new airport opened in İstanbul, the air cargo sector with a current value of 14 percent has a high potential to improve more, if the obstacles before it are to be removed.

Thanks to the serious steps to be taken especially after the opening of the new airport, the sector is expected to become a regional hub both for Turkey and the neighboring countries. The other transportation modes will also benefit from this hub. As the speed has become a serious agenda item with the increase of world population to 7 billion and globalization, the air cargo has an increasing importance as the fastest

Being on a serious increase trend in Turkey like in the rest of the world, the air cargo industry is to undergo a major transformation.

transportation model. Although the goods transported by air cargo constitutes 1 percent of all goods transported with all transport modes in terms of tonnage, they constitute up to 40 percent in terms of value.

According to the latest reports of the Turkish Statistics Institute, the share of air cargo in Turkey is around 14 percent. Although it may seem low, considering that it used to be 3 to 4 percent, this figure indicates a serious growth trend. According to 2017 data, 1 kilogram of goods costs 256 US dollars for imports and 18.74 US dollars for exports. In other words, Turkey purchases goods with a volume of 256 US dollars for imports while the value is 18.74 US dollars for exports. These values are 0,66 US dollars for imports and 1,01 US dollars for exports in maritime transport. They are 4,30 and 1,80 dollars respectively for the road transport. ■

TURKISH MERCHANT MARINE FLEET GROWS

► The "Maritime Transport Review Report-2018" published by the Turkish Shipowners' Association shares interesting information of the place of Turkish shipowners in the global maritime trade.

According to the report, the Turkish Merchant marine fleet takes the 15th place in terms of size. The report also emphasizes that the piracy in the World has decreased. The Turkish shipowners have high hopes for 2018. Here are some important details from the report:

- The goods transported by sea have increased globally by 4.2 percent to 11.604 million tons.

- An increase of 3.6 percent to 12.018 million tons is expected for 2018. The highest increase is expected in the gas transport.

- According to international data, piracy has increased in the Western Africa and Gulf of Guinea in addition to shores of Somalia and Gulf of Aden. The fight against piracy costs a lot for the maritime sector.

- According to the report, 180 piracy incidents have been reported in 2017. This rate is the lowest rate of the last 22 years. It was 445 in 2010, 245 in 2014 but dropped to 191 in 2016. The precautions taken against pirates are considered to be effective in this decrease.

Turkey is Ranked 15th

98 of the piracy and armed robbery incidents took place in Southeastern Asia, Africa, Southern America and India. According to the report, Turkey is ranked the 15th among 30 countries in terms of size. The asset value of the fleets of Turkey is over 9 billion US dollars.

There are a total of 1511 ships in the Turkish fleets. These ships transport 28.611.000 DWT. 805 ships sail under Turkish flag in the global waters. The Turkish shipowners have high hopes for 2018. The most common problem for them is to find funds. ■

CONTAINER TRANSPORTS CONTINUE TO INCREASE

Having achieved an increase of 14,8 percent in 2017, the container transport sector has continued to increase in the first half of 2018 in terms of number of containers handled.

- Thanks to the resolution of the insufficient capacity problems of the ports, the export and import activities are more easily carried out. This is also reflected in the figures. Despite the significant increase in the first half of the year, the rate of this increase is expected to decrease during the second half of the year due to the negative developments in the Turkish economy especially during the recent months.

The investments by the private sector in port operation with the construction and privatization of new ports in Turkey have benefited the foreign trade. The Turkish ports have reached 10 million TEUs in container transport in 2017.

The ports in Turkey have also shown a high performance and continued to achieve froth in the first quarter of 2018. Having handled nearly 2,5 million TEUs in 2018 Q1, the ports have experienced a growth of 18 percent. The Turkish ports have developed with the investments made in the last 5 years and undergo major developments in especially transit goods transports.

The ports which are member to the Turkish Port Operators Association (TÜRKLİM) have broken a record by handling 2 million and 635 thousand and 829 containers in 2018 Q2. According to the container handling data of the member ports, their annual growth rates have reached 3.6 percent in Q2.

Constituting 92 percent of the total container business volume of the ports in Turkey, TÜRKLİM member ports have handled 2 million and 635 thousand and 829 TEUs of containers in 2018 Q2.

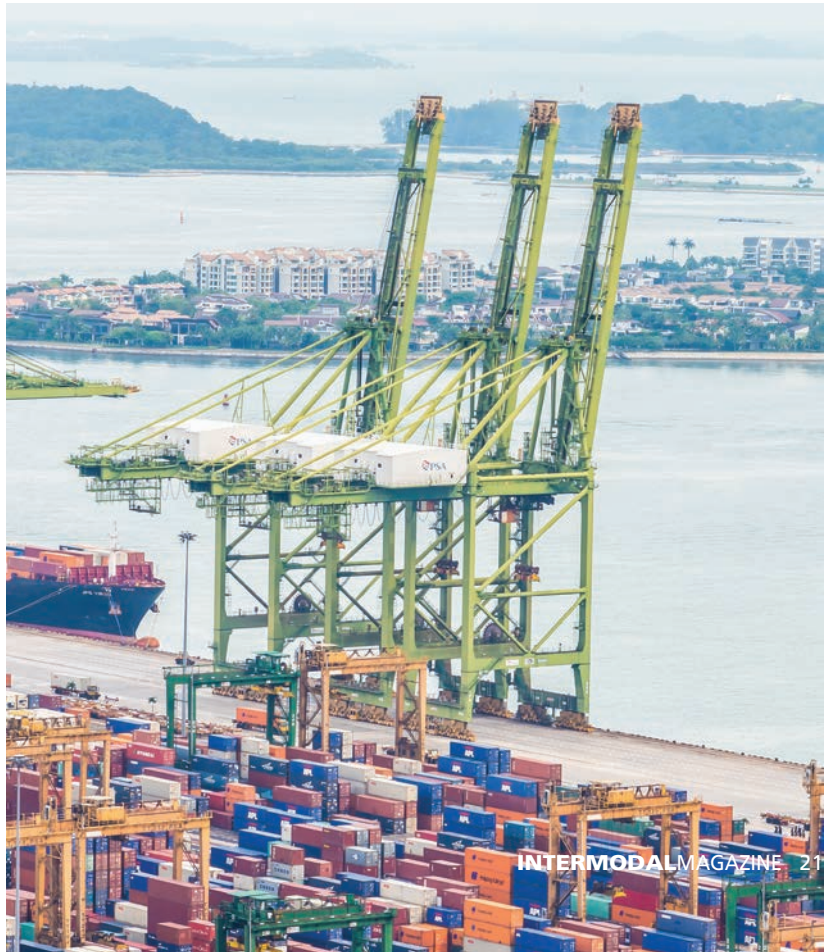
While the container handling figures have broken a record, the general cargo and dry bulk goods have increased by 9.6 percent in 2018 Q2. When compared to 2017 Q2, the

handling of containers for imports has increased by 17 percent, for exports by 16 percent and for transit goods by 22 percent.

The Turkish Port Operation Sector has achieved an annual average growth of 10 percent from 1006 to 2017. This growth trend graph means the doubling of the number of handled containers every seven years. The European Union ports have achieved a 3.2 percent increase in the number of handled containers while the ports in the world have experienced a wroth of 5.6 percent from 2006 to 2016. Port investments to increase more The port investments will accelerate in the maritime sector next years. One of the most interesting initiatives in near future is the port investment to be made by OYAK and its Japanese shareholder Nippon Yusen Kaisha (NYK) in the automotive sector in

Gebze. The investment will be worth of 110 million US dollars with a shareholding structure of 55 percent owned by OYAK and of 45 percent by NYK.

NYK Line Automotive Group President Koichi Chikaraishi expressed their excitement with the following words: "We are very excited to construct our 17th automotive port in Turkey." Noting that they have been looking for a partner for investment since 2014 and they have reached an agreement with OYAK after negotiations of two years, Chikaraishi further commented as follows: "We were really impressed by OYAK's being one the well rooted and strong groups. I am very proud to have signed this agreement. I wish that our cooperation with OYAK Denizcilik ve Liman İşletmeleri AŞ will cooperate and become stronger in future." ■



TURKISH CARGO FLIES HIGHER THAN THE MARKET

Turkey's "rising star", Turkish Airlines started its journey in 1933 with just five aircraft. Today, it has more than 305 destinations worldwide in 122 countries.

