



Turkish Transport News

INTERMODAL

Combined Transport and Logistics Systems Magazine

Issue 34

**NEW ERA
AND MODE
DIVERSITY
IN LOGISTICS**

**Air Cargo Growth
Continues Despite a
Challenging Backdrop**

**33 Million Tons of Goods
Transported With Railways**



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THE LOGISTICS OF SPACE, AND THE SPACE OF LOGISTICS...

While we are looking for a way out of the spiral of the problems that human beings have created on Earth, astronomers continue their efforts to solve the secrets of the universe without interruption. When I read about NASA's space program covering the 2030s and 2040s, I thought that there was yet reason enough to be hopeful in this infinite universe we live in and in our solar system. Nasa included two important missions in its program to explore Uranus in the early 2030s and Saturn's moon Enceladus in the late 2030s or early 2040s. It must be the perfect combination of physics, mathematics and engineering, and to a certain extent, logistics, for exploratory robots to reach their

targets by traveling such long distances in space and collect information and data that will unlock the secrets of the planets. Perseverance, which was launched into space at the beginning of 2021 and collected samples on the surface of Mars and sent this data to the world for analysis, still continues this mission. NASA is planning another mission to Mars in 2028.

Of course, space travel requires a very different logistics than traveling on land, sea and air. Space adventure is very inspiring in terms of both space passengers, space vehicles and equipment and supply logistics. The cost of a space journey must be very different, both manned and unmanned. Placing a communications or meteorology satellite in orbit around the world requires serious logistics as well as cost. Considering how difficult it is to travel even in the solar system, we can conclude that our ability to move around the world is so easy. However, we have all witnessed that the situation is not easy at all and how the Covid 19 pandemic has hindered international travel, closed borders and imprisoned people in their homes. There is no doubt that trade wars between countries, customs duties and protectionist practices also prevent the free circulation and movements of goods and services.

If you are writing an article about today and you want this article to make sense in the future, you have to remind yourself what kind of world we are going through these days. The Russia-Ukraine war undoubtedly affects the whole world deeply. The trade route is confused, logistics lines cannot be established in a healthy way. In addition to supply security, the security of logistics channels and routes becomes one of the main priorities of countries in times of crisis. We will see together how international trade will be affected by the cold war climate. It is clear that the embargoes and sanctions imposed on Russia will have new consequences for all countries and companies.

It is our greatest wish that the world catches up with a climate of peace again and that the struggle against global climate change, which is the symbolic and concrete expression of this sense of peace, continues its momentum.

Problems encountered in business life always require more than one plan at hand. If you have an exit plan in the A, B, C or D category, it means that you have found a solution to some extent to get away from the crisis or to be least affected. Diversity in logistics is also, in a sense, in trade, It is one of the most important levers in keeping export and import channels open. Turkey's superiority in logistics was able to provide our exporters with important conveniences even in the most difficult periods of Covid, and exports could continue.

Superiority of Turkish logistics

Turkey's port potential offers significant advantages for this geography in terms of logistics. When there is a problem in land or air logistics, ship and ro-ro transportation ensures that trade channels are kept open. Turkey is also an important hub and logistics center in aviation. IGA Istanbul Airport is increasing its feature of being the most important center of the region for both passenger and cargo flights day by day. Undoubtedly, logistics is not just the transportation of goods and services from one place to another. We must admit that today, thanks to the opportunities and innovations offered by technology and digitalization, the logistics industry serves with a space travel perfection. ■

Necmi Çelik
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Transportation Guidebook

Transportation Guidebook comprises useful information about vehicles and transportation, national and international associations and contact information of their members and a glossary.

Finding the details of any transport company in Turkey becomes very convenient by the Guidebook.

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Logistics News to You



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NEW ORDER, NEW HORIZONS

Adil KARAIŞMAİLOĞLU



► Being located on the junction of Asia and Europe, Turkey has always been one of the leading countries of the air traffic thanks to her special location.

Turkey is located at a central point of 67 countries with a trade volume of 7 trillion 45 billion US dollars where 1 billion and 650 million people leave and which can be reached with a 4-hour long flight.

Thanks to the strategic location of our country, we continue to do our best to make Turkey a regional transportation and logistics hub.

Despite the Covid-19 pandemic affecting the entire world, we have set an example to the entire world thanks to the rules we have implemented in air, sea, road and railway sectors. We have successfully managed this extraordinary process thanks to our measures.

While the world was struggling with a crisis, the Turkish economy achieved a record level growth and proven its strength. Our investments in air, sea, rail and road transportations have definitely played a major role in this growth.

To summarize our future plans with completed investments, we have achieved a great success by increasing the number of international flight destinations from 60 to 277. We have increased the number of airports in Turkey from 26 to 57 with New Tokat Airport opened with a ceremony participated by the Esteemed President. This number will increase to 61 in near future. While we have increased the number of destinations in our flight network to 337 points in 129 countries,

we have increased the amount of goods transported by air by 3.2 folds in the last twenty years. We have converted Turkey into a transit hub in international air transportation with İstanbul Airport. We have increased the amount of goods transported with air transportation to 2.5 million tons in 2020 due to the pandemic to 3.4 million tons in 2021.

As is well known, around 90% of the world trade is carried out by sea. The Turkish owned sea trade fleet increased its rank to 15 in the world in 2021 with 30.7 million deadweight tonnage. We have increased the economic share of the sea transportation in the total foreign trade of Turkey from 57 billion US dollars in 2003 to 291.2 billion in 2021. We have achieved a 2.6-fold increase in the foreign trade transportations made by sea from 2003 to 2021 and increased them to 386.4 million tons. The number of ports was increased from 149 in 2002 to 217 and the of shipyards from 37 to 84.

The length of railway lines was increased from 10 thousand and 959 kms in 2003 to 13 thousand and 22 kilometers. We will have a total transportation capacity of 73.2 million tons with 23 logistics centers established across the country. Regarding the international transportations, our transportations on Baku-Tbilisi-Kars line have increased by 91.6%. We will increase the railway passenger transportation rate in land transportation to 7.5%. We are integrating our roads to international lines.