► In 2017, Turkish Airlines was awarded "Best Airline in Southern Europe", "Best Business Class Onboard Catering", "World's Best Business Class Lounge", and "Best Business Class Dining Lounge" by passenger rating Skytrax World Airline Awards. The Company, which has been maintaining its cargo services and operations under the sub-brand Turkish Cargo since the beginning of the 2000s, stands as the internationally fastest growing brand offering air cargo services to the highest number of countries around the world. Turkish Cargo, a subsidiary brand of Turkish Airlines, has been continuing to grow along with Turkish Airlines in recent years. Today, Turkish Cargo is at your service all over the world and provides the most efficient connections to the leading production and commercial centers across the globe with its 20 freighters and the belly capacities

of Turkish Airlines' 330 passenger aircraft. Its network and fleet expansion policy enables Turkish Cargo to launch high quality cargo services to new destinations and increase freighter cargo capacity in existing destinations as well. This enables Turkish Cargo to provide you with closer access to business opportunities and reach partners in many main commercial hubs, and also increased cargo

delivery capacity to even more destinations. In addition to the growth of its cargo network capacity, Turkish Cargo is significantly revising its infrastructural and procedural processes. Turkish Cargo has been awarded with IATA's Pharmaceutical and Healthcare Products Transportation certificate 'Center of Excellence for Independent Validators'





(CEIV) in Istanbul Hub in August 2016. Turkish Cargo revised each step of the process in order to ensure high level of reliability and security throughout shipment. Turkish Cargo plans to successfully maintain the re-certification process which will be performed by IATA every two years. Turkish Cargo plans to maintain its success in the inspections made in definite periods by world's leading pharma



producers. Herewith, it plans to be an airline which constantly innovates via continuous improvement in activities. Turkish Cargo is planning to attend the seminars and exhibitions attended by the sector's leading pharma consignors and experienced cargo agency representatives where technical matters and expertise regarding pharma transportation are discussed. It maintains the continuation of current cooperations in events where the cargo agencies find the opportunity to share their reviews regarding the current situation and the future of the health sector, and aims develop pharma transportation further focusing on customer needs and behavior. Within this scope, Turkish

Cargo regularly monitors sector requirements complying with Operational Quality and Pharma GDP standards for and strive to continues to realize activities in this direction. Turkish Cargo's vision and growth trend would continue and shared the aim of Turkish Cargo to be one of the top 5 one in the air cargo brand in the sector by the year 2023. Turkish Airlines has steadily grown over the past decade and Turkish Cargo is now well on the way of performing similar expansion along with passenger growth. Turkish Cargo performed 30% growth rate where market performed 4,3% growth according to World Air Cargo Market Data results at Jan-May era of 2018. With the upcoming İstanbul New Airport, Turkish Cargo aims to make Istanbul a logistics hub with a new cargo center of 165,000 square meter indoor area , while continuously improving its quality of service. ■



Selçuk Boztepe
Senior Vice President
DFDS Business Unit
Mediterranean

U.N. RO-RO'S INTEGRATION INTO DFDS SUCCESSFULLY ACCOMPLISHED

"Europe's leading shipping company DFDS's investment in U.N. Ro-Ro shows the company's trust in Turkey's economy and logistics infrastructure, and the prospect of increased trade with the European Union."

► As we are in the final quarter, we are leaving behind ten months full of achievements. With the shipping giant DFDS acquiring our company on 7th of June 2018, we are excited to be part of DFDS's large transport network. Europe's leading shipping company DFDS's investment in U.N. Ro-Ro shows the company's trust in Turkey's economy and logistics infrastructure, and the prospect of increased trade with the European Union. At U.N. Ro-Ro, we will continue to add value to Turkish exporters and international road transport and logistics companies by leveraging DFDS's experience in the shipping sector, large transport network and financial strength. With the merger of, we successfully accomplished our initial goals and implemented a 100-day integration program so that both companies can mutually benefit from each other's competent workforce. Today, the increasing pace of digitalization in the operations and activities of companies is leading to a serious lack of software developers in Europe. Building on our ties with Turkey which have been strengthened by the merger of DFDS and U.N. Ro-Ro, we have recently proceeded the process of establishing a Software Development Center in Istanbul to meet DFDS's growing digital needs. Planned to become operational with a team of about 20, the Software Development Center will develop solutions to enable the digitization of DFDS's services. DFDS's investment also serves as a testament to the trust invested in not only Turkey's production potential, but also its talent pool. Looking back to our operations from the beginning of the year, we are proud to see that we have achieved the majority of our 2018 goals until now. Following the commissioning of the mega crane with a lifting capacity of 60 tonnes at the Port of Trieste in early 2018, we have achieved a substantial increase in cargo space in ro-ro shipping in Samer Seaports Terminal. In 2014, we added the Trieste – Luxembourg – Trieste trains to our intermodal network, offering cranable semi-trailer

and container transport.

In 2018, we have increased the frequency of these train services to seven times per week up from five times per week. Thanks to its location, this route offers customers short transit times to Northern France, Belgium, the UK, Netherlands and Western Germany and cost advantages with the cheapest fuel prices in Europe. In 2018, we have increased the frequency of our ISU train services from three roundtrips per week to eight on the semi-trailer and container transport route Trieste-Wels-Trieste. Our new intermodal network operated between North-Western Italy and Port of Trieste offers to carry containers, swapbodies and cranable semi-trailers with three departures per week in both directions and provide the possibility of connections to the international networks, as well.

With the European market, we are also taking important steps regarding the actual exports. Since 2013, we have invested a total of €20 million in Trieste, one of Italy's largest ports. We have extended our operating rights at the Riva Triana Terminal, managed by our affiliate Samer Seaports in Italy, until 2041. This is a very significant development for our exporters. Unlike other Mediterranean ports, the exclusive 'Free Zone' status of Trieste enables our customers to continue their operations without having to obtain a transit pass. Another key highlight for 2018 was the start of our Patras stopovers, one of the most important ports in the Southeast of Greece, departing from Pendik. Thanks to our Patras lines, our customers are able to transport their cargoes between both Turkey – Greece and Greece – Europe. Starting with one



trip per week for both exports and imports, Patras stopovers provide advantages in cost and transit times for customers transporting units through Greece.

A first in the sector, our ship lengthening project is at full steam. In 2017, we chose a Turkish shipyard with the aim of benefiting the development of shipping and shipbuilding industry and lengthened two of our vessels. We have completed the lengthening of our third vessel M/V UN Karadeniz this September and as a result of vessel lengthening projects we have increased the capacities of our Ro-Ro ships by 23%, enabling them to carry 55 more trailers. Now we are working on our forth vessel the M/V Cemil Bayülgen as part of our ship lengthening project which is planned to be in the shipyard at the end of this year.

We have also another invest for our modern 12 Ro-Ro vessels operating on our route network between Turkey and Italy, France and Greece. We have been working for almost 2 years to comply with new global legislation to limit the emission of sulphur from ships from 2020. We have found the so-called hybrid scrubber system to be the best solution for our fleet. The hybrid system will enable us to clean the sulphur out of the exhaust gas in both an open and closed process. Instalment is expected to commence already in December in connection with lengthening of one of the ships.

We will use our best efforts to continue creating value for our country and make sure that our efforts succeed. We firmly believe that success will always follow as long as we keep working and serving our country and sector with enthusiasm. ■

ALIŞAN LOGISTICS: HIGH CAPACITY-HIGH GROWTH



Damla Alişan
Vice President

Extending its activity areas in Turkey-abroad and intensily investing on its fleet, Alişan Logistics, shows tremendous growth.