We continue our works in the field of logistics being a vital element of the

world trade with great efforts and sensitive plans. We continue our works to develop new logistics centers in Turkey together with the public-private cooperation thanks to our action plans created within the framework of the National Transportation and Logistics Master Plan. We are establishing infrastructures to support multimodal transportation in prioritized corridors at the international level. We are increasing the speed of the customs and bureaucratic transactions in the logistics whose technological infrastructures will be developed. We will be among the top 25 countries by 2023 and among the top 10 by 2053 in the logistics performance index.

The importance of Turkey being located in the Middle Corridor of the historical Silk Road extending from China to London is increasing day by day. The Middle Corridor including Turkey is shorter, more affordable and safer as compared to the northern and southern lines of the Silk Road. Turkey is the key country in the Middle Corridor. We have put our key role into action for our public and the world with major projects such as 1915 Çanakkale Bridge and Malkara-Çanakkale Highway and will continue to do so. Rest assured that we will become a logistics super power thanks to our development infrastructure that we have strengthened with an integrated development goal. ■

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EVALUATION OF 2021 AND FUTURE



Çetin NUHOĞLU
Chairman

► The efforts to maintain the performance of the Turkish international transport of goods by road have continued with a great care in 2021. The amount of exports by road transportation has increased by 31% (in terms of value) to 88 billion US dollars and the foreign currency (service export) income generated by the sector for the country economy has reached 12 billion US dollars. 1,409,000 out of around 1,900,000 export transportation in 2021 were carried out by vehicles with Turkish license plates and as compared to 2020, the number of export transportation by road from Turkey (including transportations by Ro-Ro) increased by 19% and the export transportations of the Turkish transporters increased by 15%. In 2021, around 796 thousand export transportations (including transportations by Ro-Ro) were made to especially the European region countries to where half of the exports were made, with an increase of 30% as compared to the previous year. The share of Turkish vehicles was 56% and of the foreign vehicles was 44% in export transportations made from Western border gates. The exports by the companies established with EU capital, the half of which are located in Turkey, are observed to increase fast to Europe thanks to the strengthening of the trade and logistics connections of Turkey with Europe unlike the interruptions in the European supply chains especially after the pandemic crisis. The Russia-Ukraine war which left its mark on the first quarter of 2022 has caused serious transformations on the trade and logistics map between Europe and Asia and has started a new era in the relations between Turkey and European Union providing the most effective and reliable corridor for European-Asian trade. All these developments have made the subject of speeding up the border crossing between

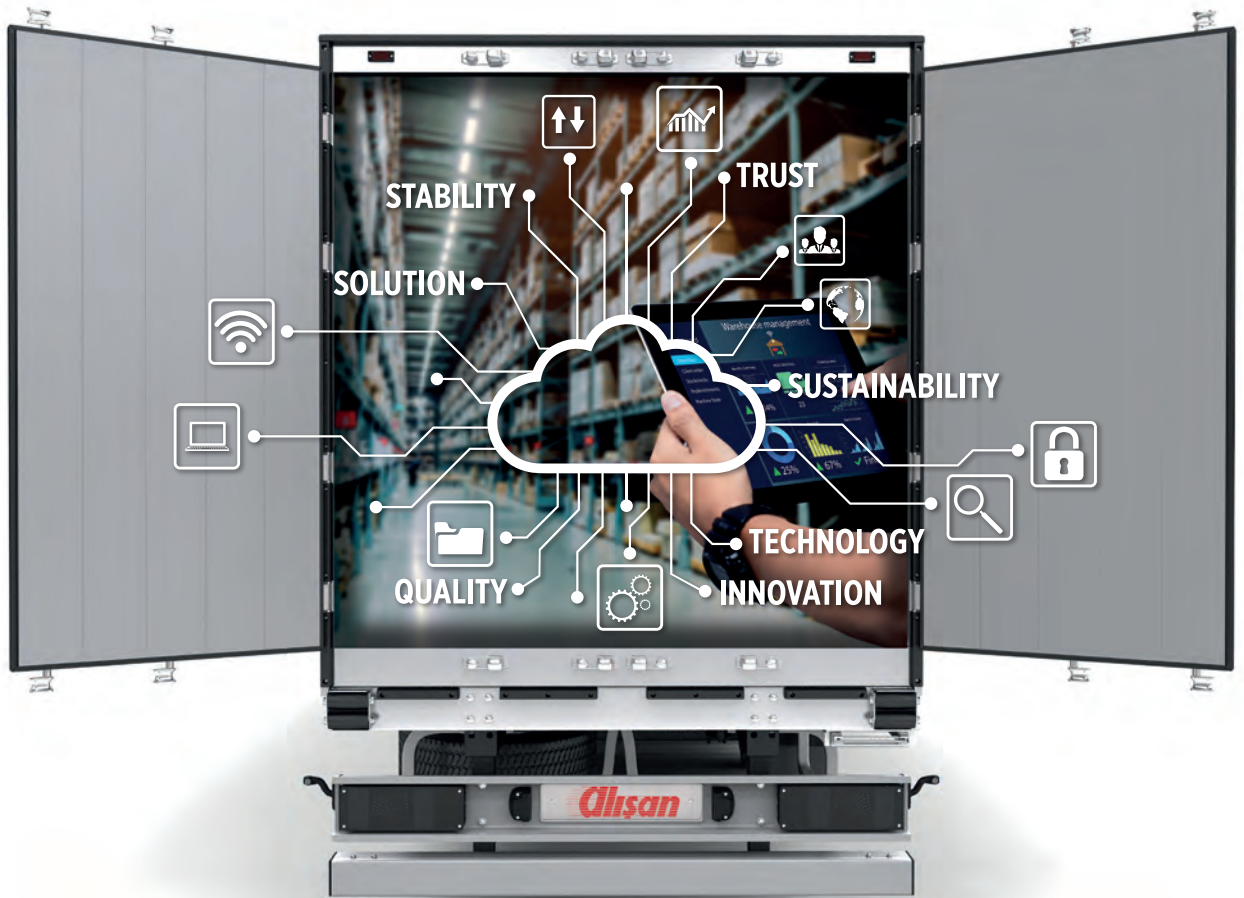
Turkey and European Union more critical than before and new logistics cooperations between Turkey-EU have become an agenda item within the scope of the "Global Gateway" Initiative announced by the EU as an alternative to One Belt-One Road Project.