► Having been active in the logistics sector since 1985, Alişan Logistics continues its growth and development trend as one of the leading actors in the market for consumer goods and chemicals logistics. In its journey starting with international transportation, Alişan Logistics continues to develop by adding departments and services that can produce solutions in different areas. Having begun to serve all Central Anatolia Region in 2017 after the Marmara, Thrace, Aegean and Cukurova regions where it has been serving extensively until today, Alişan Logistics added its new operation center with 12.000 pallet capacity to its operation

center in Konya. Along with Marmara, Thrace, Aegean and Cukurova regions, Alişan Logistics serves all Central Anatolia Region with its capacity of 265.000 pallets. The company, which has a very serious expertise, a strong infrastructure and a successful working model in handling, transporting and storing hazardous chemicals, is one of the most important topics in the chemical sector, grows and rejuvenates its 450 fleet of vehicles. Having maintained its growth trend at least 20 percent in recent years, Alişan Logistics closed 2017 with a turnover of TL 460,000,000. Alişan Logistics aims to achieve a growth rate of 40% in 2018.

Central Europe comes to the fore in the international transport of Alişan Logistics. The company is mainly shipping to Benelux countries, Germany, UK, France and Italy. Alişan Logistics also provides logistics services to European countries, CIS countries and the Middle East. Having a wide network of agencies in Europe, the company has been able to carry a heavy transport potential in the Balkans with its liquid transportation fleet in recent years. Central Anatolia has an important place among the targets of Alişan Logistics. Company aims to be the closest partner of many large and modern industrial establishments in the region and to add value

to the regional economy with its experience in logistics. Alişan Logistics is continuing its preparations for the new openings. The company, which recently delivered 55 high-tech trailers, has renewed and modernized its international transportation vehicle park.

In addition to its other fields of activity, Alişan Logistics is a pioneer in the sector with its know how, especially related to hazardous material logistics and chemicals.

Strong R&D Start from Alişan Logistics

Through an innovative approach, Alişan Logistics aims to digitize all business processes and simultaneously improve the experiences and mobilization opportunities for its customers. The firm believes that these efforts will be the greatest power in creating the future Alişan Logistics. In line with the necessity of optimizing processes to ensure sustainability in the sectoral competition, the company focuses on a work system in which the real and virtual worlds move together, the users and the means of transportation communicate



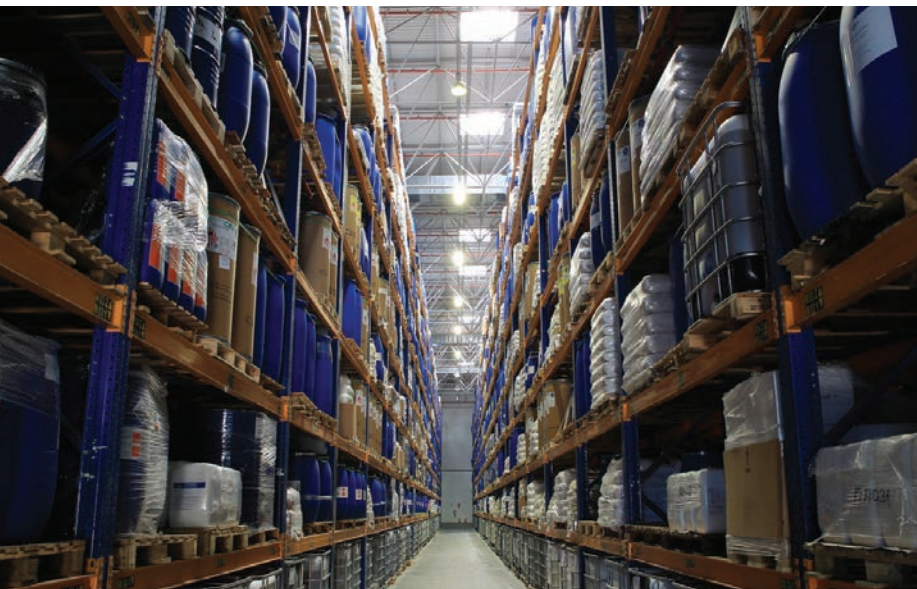
with each other, thus the processes are processed flawlessly and more efficiently.

Having increased its R&D and innovation investments since 2017 in order to improve its service quality, improve its competitiveness and maintain its sustainable growth, Alişan Logistics started R&D activities in August 2017 with 40 staff.

In Alişan Logistics, where international quality standards

are effectively applied at every stage, project-based studies are being carried out in order to bring the culture of innovation and the creation of value-added products. Within this scope, Konya R&D Center was established after the Yön R&D Center, which started its activities in 2017. With the R&D center, it is aimed to cooperate with local companies and regional universities.

Integrating the relevant value judgments and working forms into the company by forming the right system of R&D and innovation is among the musts of Alişan Logistics. Believing that R&D activities will be the greatest force in creating the future Alişan Logistics, the company believes that in the digitalizing world, the future of the logistics sector depends on the ability to think innovative. Yön R&D Center is moving with the vision of solving customers' problems in an innovative way in the era of digital transformation. ■





Okay Öztuğran
Vice President,
International Transportation

BORUSAN LOJİSTİK GROWS WITH NEW SERVICES AND ROUTES

Opening an entirely new route from China to Asia, Turkey and Europe, Borusan Lojistik provides express road and multimodal transport services to Europe from China to the Commonwealth of Independent States countries and to Europe-Turkey and Germany in particular.



- Borusan Lojistik was founded in 1973 in order to provide services to the group companies. It was restructured in 2000 as an “integrated logistics services provider” under the name Borusan Lojistik to provide its experiences and knowledge to firms from outside the group and exceed its limits.

The services provided by our company are classified under 5 main headings: Domestic Logistics services, Chartering and Project Logistics services, Supply Chain Management, International Transportation Services and Port Operation services. In line with these services, we provide our customers through customized solutions with any service they require concerning the operations and coordination of various freights including the supply process also including the special equipment. Within the scope of Domestic Logistics Services, we provide exclusive solutions to meet the requirements and needs of our customers with our robust machinery, equipment, and supplier infrastructure across full, partial and special distribution, milk run, warehousing and production logistics processes. We develop both engineering-based and industry and customer-specific solutions in order to meet all supply chain needs and requests of our Supply Chain Management and Strategic Accounts Customers and to create greater value for them.

China: Not That Too Far Anymore

In international transportation, as a reliable solution partner thanks to our customer-oriented approach, fast service and tracking systems, we provide services to customers in the global arena through our vast agent and partner network across Europe, United State, Russia, Central Asia, Far East, Middle

East and overseas and through our own organization in Europe and Central Asia across all modes of transportation. We are now closer to our customers in the European market particularly thanks to our sales organization and company incorporated in Germany.

This year, we opened an entirely new route extending from China to Asia, Turkey and Europe by using our business experience and physical assets in the Central Asian region as Borusan Lojistik. We provide express land and multimodal transport services to Europe from China to the Commonwealth of Independent States countries and to Europe-Turkey and Germany in particular. Under the Chartering and Project Logistics services; we make dry cargo vessel agreements, engage in project consulting, heavy transportation, vessel loading and unloading operations, port field operations, warehousing, door-to-door transportation, field landing and stocking services and installation and customs clearance in the field.

Under project logistics services, we provide integrated logistics services for energy, machinery-equipment and construction industries. Thanks to our current deployment, expertise and vast supplier network, we are rendering with the same holistic service approach projects across different regions including the Far East and the Persian Gulf.

Our International Transportation Services include land transportation, container transportation, air transportation, rail and multimodal transportation operations. In the automotive sector, our company provides the key industry with inbound and outbound services. The automotive logistics services rendered by our company may be categorized under 5 main headings including final control services,

manufacturing supply, pre-shipment final control services, field management, automotive transportation, and value added services. Making a difference in the receipt of vehicles from production, stocking in the parking area, and the management of vehicles in the stocking area, Borusan Lojistik manages nearly 750,000 square meters of area in its vehicle stocking area within the scope of outbound services with its own software. Thanks to this software, we manage the loading/unloading operations through RFID technologies.

Logistics Meets Technology at the R&D Center

As one of the trailblazing and leading companies of the smart world, we implement the advanced technologies we develop, continuing our mission to become a global player by creating innovative business models through



innovative and competitive services, digital transportation, and Industry 4.0 processes. In April 2016, our Borusan Lojistik R&D center was registered as an “On-site R&D Center” by the Supreme Board of the Ministry of Science, Industry and Technology and became Turkey’s second R&D center in the field of logistics. Borusan Lojistik R&D Center conducts joint efforts with universities and scientific bodies such as TÜBİTAK. To date, we have invested TRY100 million.