The export transportations from Turkey to the CIS and the Central Asian countries made in 2021 by road (including transportations with Ro-Ro) have increased by 18% to 291,500 trips but it is striking that while the share of Turkish vehicles in these transportations increased by 8%, the transportations by foreign vehicles increased by 35%. The main reason behind this is the serious problems faced by the Turkish transporters regarding the road transportations made to the Central Asian region after the pandemic.

The Turkmenistan's border gates being closed since the beginning of 2020 due to Covid-19 pandemic and Iran-Turkmenistan transit route's no longer being used seriously affect the exports from Turkey to the Central Asia including primarily Uzbekistan due to the decrease in alternative routes for export transportations. Due to the related developments, the export transportations to Central Asian region have shifted to Turkey - Georgia - Russia - Kazakhstan transit route known as the "Northern Corridor" and 92% of the transportations have shifted to the Northern Corridor according to the comparison made between the pre- and post-pandemic periods.

The "Central Corridor" through the Caspian Sea used for the transportations to the Central Asia region is a disadvantageous option that increases the costs of our exports due to the high transit costs in Azerbaijan and insufficient Ro-Ro capacity and Turkey - Georgia - Russia - Kazakhstan transit route which may provide lower costs and shorter delivery

times as compared to the Caspian route cannot be used due to the bottleneck caused by Kazakhstan for Turkish transporters in transit transportations. In order to maintain the increase in the exports to the Central Asia region, in 2021, the focus has been on the development of logistics cooperations with other countries in the region in order to resolve the problems of the transit bottleneck caused by Kazakhstan on Turkish transporters and the unfair forcing of Caspian Sea passing (mode) and closing of transit route through Turkmenistan and within this scope, the bilateral and transit transportations with Kyrgyzstan have been mutually liberalized and the current quotas of Tajikistan have been increased and an agreement has been reached on mutual liberalization. The increase in the Uzbekistan free bilateral entry permit quota from 8,000 to 12,000 and the increase of the 3rd country entry permit quota to 3,000 and making 2,000 of them free have provided our transporters with serious cost advantages. Actions have been initiated for the development of Zengezur (Nakhchivan) which may create an important initiative for the Central Asia transportations within the framework of positive developments in Azerbaijan-Turkey relation after the Karabag victory. However, the problem of insufficient Russian entry permits due to the increase in exports and the long queues at Russia-Georgia and Russia-Azerbaijan border gates because of the insufficient capacity of and constructions at these border gates also seen in 2021 have continued to cause long waiting times and problems for the Turkish transporters. The Russia's not allowing the use most of the additional entry permits granted to the Turkish transporters on these routes has also emphasized the requirement for a Ro-Ro line to provide a direct service for Turkey-Russia transportations. ■



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HIGH FREIGHTS TO CONTINUE TO BE A TOP AGENDA ITEM IN 2022



Ayşem ULUSOY
President

► The logistics sector had a difficult time in 2021 not only in Turkey but in the entire world. The world as well as all sectors have experienced many problems and the transportation activities have nearly stopped in the chaos environment experienced especially at the outbreak of the pandemic.

During this period, operational problems have been especially experienced in air, road and sea transportation. Looking at each mode of transportation, we can say that the demand for cargo planes has increased in air transportation, the freight rates have increased in sea transportation due to the accumulation of the containers at certain regions and failing to satisfy the demands in other regions, increases have been experienced in the number of goods and work volumes in road transportation and the rail transportation has become the rescuer transportation mode of the pandemic. The sector has started to recover in 2021 and we hope that this recovery will continue in 2022, as well.

The logistics costs are expected to be of greater importance in 2022 in especially the developing countries in today's world where the competition becomes fiercer day by day. Taking into consideration especially the new variants, it is possible that the increase in the logistics and

transportation costs will continue to adversely affect the sector including especially the road and air transportation, in the new year, as well, due to the Covid-19 pandemic whose impacts in the world still continue. This will affect the prices of the transported goods when they reach the final consumers. We expect the high freight levels in contained transportation with an important place in the exports of Turkey to continue in 2022.

The pandemic has introduced new models of working and showed the requirement to extend contactless and digital applications. Especially the e-commerce and digitalization topics come to the forefront and physical contacts have been minimized and digitalization and automation have become more important during the pandemic process. Progresses achieved regarding the autonomization of the ports, improvement of the customs processes and modernization of the infrastructure, increasing the share of railway transportation, signing service agreements and customs declarations on digital environments are important in terms of increase the resilience of the sector against the crises.

The corporate structure of the logistics activities carried out in Turkey at the global scale and quality is another feature that brings

Turkey to the forefront. However, we as UTİKAD consider important the development of the intermodal transport, making railways an alternative transportation mode to the roads and increasing their share both in the internal market and foreign trade and thus, decreasing the pressure on the roads, constructing railway connections for the ports, ensuring uninterrupted railway transportation on the eastern-western axis, connecting OIZs to ports via railways and shortening the waiting times at the international border gates including especially Kapıkule for maximizing the performance of Turkey in the logistics sector.

Moreover, the war between Russia and Ukraine continues to raise concern in the Turkish logistics sector just like in all other sectors. The closed airports and sea ports and increasing oil prices seem to inflict another blow on the supply and logistics sector, following the global pandemic.

Despite everything, we firmly believe that the Turkish logistics sector taking fast action after the first shock and achieving in mostly eliminating the impacts of the crises and giving a good account of its will once again leave these bad days behind and we as UTİKAD will continue our works without slowing down to ensure our sector to better placed. ■



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THE LOGISTICS SECTOR IN TURKEY AND İSTANBUL



Şekib AVDAGIÇ
President

► Turkey is an important hub on the vital route between the developed European countries and raw material resources thanks to the advantage her geographical location provides. Transforming this advantage into a higher economic revenue will be possible undoubtedly with the investments in transport and logistics. Being aware of this requirement, Turkey shows a fast progress in integration to the international system thanks to the experience gained in the field of international transport. The most concrete indicator of this is the investments worth of 1.145 billion Turkish liras made by Turkey in the field of transportation and communication in the last 19 years. 700 billion Turkish liras of these investments were made in road being the indispensable mode of transportation. Thanks to these investments, the total length of dual carriageways in Turkey increased from 6,101 kilometers in 2003 to 28,530 kilometers today.