Our company is also the only Turkish member of the technology platform ALICE (Alliance for Logistics Innovation through Collaboration in Europe) created by logistics firms with R&D capabilities within the European Union. The foremost example of our innovation work is etasimacilik.com (eTA). eTA is a digital transportation system that brings together on a single platform SMEs and truckers. ■

VEGA LOGISTICS READY FOR THE FUTURE CHALLENGES

Significant CO₂ reduction is needed in logistic to reach the climate targets - VEGA and its innovation are ready for this important challenge.

- ▶ VEGA Logistics
#worldofgreenlogistics is for VEGA not only a slogan but part of the company's philosophy with the focus on ecological transport technology as important success factor in the daily logistic business. VEGA is part of the UN GlobalCompact, an initiative of former UN secretary general Mr



Koffi Anan, who energized the private sector to contribute to the sustainable development goals put by the UN. During the UN GlobalCompact Summit in NYC in

late September UN General Secretary Mr Antonio Guterres warned that if there will not be significant improvement on the CO₂ balance in all sectors, the climate change will





trailers. Last year VEGA has founded an innovation circle together with Kässbohrer Transport Technik in Austria, specialized in vehicle for the automotive Industry and several rail partners among them Deutsche Bahn and Rail Cargo Austria in order to find the right tools for a combination between road, rail and sea transport.

Just recently a brand new improvement has been introduced to the market :

The innovative adapter r2L (roadrailLink) has been relaunched with its 2.0 version, which can load any uncraneable trailer in the market as well as 2 heavy trucks or 3 light commercial vehicles. The development has been done in close touch with our esteemed customer IVECO, who wants to shift more and more volume to rail for ecological reasons. Therefore VEGA has developed a new rail terminal in Rheine/Germany and will as well build a rail terminal till 31.03.2019 near the Iveco factory in Suzzara/ Italy. Since beginning of September the new equipment is running between Verona and Rheine with a yearly capacity of 10.000 LCV s moved northbound and about 5000 new trailers southbound.

A perfect example that CO₂ reduction with more than 90% can be achieved in a close partnership with the automotive industry. VEGA is looking forward to the challenges of a sustainable World of green logistics and has taken already major steps to be a leader in this important development in the logistic market. ■

become irreversible. Clock is ticking and it seems already being 5 past 12! VEGA therefore puts enormous efforts to develop logistic solutions with a minimal CO₂ footprint and rises even the vision for a Zero Emission Logistics by 2030. Despite the high pressure for best (=quick and cheap) performance by the Industry and a rising volume to be moved, VEGA focusses only on sustainable and ecological sensible logistic solutions.

The logistic provider for the commercial vehicle industry with its headquarter in Salzburg/Austria and 15 subsidiaries all over Europe and Asia, including a very important one in Orhanli/Istanbul offers a variety of solutions for its customers, like multimodal transport chains,

storage as well as additional tailor made services according to the customers requirements. Excellence is our driver in all our actions and among this excellence the ecological responsibility is as important as cost leadership and smooth delivery processes.

VEGA has specialized in multimodal logistic chains using always the most cost and ecological efficient solution by road, rail and short/deep sea transport. World of green logistics is the target for any job performed, therefore a special department looks into the CO₂ emission of each transport executed and its potential to improve the ecological balance. The yearly CO₂ saving is crucial for the overall performance of the company and an important key figure in the balance scorecard.

The company moves 80.000-100.000 new trucks, buses and trailers for its customers like Daimler, Volvo/ Renault, Iveco, MAN, Scania, Schmitz, Krone, Kässbohrer and many other important trade marks of this industry and more and more of them by ecological friendly rail solutions. Rail was important from the early beginning of the company, but it was missing a suitable multimodal solution which could combine the flow of new commercial vehicles with the general cargo flow in Containers and craneable



Onur Talay
Board Chairman

WE WILL LAUNCH PARTIAL INTERMODAL TRANSPORT SERVICES WITH 45' CONTAINERS!

Being the first company in Turkey providing intermodal transport - an ever-developing sector in the world - services since 2014, Sarp Intermodal continues to diversify its investments and services in the field of intermodal transport. The Board Chairman Onur Talay has announced that they will start partial intermodal transports with 45' containers. The preparations are now over and the service will be launched in November.

► The intermodal transport mode usage has significantly increased in recent years in Turkey - although the usage ratio is not as high as the usage in Europe. Being one of the first companies focusing on this field, Sarp Intermodal continuously extend its service network and increase its equipment diversity. Noting that they are proud to be leading intermodal transport in Turkey, Sarp Intermodal Board Chairman Onur Talay made the following remarks: "Because of the responsibility we have taken on by being the first intermodal transport service providing company in Turkey, we extend our geography coverage year by year. By making use of the roads less and decreasing carbon dioxide emission, we believe that we fulfill our responsibility against our customers and the future generations. Thanks to the economic advantages we offer, we also provide our customers with a competitive edge."

First Priority is to Improve Intermodal Transport in Turkey!

Telling that they prioritize as an objective to promote the intermodal transport - a significantly economic and environmentally friendly transport model - to the entire Turkey, Talay further commented as follows: "The current share of intermodal transport in Turkey is around 1,5 to 2 percent while it is around 20 percent in Europe. However, it is possible that it will be highly preferred and dominate the sector within next 5 to 10 years."

International Partnerships Provide a Major Source of Power!

Stating that they establish long term business partnerships with the companies dominating the intermodal transport market in Europe, Talay underlined that they have an ongoing business partnership with Gartner KG for 4 years and told that they have started to cooperate with Rat Logistics for dry-bulk goods last year.

Investments Mark the 4th Year!

Having organized the highest number of 45' container transportations in Turkey



last year, Sarp Intermodal has started this year with new container investments. Having made an investment for buying 100 45' containers, the company has also invested in 50 ISO Tanks for the field of liquid transport where the company records sustainable growth in the last two years. After these investments, Sarp Intermodal currently have more than 500 45' containers, 50 ISO Tanks, 60 Chassis and 30 trailers in its own fleet. The company has also purchased 10 chassis in 2017. Nothing that the chassis and trailer investments will be used in transports from ports and terminals, Talay emphasized that they organize all operations for intermodal transport with their own vehicles. Telling that they prefer chassis specially designed for 45' containers, Talay has stated that the lightweight structure of those chassis make the intermodal container transports more advantageous. Announcing that they have concluded agency agreements with the most important companies in Europe, Talay underlined that: "We transport resin, plastifizer and oil with ISO tanks and we are on our way to becoming one of the key players of this market."

Faster Growth with Different Equipment!

Nothing that they mainly provide services to food, automotive, textile and chemistry sectors, Talay told that they carry out 80 percent of the transports with 45' containers and the remaining 20 percent with ISO Tanks. Emphasizing that they place importance to have different types of equipment in their fleet, Talay remarked that they believe that this will contribute to the fast development of both Sarp Intermodal and intermodal transport.

International Presence to Be Increased!

Stating that after opening their first international office in Italy, they have

also made investments in Bulgaria, Talay told that they will perform operations in Bulgaria under 'Sarp Intermodal Bulgaria' name. Giving information of the new company they have established, Sarp Intermodal Board Chairman Onur Talay further made the following remarks: "Since Bulgaria is a EU member state and allows free movement in Europe, we have made investments in Bulgaria. Its location's being close to Turkey is another preference of choice." Saying that the initial phase of this investment covers the purchase of 10 trucks for use between Bulgaria and other European countries, Talay has announced that their investments will continue for the next two years.

Investments Planned for Germany and UK!

Nothing that they aim to make investments in Germany and UK as well, after Bulgaria, Talay underlined that these offices aim for managing the transport organizations in these countries.