Intermodal logistics centers are started to be established in addition to the Trans-Asian Railway Network in order to decrease the cost of logistics networks and to increase their efficiency. Today Turkey has 13 logistics centers including 9 centers currently active, 2 with completed construction phase and 2 with ongoing construction. The total number of these logistics centers is expected to increase to 25 in a short time together with those planned to be constructed. Turkey will have an additional transportation capacity of 75 million tons and a container storage and handling area of around 20 million square meters when all the logistics centers become

operational.

The importance of the logistics center will increase more with the increase in the world trade after the pandemic. Especially the logistics centers that are integrated to all modes of transportation and have developed their combined transportation alternatives will be of significant importance.

Having had hard times in the first quarter of 2020 due to the pandemic, the logistics sector has started to see a recovery in the second quarter with the boom in e-trade. The self-sacrificing works and outstanding efforts of the transportation and logistics operators and public and private sector stakeholders have written success stories in that extraordinary period. These were possible thanks to the logistics companies in a period when many companies change the way of doing business and transitioned to e-trade.

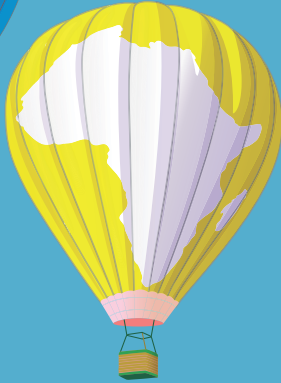
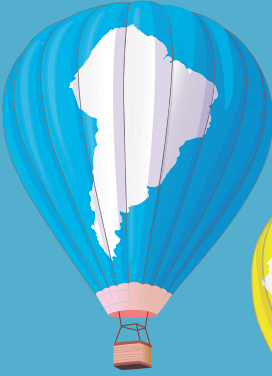
That is because the logistics companies have showed the skills to generate new and immediate solutions to facilitate this process. The boom in container demand and increasing costs and problems to find available containers as well as the travel obstacles and quarantine practices for the trailer drivers caused major problems in the supply chains. At this point, the "intermodal" transport came to the forefront and started to be used in Turkey with the effort to prevent deterioration in the supply chain. Regarding intermodal transport, especially two Turkish companies - Turkish State Railways and Turkish Airlines - have written success stories. The "Exports Train" of the Turkish State Railways has reached China in 15 days and transported our export goods

to China. Regarding air cargo freight, Turkish Cargo has carried out successful transportation works. Having continued cargo operations and not allowing the trade activities during the pandemic period when the passenger operations stopped, the Turkish Airlines has transported 1.5 million tons of goods and increased its market share to 4.7% in 2021. This has increased its rank to 6 in the global market, leading to a real transportation legend.

Heroes of another success story were undoubtedly the national logistics companies that have delivered everything that the people who had to stay at home need. Getir, a Turkish company, became a source of pride for Turkey thanks to both its national success and extension to the foreign markets.

In conclusion, Turkey in general terms and İstanbul in private terms has succeeded in having herself accepted as an indispensable center of logistics. İstanbul has shown her great potential as a city where the road, air and sea transportation connections meet. Therefore, ensuring İstanbul and surrounding area to become an international air cargo, maintenance - repair and transfer center, constructing railway connections between airports and ensuring the integration of these airports into the national railway route will make a great contribution for Turkey to reach her export and growth targets. Similarly, focusing on goods transportation in railway investments, development of sea transportation infrastructures of similar scale at similar locations and extension of intermodal transportation will decrease costs and improve competitiveness. ■

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TURKEY TO BECOME A TRANSPORTATION AND LOGISTICS CENTER THANKS TO RAILWAYS

Ali Ercan GÜLEÇ
Chairman of the Board



► The increase in the international trade volume thanks to globalization has required the countries to increase their logistics capacities. As the developments in the logistics sector have facilitated the production, distribution, marketing and the investments of the countries in these fields have provided them a significant advantage regarding global trade. Proper and effective planning of the logistics activities is an important method for the countries to gain both cost and efficiency advantages. Turkey has a privileged geopolitical location and this is an important advantage for her. This geographical location makes Turkey a preferred platform for affordable transportation among European, Middle Eastern and Central Asian countries. Turkey is the most important connection point on the "international railway trade corridors" and logistics center between the rich and developed countries and the countries getting richer and having a developing industry. Turkey should place in near future the railways before anything among her priorities regarding transportation. This will ensure the development of Turkey, extending social and cultural developments to the entire country on time, reaching every point of Turkey at any time and delivering the produced products to the places needing them and thus, making Turkey the transportation and logistics center of the neighboring

countries and other world countries. Turkey should create a single Turkish railway area by guaranteeing a high level of railway security and interoperability while improving the competitiveness of the railway sector and should develop more her connections with all surrounding countries. This will ensure Turkey to become a transit corridor for all the countries in the world and the logistics center of the region. Turkey should also consider the railways being a mode of transportation as an element connecting the countries. Turkish railways have undertaken a new mission. This mission can be defined as "integrating the world, leading the way for development". The recent developments in the world and their political results are making Turkey the center of the "Railway Trade Roads" and thus, the "Global Logistics". Thus, necessary important decisions have been made to benefit more from the advantageous features of the railway transportation system within the integrated transportation system. Turkey has to make another important decision at this point. This decision is to make railways sector the main axis of the transportation system and to ensure that the "combined transport" system focusing on the railways is used. Thus, the Ministry of Transport and Infrastructure works on preparing the "Combined Goods Transport Regulation". Instead of competing against all modes of transport, Turkey should bring forward

the Combined Transport System and introduce incentives to ensure that duties and works are performed at a higher service level. The Combined Transport approach will ensure the balance between the transportation modes. In order to ensure the sustainable growth of combined transportation, first priority projects regarding infrastructure and operations should be determined. Moreover, long term strategic plans should be made for the national transportation system with the main stakeholders in the public and private sectors. This will ensure the decrease of social costs such as air and noise pollution and energy and raw material consumption, a significant decrease in the road traffic congestion and more efficient use of the current capacity of the transportation system, thus further decreasing the costs. The national and international railway goods services have to use a quality and sufficiently financed railway infrastructure, goods transportation services should be provided at good conditions in terms of commercial speed and time. In other words, the services provided should be in compliance with the agreements concluded with the railway operators. This will ensure that Turkey will make a good use of the transportation and logistics system for the trade of her products and will organize faster and more affordable transportation to other countries. ■