New Routes Planned after Russia and Ukraine

Stating that they have entered new markets to ensure sustainable growth, Talay further commented as follows: "We have established Mark Multimodal as a subsidiary of Sarp Intermodal for focusing on especially Russia and Ukraine. We have started to provide services in these countries by using our infrastructure. We believe that the trade activities between Turkey and Russia will boom in future." Mentioning also that their transports are mostly destined to the European countries, Onur Talay told that they select the countries they serve based on the lines of the railway and Ro-Ro operators and emphasized that the line or operator numbers should increase. Reminding that they have started to organize transports to Tunisia in North Africa, they closely monitor the developments on Kars - Tbilisi - Baku train line to be launched in future months. ■

EXPORT TRANSPORTS INCREASE, IMPORT TRANSPORTS DECREASE

The number of export transports by Turkish vehicles has increased by 14 percent in September 2018 while their import transports have decreased by 5 percent during the first 9 months of 2018.

► According to the data by the International Transporters' Association (UND), the Turkish vehicles transported export goods in 97 thousand and 438 trips in September last year and this number has increased by 14 percent in September 2018 to 110 thousand and 630. During the period from January to September 2018, the Turkish vehicles have organized 893 thousand and 649 transports with a decrease of 3 percent during the same period of the previous year.

The vehicles with foreign plate numbers, on the other hand, have increased their number of transport trips from 25 thousand and 328 in September of last year to 29 thousand and 382 in September 2018 with an increase of 16 percent. The total number of transports has witnessed a growth of 8 percent and increased to 257 thousand and 644 during January to September as compared to the same period of the previous month.

The total number of transports by Turkish and foreign vehicles in September 2018 has increased by 14 percent from 122 thousand and 766 in September 2017 to 140 thousand and 012 in September 2018. During the first 9 months, the total number transports

from Turkish and Foreign vehicles has decreased by 1 percent and 1.151.293 export transports have been organized. 78 percent of the export transports have been organized by vehicles with Turkish plate numbers and 22 percent by vehicles with foreign plate numbers. If Iraq with a high share of 37 percent in export transports is excluded, the Turkish vehicles have witnessed a decrease of 1 percent in terms of export transports as compared to the same period of the previous year while the foreign vehicles have achieved an increase of 8 percent.

Transports to Middle East Decreases

The transports to Syria have decreased by 22 percent. The Iraqi market has also experienced a decrease of 6 percent as compared to the previous year although it has a high trend in the first 2 months of the previous year. Since the decrease in transports to Iraq and Syria has affected the total of transports to the Middle East countries, those transports have also decreased by 10 percent.

The increase trend in transports to entire Europe has positively affected especially the exports to



the neighboring countries, where, for example, the export transports to Romania increased by 25 percent, Greece by 16 percent and Bulgaria by 27 percent. Significant increases up to 10 percent in export transports to the Middle East countries such as Poland, Hungary and Austria also attract attention. A total increase of 8 percent has occurred for the transports to the European countries.

Thanks to the positive results achieved from the Joint Road Transport Commission meetings held with European countries, the export transports of Turkey to European countries continue to increase.

The export transports to the EU countries have been positively affected by the Hungary Transit Documents received in September. The exports to Azerbaijan and Nahcivan have decreased in 2017. During the first 9 months of 2018, the exports to Nahcivan decreased by 3 percent but to Azerbaijan increased by 14 percent. The share of Turkish vehicles in export transports to Georgia, on the other hand, has decreased by 3 percent while the share of the vehicles with Georgian plate numbers is continue to increase with a rise of 14 percent. A decrease of 21 percent was experienced in the exports transports by Turkish vehicles

to Iran. The export transports by Iranian vehicles from Turkey, on the other hand, have increased by 17 percent.

The transports to Turkmenistan has also dropped remarkably by 56 percent. According to the results of the researches in this respect, the completion of the existing projects in Turkmenistan and not starting new ones of the same scale adversely affect the export transports. Another factor that affect the transports and exports to Turkmenistan is that Turkmenistan has not given permission to transit of the export transports by Turkmenistan to Tajikistan. Unlike the decrease



in transports to Turkmenistan, the transports Uzbekistan have increased significantly by 59 percent. The decrease in the Turkmenistan market is substituted with the increase in the shares of Uzbekistan and Russia.

Major Increase in Transports to Russia

Looking at the Russian Federation with an important place in the transports to the CIS countries, the export transports to Russia have increased by 170 percent with the boom in the transports. Moreover, the transit transports on routes through Russia have also increased.

The investments in infrastructure has increased the exports to Ukraine by 47 percent

Thanks to the increase in infrastructure investments, the export transports to Ukraine have increased by 47 percent. The export transports to Moldova has also increased, by 28 percent. During the first 9 months of 2018, the transports to the CIS and the Central Asia countries increased by 1 percent. Regarding the export transports originating from Turkey, the vehicles with Turkish plate numbers have experienced a decrease of 3 percent during the first 9 months of 2018. The foreign vehicles, on the other

hand, have seen an increase of 8 percent. The overall export transports, on the other hand, have decreased by 1 percent. The share of foreign vehicles was 22 percent while the share of Turkish vehicles was 78 percent.

Serbia with a market share increase of 22 percent and Iran with a share of 17 percent attract attention among the foreign vehicles. The import transports have decreased by 5 percent during the first 9 months of 2018. The number of Turkish vehicles has decreased by 6 percent while the number of foreign vehicles has dropped by 4 percent. As compared



The remarkable increases in import transports include France, Greece, Netherlands, Belgium, Poland and Austria.

to the previous year, the foreign vehicles have increased their market share by 34 percent. Iranian vehicles have the highest share in foreign vehicles organizing import transports, followed by Bulgaria and Romania. Although the number of transports by nearly all foreign vehicles has decreased, the number of transports by Iranian vehicles has increased by 26 percent.

Germany still stays on top for import transports

During the first 9 months, Germany stayed the first with 70 thousand and 709 transports by Turkish vehicles. Despite always having an increase trend and having been ranked the second last month, Iraq was replaced by Italy to which 43 thousand and 617 import transports have been made and a decrease of 7 percent has been experienced, due to the decrease in imports in parallel to the decrease in exports. Now being ranked the 3rd, Iraq has experienced a decrease of 39 percent in import transports and received 40 thousand and 76 import transports from Turkey during the first 9 months of the year.

Among the European countries from which import transports have decreased, the decrease for United Kingdom was 21 percent, for Bulgaria was 11 percent, for Romania was 5 percent, for Italy was 7 percent and for Spain was 5 percent. The import transports from all other European countries continue to increase consistently. The remarkable increases in import transports include France with an increase of 12 percent, Greece with an increase of 3 percent, Netherlands with an increase of 7 percent, Belgium with an increase of 33 percent, Poland with an increase of 9 percent and Austria with an increase of 16 percent.

If we compare the imports against exports by region, the increase in the exports to the European countries is not the same as the increase in imports from European countries. Moreover, there is a significant decrease in the imports to the Middle East countries

(including especially Iraq and Syria).

The increases in export transports by region not being at the same level as the increases in import transport also affect the transits.

Iran takes the first place among foreign vehicles in transit transports

If we examine the transit transports through Turkey, we will see that Turkish and foreign vehicles organize transports to neighboring countries including especially Iran, Iraq, Georgia, Azerbaijan, Bulgaria, Romania and Greece. Although not much, transit transports are made to more developed countries such as Italy, Germany, Netherlands and France. The highest number of transit transports, on the other hand, are made through Turkey to Iran, Bulgaria and Georgia.

Major Increase in Empty Vehicle Returns

Breaking down the empty transits by vehicles with Turkish plate numbers to regions, we will see a remarkable impact. As stated above, the Turkish vehicles have increased their export transports to the European countries. However, not achieving the same level of increase in imports shows its impact with an increase of 68 percent in empty returns from Europe.

During the first 9 months of 2017, 35 thousand vehicles have returned as empty from Europe. This has increased to 60 thousand vehicles during the first 9 months of 2018.

Although the Turkish vehicles have decreased the number of empty returns, the foreign vehicles have increased them by 30 percent ■



- Many guests from Turkey and abroad were present at the opening ceremony of Istanbul Airport to become the largest airport of the world when completed. Noting that its passenger capacity will increase up to 200 million, the President Recep Tayip Erdoğan made the following remarks: "The passenger capacity of the first phase is 90 million. When all these phases are completed, it will increase to 150 million and to 200 million, if necessary."

A Cargo and Logistics Center of 1,4 Million Square Meters

New Istanbul Airport aims for becoming the largest cargo HUB of the world. New Istanbul Airport project will make a great contribution to the importance of the air cargo transport.

The Cargo/Logistics Center will be established on an area of 1,4 million square meters during the first phase of the project. Its area will increase to 1,6 million square meters with an additional area of 200 square meters to be established during the next phases. In line with these goals, a preliminary protocol was signed for an area of 20 thousand square meters with DHL on March 4, 2015. A number of domestic and international company serving cargo, logistics and temporary storage fields will also take part in this

project. The Cargo/Logistics Center will provide services with an annual air cargo tonnage capacity of 2,5 million during the first phase and this capacity is planned to increase to 5,5 million tons per year during the

second and third phases.

The Center is capable of parking more than 30 large bodied cargo aircrafts has an operation infrastructure which ensures perfect flight traffic with park positions before warehouses, passenger terminals and remote park areas and aviation service tunnels which will pass under the track and taxi roads. The Cargo City to be established inside New Istanbul Airport will include warehouses, agency buildings, customs offices and all cargo/logistics operations. Moreover, an alternative entrance has been planned for passengers and employees to access the cargo city without any traffic during busy hours.

İSTANBUL AIRPORT IS OPENED

The first phase of New İstanbul Airport with a passenger capacity of 90 million passengers was opened with the ceremony held. The airport to serve 250 airport companies is expected to increase the air cargo potential significantly.





Remarking that all phases of Istanbul Airport are expected to be completed by 2028, Mr. Erdoğan continued as follows: "All phases are expected to be completed by 2028. Therefore, the airport will continue to grow for the next 10 years."

In his speech, President Recep Tayyip Erdoğan told that İstanbul is not only the largest city of Turkey but the most valuable brand of Turkey, and continued his speech as follows: "This is the largest property we have constructed for this invaluable city and therefore, we have named it 'İstanbul'. Atatürk Airport located in Yeşilköy will not be opened to commercial trips when the new airport will be fully operational but

will continue to serve as an airport. Atatürk Airport will continue to serve with the name same for aviation fairs and other organizations. As we have promised, it will also be turned into a national garden. We will turn the current closed areas into the largest fair of İstanbul. Therefore, it will be named Atatürk Airport and this new airport will be named İstanbul Airport. Congratulations with the name of the airport."

Telling that the investment value of İstanbul Airport is 10 billion and 247 million euros, Mr. Erdoğan further commented as follows: "A rental fee of 32,4 billion Euros excluding taxes will be paid to the government. Thanks to the initiatives made, the

turnover of the aviation sector has increased from 2,2 billion US dollars to 25 billion US dollars. New İstanbul Airport will serve as a smart airport appealing to the future thanks to its features to ensure power and water efficiency and a saving of 40 percent and technology based management." President Mr. Erdoğan also told that: "The European air space has to be restructured with the launch of İstanbul Airport. Since İstanbul will be the most important transfer point, the routes of intercontinental flights will significantly change. The construction of this airport to make its mark on the history with its location and features is not a coincidence." ■



AN INVESTMENT OF 6 BILLION EUROS FOR FIRST PHASE

- Istanbul Grand Airport (IGA) established by Limak/Kolin/Cengiz/ Mapa/Kalyon Joint Venture Group has been awarded the tender for the construction, operation and transfer of New Istanbul Airport for 26 billion and 140 million Euros including VAT. An investment of 6 billion Euros has been made for launching the first phase of the airport constructed on an area of 76,5 million square meters. The other phases of the airport will be completed by 2023 depending on the increase on the number of passengers. Around 3 thousand heavy construction equipment has worked on the construction area where tens of worksites established on the region with land fill and drilling. A 24/7 extraordinary work has been made on New Istanbul Airport where around 10 thousand people work. Constructed with build – operate – transfer (BOT) model using the private sector resources, the airport will become the largest airport of the world with 6 independent tracks, 500

aircraft capacity, a closed and open car park of 70 thousand vehicles and an annual passenger capacity of 200 million passenger.

Focusing on the cultural and architectural background of Istanbul, the new airport has employed more than 250 local and international expert architectures and more than 500 expert engineers in the design teams established as part of the master plan.

After the airport becomes operational with an opening ceremony expected to be participated by many foreign guests, the company will pay an annual rental fee of 1,1 billion Euros including VAT and 26 billion Euros including VAT for 25 years.

Airport to Serve to 250 Airline Companies

During the first phase, 5 arrival and 5 departure flights will be organized per day. THY will organize the first flight to Ankara on October 31, Antalya on November 1 and İzmir on

November 2.

The first international flight will be organized to the Turkish Republic of Northern Cyprus (TRNC) on November 1 and Azerbaijan on November 8. After the completion of the moving of the airline companies by the end of the year, 2 thousand arrival and departure flights will be organized per day. Flights will be organized to more than 350 destinations. The airport will serve 240 airline companies.

The Most Modern Luggage System of the World

Istanbul New Airport will decrease the luggage waiting time. The luggage system of 42 kilometers with a luggage operation capacity of 10 thousand and 800 baggage per hour will collect the baggage from 13 check-in islands and will transfer them to the flights and passengers in a short period of time. Early Luggage System (EBS) will be applied for the storage of the baggage which arrives early. ■

GOODS TRANSPORTS VIA TURKEY HAVE STARTED

► Port of Kuryk has been introduced at a ceremony held with the participation of the transport and logistics company managers from Azerbaijan, Turkey, Georgia, Turkmenistan, Iran, China, Russia, Tajikistan and Kyrgyzstan and TCDD Taşımacılık AŞ General Manager Veysi Kurt.

Participated by President Nazarbayev in Aktau, Kazakhstan, the Port of Kuryk was presented at a ceremony where Uzbekistan Deputy Prime Minister Açılbay Ramatov and transport and logistics company managers from Azerbaijan, Turkey, Georgia, Turkmenistan, Iran, China, Russia, Tajikistan and Kyrgyzstan and TCDD Taşımacılık AŞ General Manager Veysi Kurt were present. The ceremony also marked the launch of regular container train trips from Khorgos dry port to Port of Kuryk and to Europe via Trans-Caspian Corridor. Noting in his speech that the Trans-Caspian route via port of

Kuryk ensures effective transport of goods from China, Uzbekistan, Kyrgyzstan, Tajikistan and Ural and Siberia regions to Turkey and Europe, President Nazarbayev said: "This will increase the income earned by Kazakhstan from transit transports by 2020 to 5 billion US dollars annually."

Goods to Reach Europe in 13 to 16 Days

Having a capacity of transport goods of more than 7 million tons per year and being a part of the international transport corridor network, the port of Kuryk has been equipped with modern technologies. Goods delivered to the port by road from China are delivered to Europe within 13 to 16 months after customs transactions' performed in maximum 30 to 40 minutes.

The port also strengthens the cooperation between Kazakhstan and Turkey working actively in the development of intercontinental

transport between Europe and Asia. Kazakhstan has made an investment of 30 billion US dollars to the transport and logistics of the country in the last decade and is expected to invest 8.4 billion US dollars more by 2020. These investments will render more effective the "Central Corridor" known as the Iron Silk Road being an important part of Baku-Tbilisi-Kars Railway Network.

As is well known, the first and direct railway line from Kazakhstan/ Kostanay to Turkey was launched last year. Thanks to the uninterrupted railway network from Kostanay to Mersin with the launch of BTK railway line, the goods such as flour, grain, feed etc. were transferred to Mersin via BTK. Being the shortest, fastest, more affordable line with the most suitable climate for the transports from/to Asia and Europe and the Middle East, BTK both decreases the transport costs and increases the goods transport volume.



DENMARK-BASED DFDS MAKES A HUGE INVESTMENT IN TURKEY

Danish shipping and logistics group DFDS has acquired the Turkey's leading intermodal service provider U.N. RO-RO and entered into the Turkish market. U.N. RO-RO will now implement a new Mediterranean strategy reshaped by DFDS upon acquisition.