JOINT DECLARATION FOR GLOBAL GATEWAY BY TOBB, İKV, DEİK, TÜSİAD AND UND

► The declaration has been announced with the title “Global Gateway for the Solution of the EU-Asian Trade Bottleneck” and motto “Logistics Connections Between Turkey and European Union to Get Stronger with Global Gateway Project”. With the declaration, a call has been made to the EU exporters for financial supports for the investment projects that will improve connections and cooperations of the EU with its trade partners including also Turkey and for the transportation projects of Turkey being the key route connecting

Central Asia, the Middle East and Africa.

The declaration has also emphasized that Turkey is one of the most important strategic partners clearing the way for the EU economy towards Asia since Turkey has prevented interruption in the European supply chains and provided support for ensuring uninterrupted production in and trade with the EU countries during Covid-19 pandemic crisis thanks to her strong production and logistics capabilities.

Stating that Global Gateway Project

is considered as a great opportunity for the Turkey and the European Union which have a critical and rule based economic integration thanks to the 26-year long EU-Turkey Customs Union relation to increase their mutual economic and commercial achievements also during the post-pandemic process, the Declaration has underlined that this project has to be developed and implemented in cooperation with the business world and the key economic partners of the EU right from the initial phases of this project. ■



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WHAT HAPPENED IN TURKISH PORTS BETWEEN 2019-2021

Aydın ERDEMİR
Chairman



► 2021 was a year in which new records were broken in terms of the transportation sector and new handling figures have also been recorded as 526 million tons in total cargo and 12.6 million TEU in containers. When 2019, 2020 and 2021 are compared by figures handled, 484 million tons in 2019, 496 million tons in 2020 and 526 million in 2021 were recorded as a total number while in container figures handled, 11.59 million TEU in 2019, 11.63 million TEU in 2020 and 12.59 million TEU in 2021 were recorded. The proportional change in the same periods was 5.2%, 2.6% and 6% in a total cargo, 6.9%, 0.3% and 8.7% in containers respectively. As can be seen, unlike the global data, the continuity of increase in Turkey has been achieved in both total cargo and container transportation. Of course, this situation arises from the dynamic structure of our country as well as increasing strategic role of becoming a crossing country between East and West. We can also point out that during the pandemic period, there has been a serious acceleration in transit cargo handled in Turkey.

How 2022 Started, What Kind of Expectation Is There?

If the increase rates in 2021 can be maintained in Turkey, it can be predicted that we will reach approximately 560 million tons in total cargo and 13.7 million TEU in containers by the end of 2022. If these targets continue in the medium term, our ports will need to increase their capacities by starting new investments quickly to meet the increasing demand in the future. Otherwise, we will see a lot of bottlenecks as happened and being monitored in the USA, China, and some other western countries. The pandemic has adversely affected the cruise industry the most. It is predicted that more than 1,200 ships will arrive in our country in 2022, and the total number of passengers will approach 2 million, with the additional measures taken, the increase in vaccination rates and the strong expectations that the effect of the epidemic will decrease. The data for January and February of 2022 were realized in a way that supports these predictions and gave important signs that a course will be realized above 2021. In these two

months, the total load increase at all ports in Turkey was at a significant rate of 11%, while the rate of increase in container handling was 7%.

As TÜRKLİM, we follow the development

TÜRKLİM; It is the single and strongest non-governmental organization of our port operators and port sector, which is the basic building block of our country's domestic and foreign trade and tourism by sea. The development of our ports should have a continuity within the framework of universal sustainability standards. For all these reasons, TÜRKLİM will continue to fulfil its duty as a follower of the development and change in the port sector.

At the beginning of February, we published the report "The Efficiency of Global Terminal Operators (GTO) in Container Transport and Its Reflections on Turkey". On the other hand, we will publish our sector report, which we regularly publish every year, by the end of April 2022. The main topic of this year's sector report will be "Vision 2050". We will publish Turkey's forecasts for 2050 and our projections behind it. ■



GENERAL EVALUATION ON THE TURKISH AUTOMOTIVE SECTOR

Adnan AĞAÇLI
Board Chairman Automotive

► As of January-February 2022, the Turkish automotive sector experiences a relative contraction as can be seen from the total production, market, import and export figures and is negatively affected by different factors such as the Special Consumption Tax (SCT), loan interest, tax and high exchange rates. Contraction signals are received for automotive sales in the European Union being the most important export market of Turkey due to the war. The automobile sales in the European Union are expected to increase again with the decrease in the pandemic measures but the war is expected to repress the demand once again. This will negatively affect the automotive exports of Turkey. Despite this, the Turkish automotive sector will differentiate itself from the global markets, maintain its market share and continue its sectoral development like in the previous years thanks to its dynamic structure. According to the data shared by the Automotive Manufacturers Association (OSD), the total production decreased by 12 percent to 196 thousand and 194 and the automobile production by 20 percent to 109 thousand and 322 in January-February 2022 as compared to the previous period. The production of the commercial vehicle group increased by 2 percent, of the heavy commercial vehicle group by 4 percent and of the light commercial vehicle group by 2 percent in January-February 2022 period as compared to the previous year. During January-February 2022, the total market decreased by 14 percent to 91 thousand and 839 as compared to the same period of the previous year. The total market of the Turkish automobile and light

commercial vehicles decreased by 14.1 percent to 87 thousand and 783 as compared to the same period of the previous years.