- The Denmark-based shipping group DFDS has acquired the Turkey's largest Ro-Ro company U.N. RO-RO - operating in the fast-growing international trade market between European Union and Turkey – for 950 million euros.

Established in 1994 by Turkish international forwarders, 98 percent of shares of U.N. RO-RO was sold to the investment company KRR for 910 million euros in 2007. 7 years later, in 2014, the majority of shares of U.N. RO-RO were acquired by Actera Group and Esas Holding for an unannounced price, causing a change of control in the company.

U.N. RO-RO is Entrusted to Shippers

In April, the Danish shipping giant DFDS has announced that an agreement was reached with RORO INVESTMENTS SARL comprised of Actera Group and Esas Holding for the acquisition of 98.8 shares of U.N. RO-RO. According to this announcement, DFDS would become the first owner of U.N. RO-RO operating in the shipping sector after the approval of the share purchase agreement of 950 million euros by the authorities by June 18, 2018 at the latest.

According to DFDS, U.N. RO-RO will be a strong addition to DFDS' activities in the Baltic Sea, the North Sea and the English Channel. Up until the agreement, DFDS was represented by a route between France and Tunisia in the Mediterranean. The announcement summarizes the field of activity of U.N. RO-RO as: "U.N. Ro-Ro operates five major routes between Turkey and the EU, connecting the Turkish ports with Trieste and Bari in Italy and Toulon in France. The company operates and owns a fleet of 12 large Ro-Ro ships and operates two large port terminals in Pendik, Istanbul, and Trieste in Italy. In cooperation with European rail operators, U.N. Ro-Ro also offers intermodal transport between EU market and the ports."

Niels Smedegaard, CEO & President of



DFDS A/S commented on the concluded share purchase agreement as follows:

"Turkey's economy is among the world's top 20. Trade with the EU is extremely dynamic. Since its foundation in 1994, U.N. RO-RO has continued to make new ship, intermodal railway connections and port investments and provides solutions which create cost and time advantage to the Turkish international road, logistics and export companies. With the development of Ro-Ro lines throughout time, the international road and logistics companies have shifted their activities from road to more cost effective maritime lines and made serious contributions to the Turkish exporters." Smedegaard emphasized the similarities between two companies and said that similar to the operations of DFDS in the North Sea, U.N. RO-RO handles a high number of trailer units and containers of goods such as machinery, automotive parts, electronics, computers, plastic products, textiles, clothing, food, fruit, beverages and similar products and transports them with RO-RO ships and reloads them to the rail transports in the same terminal. Smedegaard also told that: "DFDS is even familiar with the ships operated by U.N. RO-RO as they were all built at the Flensburg Shipyard in Germany where DFDS has also been building ships of a similar design."

DFDS President Smedegaard: "We will join the forces of two companies"

Niels Smedegaard said: "U.N. RO-RO is the largest platform for the trade between Turkey and Europe with

an annual capacity of 300.000 semi-trailers and TIRs. We are confident that joining forces will create new exciting opportunities with the expansion of maritime and intermodal railway lines. With our extensive lines in Europe, we will provide better and more competitive services to the logistics companies between EU and Turkey."

Ships to Operate under Turkish Flag

U.N. RO-RO operates 5 RO-RO routes connecting Italy and France with Turkey, 12 ships and port terminals in Trieste and in Pendik, Istanbul. U.N. RO-RO will continue to operate with 500 employees and its Turkish management and U.N. RO-RO ships will continue to sail under Turkish flag.

DFDS with a 150-Year Shipping History

Having celebrated its 150th anniversary, DFDS was founded with the merger of four steamship companies with the initiative of Carl Frederik Tietgen in 1866. DFDS has transported the products and coal from the UK, the world's industrial locomotive at that time, to the textile and energy demanding markets in Scandinavia and other countries. The steam ships conversely gave farmers in these countries access to the UK's rapidly growing market for food and raw materials. Around 1900, DFDS steam ships connected Danish and Scandinavian cities with each other and was among the largest in the world at the time with a fleet of more than 120 ships. During the Second World War, DFDS kept up supplies of food and power products to people in Europe. At the end of the 1960s, DFDS was the first to develop a ro-ro service, paving the way for more efficient shipping of trucks and trailers carrying industrial cargo. The company has developed its logistics activities from 1972 with the same purpose. ■

OVER 1 MILLION TONS OF GOODS TO BE TRANSPORTED THROUGH TURKEY

► The 'New Silk Way' to pass through China, Kazakhstan, Caspian Sea, Azerbaijan and Georgia will open from Turkey to Europe and will attract high amounts of transit goods. This figure is expected to reach 1 million tons in one year.

In 2013, in Astana, the chairmen of Kazakhstan Demiryolları Ulusal Şirketi AŞ, Azərbaycan Demiryolları AŞ and Gürcistan Demiryolları AŞ signed an agreement for the establishment of Trans-Caspian International Transport Route Development Coordination Committee within the framework of "New Silk Road 2nd International Transport and Logistics Business Forum". The Committee was established in 2014 to increase the goods flow to the Trans-Caspian International Transport Route.

4 Million Tons of Goods to be Transported

The International Association of Trans-Caspian International Transport Route was established last year with the participation of Kazakhstan, Azerbaijan and Georgia in addition to the Committee members. Turkey has also become a permanent member to the association with the agreement concluded last week.

The New Silk Way to pass through China, Kazakhstan, Caspian Sea, Azerbaijan and Georgia will extend from Turkey to Europe. With the signed protocol, Turkey has become one of the main actors on the part of the New

Turkey will become the gate opening Europe for the "New Silk Way" passing through China, Kazakhstan, Caspian Sea, Azerbaijan and Georgia.

Silk Way known as the Trans-Caspian corridor. Including also Baku-Tbilisi-Kars Railway Line, the corridor will facilitate the transport from China to Europe and from Russia to Southern Asia and Africa.

Kanat Alpysbaev, the Chairman of the Association, told that the Trans-Caspian corridor was completed with the completion of Kars-Baku-Tbilisi Railway. Underlining the importance of the participation of TCDD Taşımacılık AŞ to the Association, Mr. Alpysbaev noted that the goal is to increase the goods transported on the corridor from around 2 million tons in last year to 4 million tons this year.

Emphasizing that this goal will be sure to be achieved with the participation of Turkey, Mr. Alpysbaev said that annually nearly 1 million tons of goods are expected to be transported through Turkey.

The Goal: 17 Million Tons

Noting that China and Europe will be united through Turkey, Cavid Gurbanov, the Deputy Chairman of the International Association of Trans-Caspian International Transport Route, told that transports via Turkey have started. Telling that the deficiencies of

the corridor will be completed in time, Mr. Gurbanov told that the cooperation will benefit all members.

Stating that transports will be organized through Turkey to all countries in Europe and UK, Mr. Gurbanov told that he has high hopes for Trans-Caspian transports.

Mr. Gurbanov noted that they want the transported goods amount to increase 17 million tons.

TCDD Taşımacılık AŞ General Manager Veysi Kurt stated that the Trans-Caspian transport corridor forms a major part of the route known as the Silk Way extending from China to Europe. Pointing out that Turkey will also have a say in the international association of the railway and port authorities on the corridor and the ship operators on the Caspian Sea, Mr. Kurt told that international logistics and transports can be organized on the corridor to server for an important hinterland extending from China to Europe and from Russia to Northern Asia and Africa. Attracting attention to the fact that around 100 million tons of goods will flow from the corridor, Kurt noted that these transports can be organized after the completion of the logistics service on the railway line. ■

RAILWAY INVESTMENTS CONTINUE AT FULL SPEED

According to the 2018 Investment Programme, the Ministry of Transport, Maritime Affairs and Communications took the first place with its investment budget of 28 billion and 921 million and 703 Turkish liras among the public investments to be made in 2018. The Ministry has allocated the highest investment amount of 10 billion and 776 million and 304 thousand Turkish liras to the railway transport.

► Regarding the railway transport, 7 billion and 435 million Turkish liras have been allocated to the General Directorate of Turkish State Railways, 2 billion and 388 million and 304 thousand Turkish liras to other railway projects to be carried out by the Ministry and 953 million Turkish liras to the General Directorate of TCDD Taşımacılık AŞ. Taking this into consideration, a total investment of 10 billion and 776 million and 304 thousand Turkish liras is planned for the railway transport.

9 billion and 7 million and 522 thousand Turkish liras have been allocated to the road transport. From this amount, 8 billion and 906 million and 284 thousand Turkish liras have been allocated to the General Directorate of Roads and 101 million and 238 thousand Turkish liras have been allocated to the Ministry and the General Directorate of Security. Moreover, TCDD Taşımacılık A.Ş. aims for transporting 28,1 million tons of goods. A railway line of 990 kms will be completed. Başkentray will be opened in February 2018.

12 million passengers are planned to be transported in 2018. Samsun-Kalın line will be completed. The construction of a line with a total length of 1.300 kms will be started. A tender will be organized for the construction of a railway line of 3.458 kms. The project works for a railway line of 3.354 kms will be completed. The project preparation works will start for the railway line of 3.032 kms.

Goods Transport by Railway to Increase

The Minister of Transport, Maritime Affairs and Communications Mr. Arslan told: "We want to increase the profits of the country by constructing logistics centers and the goods transported by railways."

Mr. Arslan continued as follows: "We have connected two continents under the sea via Marmaray. We can now reach China on an uninterrupted train journey with Baku-Tbilisi-Kars railway line. We want to establish logistics centers and increase the goods transported by railway to increase the profits of the country. As another

important step, we have initiated an important project to connect the plants in organized industrial zones to the main line with junction lines. We implement a logistics master plan within Turkey. We will connect such places in Turkey to high speed and normal train networks to promote public transport. We will carry out necessary studies in this respect." Commenting on the liberalization of the railways, Mr. Arslan made the following remarks: "The goods transported via railways have increased to 28 million tons. This does not reflect our desire. The main reason behind this is that many lines are not in operation since the works to increase the standards of the current lines and to equip them with electrical and signal features are still ongoing. Therefore, even though the amount of goods transported does not increase as we expect, there is still an increase of 10 to 12 percent. It was an important step for allowing the private sector to benefit from the lines and we have given a license to 5 train operations within the scope of privatization of railways." ■

ROAD TRANSPORTS BETWEEN TURKEY AND CHINA TO START SOON

► Turkish freight forwarders have received 800 mutual and transit certificates at the transport meeting organized in Pekin and participated in by Turkish and Chinese officials. The Ministry of Transport and Infrastructure, Pekin Embassy officials, the Union of Chambers and Commodity Exchanges of Turkey and International Freight Forwarders Association and logistics sector officials have attended in the name of Turkey to the Turkey-China Road Transport

Workshop held in Pekin, China on August 8, 2018. The Chinese Ministry of Transport and Association of Chinese Transporters and transporters from different modes have attended the Workshop in the name of China. Under the international road agreement concluded between Turkey and China in 2007, an agreement has been reached on the certificate quota of 20 thousand for mutual and transit transports and of 10 thousand for

third country transports. Chinese officials have delivered 800 Mutual / Transit and 500 Third Country Certificates.

It was stated by UND representatives that the road agreement concluded between the two countries had to be approved by the Turkish Grand National Assembly in order to ensure that the transit certificates quotas could be used and that they had not received the certificates until then. They said to have achieved a great step with the receipt of the certificates. According to UND, the Chinese market will be opened to the Turkish transporters with the approval of the agreement by the

Turkey has received the first lot of the transit certificates from China having signed the first international road transport agreement with Turkey.



Assembly, Turkey and China have a great potential for each other.

High Potential

It was further stated by UND as follows: "The exports of the world's largest exporter China have increased by 7,9 percent to 2 trillion and 260 billion US dollars while its imports have increased by 15,9 percent to 1 trillion and 840 billion US dollars. 95% of exports of China are transported by sea. The share of roads is around 3% (68 billion US dollars).

Taking into consideration that there was no road transport agreements and the goods used to be transported by sea for a



longer period of time, the export and import transports between China and Turkey will be made in a shorter period of time with the road transport. The Chinese officials confirmed that the area from Khorgos on the Chinese border to 90 kms inside the land until Urumchi is considered as a free zone and Turkish transporters can accept goods to be transported without any visa. Thanks to the non-visa requirement, the Chinese export goods to be brought to Khorgos, China will be accepted by Turkish transporters without any visa and will be transported to the Turkish transporters until the country of destination." ■

EXPORT TRANSPORTS OF TURKISH VEHICLES

COUNTRY	2015	2016	CHANGE	JAN.-SEP. 2017	JAN.-SEP. 2018	CHANGE
AFGHANISTAN	2.020	2.531	25%	2.151	1.922	-11%
ALBANIA	3.256	3.252	0%	2.508	2.309	-8%
AUSTRIA	7.417	7.514	1%	5.531	5.974	8%
AZERBAIJAN	35.207	26.553	-25%	22.915	26.017	14%
BELARUS	2.207	9.267	320%	6.213	3.449	-44%
BELGIUM	7.216	7.963	10%	6.084	5.585	-8%
BOSNIA HERZEGOVINA	3.216	3.279	2%	2.252	3.167	41%
BULGARIA	13.145	15.169	15%	11.141	14.183	27%
CROATIA	1.416	1.671	18%	1.217	1.638	35%
CZECH REPUBLIC	4.426	5.319	20%	3.955	4.163	5%
DENMARK	2.415	2.951	22%	1.924	2.038	6%
FINLAND	683	1.071	57%	909	955	5%
FRANCE	29.652	31.142	5%	22.426	25.583	14%
GEORGIA	36.475	43.338	19%	29.386	28.630	-3%
GERMANY	89.970	94.404	5%	71.395	72.081	1%
GREECE	15.965	17.640	10%	13.527	15.694	16%
HOLLAND	12.845	13.100	2%	10.104	11.187	11%
HUNGARY	5.085	6.792	34%	5.670	6.261	10%
IRAN	38.669	48.385	25%	35.561	28.523	-21%
IRAQ	473.997	436.364	-8%	354.855	332.929	-6%
ITALY	43.222	43.120	0%	33.749	33.491	-1%
JORDAN	65	428	558%	427	500	17%
KAZAKHSTAN	5.514	4.701	-15%	3.935	3.840	-2%
KOSOVO	989	2.536	156%	2.153	2.745	27%
LEBANON	2.869	4.282	49%	3.926	3.232	-18%
LUXEMBURG	288	303	5%	165	329	99%
MACEDONIA	4.187	3.987	-5%	2.339	2.627	12%
NAHCIVAN	33.920	57.567	70%	27.787	27.007	-3%
POLAND	11.131	13.792	24%	9.644	10.758	12%
PORTUGAL	469	601	28%	586	556	-5%
ROMANIA	23.229	29.307	26%	23.766	29.731	25%
RUSSIA	11.620	300	-97%	3.384	12.293	170%
SAUDI ARABIA	4.433	2.576	-42%	1.616	1.531	-15%
SERBIA	4.353	5.386	24%	4.379	5.422	24%
SLOVAKIA	2.128	2.173	2%	1.589	1.690	6%
SLOVENIA	1.515	1.896	25%	2.620	4.028	54%
SPAIN	14.106	15.393	9%	13.824	15.070	9%
SWEDEN	5.285	5.538	5%	4.433	3.900	-12%
SWITZERLAND	3.636	3.991	10%	3.120	3.340	7%
SYRIA	168.287	154.330	-8%	107.655	84.331	-22%
TAJIKISTAN	2.290	2.355	3%	1.755	1.389	-21%
TRNC	4.136	4.516	9%	4.357	5.774	33%
TUNIS	288	230	-20%	75	53	-29%
TURKMENISTAN	32.844	28.052	-15%	19.809	8.673	-56%
UK	17.608	20.456	16%	15.215	15.235	0%
UKRAINE	2.569	5.039	96%	3.601	5.278	47%
UZBEKISTAN	6.907	9.048	31%	8.325	13.272	59%

Source: UND

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