The automobile sales decreased by 16.8 percent to 66 thousand and 661 in this period. The light commercial vehicle market also decreased by 4.5 percent to 21 thousand and 122. During the same period, the commercial vehicle market decreased by 5 percent and the heavy commercial vehicle market by 8 percent. In January-February 2022, the share of imports in the automobile market decreased by 63 percent, total automobile sales by 17 percent, imported automobile sales by 15 percent and local automobile sales by 19 percent as compared to the same period of the previous year.

In January-February 2022, the share of imports in the light commercial vehicle market increased by 36 percent, total light commercial vehicle sales by 5 percent and local automobile sales by 7 percent while the imported light commercial vehicle sales decreased by 21 percent as compared to the same period of the previous year.

The total automotive exports decreased by 11 percent and the automobile exports by 13 percent in January-February 2022 as compared to the same period of the previous year.

During this period, the total exports were realized as 146 thousand and 627 while the automobile exports as 85 thousand and 682. The total automotive exports decreased by 0.7 percent in US Dollars but increased by 6 percent in Euros in January-February 2022 as compared to the same period of the previous year. During this period, the total automotive exports were realized as 4.8 billion US dollars while the automobile exports decreased by 14

percent and were realized as 1.4 billion US dollars. The automobile exports in Euros decreased by 7 percent and were realized as 1.3 billion Euros.

During this period, the main industry exports decreased by 7 percent while the sub-industry exports increased by 10 percent in US dollars.

The capacity utilization ratios for the January-February period were realized as 61 percent for automobiles and light commercial vehicles, 66 percent for trucks group, 20 percent for bus-midibus group and 63 percent for tractors. The total capacity utilization rate for the Automotive Industry was 61 percent during the January-February period.

In conclusion, as emphasized by the sector representatives, the three main parameters that affect the automotive sales are the purchasing power, price and access to finance. If the sector is supported with SCT and VAT discounts and loan interest rates during this period, both the vehicle and loan demand will become to normalize.

As can be recalled, the total production in the automotive sector was realized as 1,276,140 and the total market as 772,722 in 2021. Based on these data, the total production in 2022 is expected to be at similar levels as 2021 and the total market to be realized as 700-750 thousand.

The sector stakeholders in the logistics chain should consider and give credit for the fact that the increasing costs in the automotive sector increase the vehicle logistics costs at the same rate. ■

MODE DIVERSITY IN LOGISTICS



Ilker ALTUN
Managing Director - Aysberg Group

► How we will remember 2022 in the future, it is not easy to predict from today... Humanity, which is preparing to overcome the Covid-19 pandemic, is now passing through a time when the balances in the world are deteriorated again and we do not know what kind of balance will be established in the future. The phenomenon of cold war and polarization is once again on the world stage. All economic activities and international trade, especially energy and logistics, are seriously affected by the new equations and conflicts in world politics. Even though what we are experiencing today will turn into a subject of history in the future, every new day creates serious new problems for humanity and economies and makes lives more difficult. It is only clear how severe the pandemic has had on individual lives. We see what great problems it poses for countries, for economies, for sectors and companies, for working life.

From the perspective of the transportation sector, it is clear that air transportation remains well below the pre-pandemic capacities in both passenger and cargo. In terms of growth rate we are witnessing that air cargo has surpassed its pre-pandemic performance and the amount of cargo transported has grown uninterruptedly on a monthly basis in the last year. And this growth trend continues in

2022 too. Undoubtedly, the borders between the countries have not been opened sufficiently for travels yet. It should be noted that a significant portion of passenger planes in civil aviation are still on the ground. This creates a significant capacity shortage both for the aviation industry as a whole and for air cargo in particular. There is enough cargo, but cargo capacities cannot support this growth. As the borders open, we will see more passenger planes in the air. Each passenger plane also means a new body capacity for air cargo. In a sense, international trade will be positively affected by this development in aviation.

In fact, in such a conjuncture, the importance of intermodal becomes more prominent and essential. Intermodal transportation represents a great improvement in every aspect. If we consider air cargo relatively new, we have come to these days from the times when shipping or sea routes were the only options in overseas trade. Today, large fleets have formed not only in maritime but also in land transportation and air. Although the weight of rail transportation, which was once the most basic transportation on land, has decreased from time to time, today we see that it is an important choice and option as environmentally friendly transportation.

We hereby should mention that railways spread over a wide geography stretching from China to the interior of Europe. Integrated systems established between railways, ports and RO-RO lines determine the future of intermodal transportation. The EU green agreement will continue to be a significant pressure factor on the land transportation based on fossil fuels, especially in transports to Europe. This will inevitably make maritime transport, rail transport and, in a sense, container transport more integrated.

The Turkish logistics industry, which has a serious size and competitive power in land transportation both in the world, in this geography and on a European scale, has to make significant changes in transportation modes in order to maintain this position. This change has actually started in many logistics companies. Today, intermodal transportation is becoming a must for logistics companies. This is a necessary step both in terms of competition and in terms of transporting cargo in an environmentally friendly manner. The more important the diversity of supply in energy today, the more vital the diversity of modes in logistics. Turkey has significant advantages in logistics diversity. Undoubtedly, we see how important Turkey is, geographically and geopolitically, for the healthy and safe operation of international trade. ■

FLEXIBILITY AND ADAPTABILITY IN A WORLD OF CHANGE

We have all experienced the importance of adapting to new situations in the last few years, and so have our customers. The pandemic has taught us to look out for new solutions, not only to protect our teams but also to be able to deliver the same results and keep efficiency to the maximum while human contact was minimum.

► Intermodal transport solutions have always been more adapted to the clients' needs compared to traditional road transport, which led to a significant evolution in terms of infrastructure throughout Europe and Asia. Turkey plays an important role in conjunction with high volume demands, which also allows a former, mainly road-based infrastructure, to become one of the most geographically significant countries for rail and sea freight. Bulung Logistics is focusing on complete intermodal solutions to bridge Europe and Turkey. We have invested in over 250 containers for high capacity volume, and our plan is to invest in our fleet continuously while expanding our branch offices throughout Eastern Europe for more efficient operations and connectivity. Intermodal transportation is the cornerstone of our climate action strategy and allows us to make logistics more sustainable. We transport our freight in intermodal container units that can be used across different modes of transport without having to unload and reload their cargo. By using combined transport we can shift road freight to more CO2 efficient modes such as rail or sea freight.

Red apple intermodal line¹

This route is known as the Trans-Caspian East-West-Middle Corridor Initiative, shortly named "The Middle



CEO of Bulung Logistics **Yusuf Erkara**

Corridor" which connects Central Asia and China with the European countries. We have named it Red Apple Intermodal Line, because of the possibilities of alternative intermodal routes, similar to branches of a tree. In light of the recent conflict situation, transporters now offer alternative routes to connect Europe to Asia, using the Red Apple Intermodal Line as a viable alternative, also known as the Middle Corridor. The bigger the challenges are, the more Bulung's services are needed. We are solution-oriented and always have an alternative in place to keep the business of our partners running as well as possible. - Yusuf Erkara, CEO of Bulung Logistics

Bulung in Turkey

Complete services, such as warehousing are becoming also essential for large companies. For these purposes, Bulung Logistics is continuously investing in warehouse logistics and territorial offices, while offering 4PL solutions in increasing demand. In order to provide better service to its customers, the investment of Bulung Turkey in its equity has reached 227% since 2020. With these investments, it not only increased its business volume by 55% in the Spain-Portugal line, which is mainline of the company, but also included France in this line.

In addition to Poland - Slovakia - Czechia line, Bulung is starting to serve its customers on the Switzerland - Austria line, reflecting the meaning of its name² in the logistics world. Bulung continues on its way not only with equity investments but also by creating wide employment opportunities in the logistic industry. Bulung Turkey family has doubled from 2020 until today. The company supports the majority of female employees in the sector and is very happy about this. The employment of women is supported in every department of the company, from fleet planning to the financial affairs department, from operations to human resources. ■

¹ The name is given by Bulung Logistics

² Bulung means all-around in old Turkish



TRANSIT AND BILATERAL ENTRY QUOTAS WITH BULGARIA INCREASED

The transit and bilateral entry quotas have been increased with Bulgaria being one of the most important transit countries for export transportations by road between Turkey and Europe.

► The transit and bilateral entry quotas have been increased with Bulgaria being one of the most important transit countries for export transportations by road between Turkey and Europe. The quota for the transit permits issued by Bulgaria has been increased to 325 thousand for 2022 at the Meeting of the Joint Turkish-Bulgarian Road Transportation Commission held in Sofia. The number of bilateral permits has been also increased by 25 percent. The meeting chaired by Turkish Deputy Minister of Transport and Infrastructure Selim Dursun and Bulgarian Deputy Minister of Transport Stoyan Novako was also attended by the representatives of the International Transporters Association. Emphasizing the record increase in transit quota numbers at the meetings, the UND representatives told that: "Bulgaria is the most important transit country for the commercial activities between Turkey and Europe. 99 percent of 250 thousand transit permit quota provided by Bulgaria was used in 2021 because of the increase in the exports of Turkey. With the negotiations held, the transit quota numbers have seen

a record increase in the light of our increased trade potential and 325 thousand of transit permits are allowed to be exchanged for 2022. Moreover, an additional 50 thousand transit permits will be allowed to be exchanged if necessary throughout the year according to the agreement reached. This has provided an important advantage for the organization of transit transportations by Turkey through Bulgaria for transportations to Europe."

During the meeting, the number of bilateral permits has been also increased. As a result of the long hours of negotiations, the bilateral permits were increased by 25 percent and the quota was increased to 40 thousand for 2022. Agreement was also reached on provision of 10 thousand additional bilateral permits, if necessary.

Karaismailoğlu: "Entries will be faster, costs will decrease"

Minister of Transport and Infrastructure Adil Karaismailoğlu made a written statement regarding the transport permits issued by Bulgaria. Karaismailoğlu told that

important decisions were made at the Meeting of the Joint Turkish-Bulgarian Road Transportation Commission and made the following statements: "A major part of the exports to Europe are transported through Bulgaria. A big increase is made in transportation permits quotas for road transportations with Bulgaria by taking into consideration the export volume. Thanks to the protocol signed at the end of the meeting, the number of permits for transit transportations through Bulgaria was increased from 250 thousand to 375 thousand and the number of bilateral permits from 32 thousand to 50 thousand. Moreover, the quota for permits for empty vehicle entry for loading of goods was increased from 17 thousand and 500 to 25 thousand while the 3rd country permit quota was increased from one thousand and 100 to 2 thousand and 200. No entry permit will be required for vehicles entering the country for repair, maintenance and similar reasons and vehicles performing commercial transportation activities like the construction machine in order to facilitate transportation." ■



EKOL EXPANDS ITS EUROPEAN INTERMODAL NETWORK

Intermodal transportation has become the most popular transportation model in the world due to its environmental, operational, and financial advantages. Ekol Logistics has already established its reputation as the industry leader in intermodal transportation and now, building on its 14 years of experience, it further expands its service range with new lines.

- ▶ Having recently launched train services between Sète in France and Cologne in Germany, Ekol has reinforced its position in intermodal transportation in Europe. The new line, initiated as part of Ekol's growth strategy in intermodal transportation, offers substantial advantages for clients. The line connects Ekol's South European headquarters, Sète, with the dynamic industrial metropolitan, Cologne, at the heart of Europe. This connections eliminates Trieste as the sole hub in intermodal transportation planning. The new Sète line also enables alternative routes in Turkey's European connections. Established based on the estimations of high operational volume capacity



in the Italian railway infrastructure and an increase in the cargo load of the Sète line, the new rail line complements the Trieste line. Intermodal transportation is crucial in sustainable logistics operations. With this in mind, Ekol carries out deliveries within just 60 hours through the Spanish Ro-Ro line connecting the Port of Alsancak in Izmir with the Port of Tarragona in Spain. The new line is the most efficient way to connect Turkey and the Middle East to Spain,

Portugal, and Morocco, thus accelerating transportation in the Mediterranean.

85% of our transportation operations are intermodal

With over 80 self-owned offices, terminals, and a widespread agency network in Europe, Ekol manages two-way sales and business development operations to provide a highly efficient and customer-oriented service. Ekol trailers and containers are transported from the Port of Yalova to the port of Trieste and from the Port of Alsancak to the Ports of Trieste and Sète. From Trieste, they move on unit trains to Cologne, Ludwigshafen, or Kiel in Germany, Zeebrugge in Belgium, or



Ostrava in Czechia. From Sète, they are shipped by rail to Paris or by road to Spain, Portugal, and other Western European countries. We conduct 85 percent of our transport operations by intermodal methods, which allows us to enhance quality, efficiency, and sustainability while lowering costs. In this regard, Ekol offers big advantages for exporters and cooperates with many global brands as solution partners. We provide intermodal services to many world-renowned companies and brands by transporting thousands of trailers, finished goods, and industrial and consumer goods every day.

Ekol ensures Monthly fuel Efficiency worth 350 tours around the world

The environmental solutions in intermodal transportation allow Ekol to substantially lower its carbon-dioxide emissions, fuel consumption, and noise pollution. Intermodal transportation is a sustainable business model contributing to the low-carbon economy. Ekol

has successfully reduced its carbon emissions and achieved a total of 438,000 m³ fuel efficiency and prevented the emission of 658,000 metric tons of CO₂ over the course of the last 10 years. In other words, we reduced the consumption of fossil fuels that saved 74,753 hectares of forest, which is 14 times larger than Istanbul's Belgrade Forest and enough to travel to and from the Moon 1,700 times. Each month, Ekol curbs the consumption of fossil fuels equivalent to a forest the size of 700 football fields and which could be used for 350 tours around the Earth.

Investing in a sustainable world

Striving to achieve sustainable life for future generations, Ekol leads the industry with environmentally friendly investments. Ekol is acknowledged for LEED-Certified facilities developed and commissioned with an approach for leadership in energy and environmental design, as well as investments in green ports and offices. The company launched the Solar Power Plant project at Europe's largest green facility, Lotus, with a closed storage area of 215,000 m². The investment enables providing 70 percent of Lotus's power consumption by sustainable energy sources with 40,000 square meters of solar panels. This figure equals the annual power consumption of 2,400 households.

In line with its sustainability strategy, Ekol continues its investments towards the achievement of accessible and clean energy. In addition to the Lotus rooftop SPP investment, parking lots and pathways now function as energy sources for facilities.

An annual budget of €5 million for environmentally friendly investments

Aspiring to do the best for the world, Ekol transforms its business methods to help protect the ecosystem. In the fight against the climate crisis, which gained momentum following the advent of the EU Green Deal, Ekol considers "Goal 13: Climate Action" the most critical of the UN Sustainable Development Goals. Accordingly, the company updated its 2020 Corporate Carbon Footprint for all its operations and value chain in compliance with the international ISO 14064:2018 -1 standard to advance the "Goal 13." It has therefore become the first company in the industry to volunteer to calculate its carbon footprint and register it by international standards, despite not being an industrial company. In addition to this verification, Ekol transparently reported its approach to the fight against climate change and how it incorporated its climate change actions into its sustainability strategy in the Carbon Disclosure Project, Climate Change category (CDP Climate Change), in which the company participated for the first time in 2021. Ekol also became the first Turkish logistics firm to receive a B score in the CDP Global Rankings with its first reporting. Furthermore, Ekol received an "A" rating in Supplier Relations in the CDP Value Chain Program and became a "Global Leader." Allocating a €5 million budget for environmental investments, Ekol increased biofuel use in its fleet and aims to complete its transition to electric vehicles within three years. ■

DFDS ACQUIRES RAIL OPERATOR PRIMERAIL AND ESTABLISHES NEW RAIL BUSINESS AREA



	A	B	C	D		
2 x KE-GP-A	S	59,7	71,7	86,7	98,7	***
MAX: 108t (36t+72t)	SS	59,7	71,7	83,7		

(K) Jurid 616M

DFDS & primeRail signed an agreement to become one company as DFDS acquires the German rail operator company. The acquisition strengthens DFDS' rail offerings and is a testament to DFDS' ambition to find sustainable ways to continue providing reliable and valuable services. The acquisition also marks the launch of a new Rail business area in DFDS.

► primeRail operates continental and maritime transport logistics concepts in a combination of rail and road and was founded in 2019. In 2020, DFDS launched a new "Intermodal Transport Competence Center" in Cologne, in partnership with primeRail, to provide intermodal solutions for DFDS customers. The acquisition is an important step to realizing our large ambitions within intermodality by combining ferry and rail transportation. Peder Gellert Pedersen, Executive Vice President and Head of Ferry Division at DFDS, says: "For DFDS, this is an important strategic step. We have been looking for the right partners with the same value set and commercial orientation as DFDS. primeRail fulfills this, and it is, therefore, a perfect match. We connect our ports by rail to inland terminals. Thereby offering a smooth and environment-friendly transport network to the benefit of our customers and society."

New DFDS Business Unit Rail

primeRail will operate as a new business area Rail in DFDS covering primeRail and the existing DFDS intermodal business. The Rail business area is organised within the Mediterranean business unit and headed by Patrick Zilles, currently CEO of primeRail. As Vice President and Head of Rail, Patrick Zilles reports to Head of Mediterranean, Lars Hoffmann, who says:

"Since we acquired our Turkish route network in mid-2018, we have learned how much value train solutions can add to our business model and network. We extend our network, and with the increasing focus on green solutions, it's a natural step to develop our train set-up further. We have since 2018 doubled our number of weekly trains; it is, therefore, natural to take the next step. We see an increasing demand for rail transport combined with our ferry routes and logistics services. Partnering with primeRail allows us to offer additional intermodal solutions. Customers can



drop off units at our terminals in Turkey and pick them up in Europe very close to the end destinations." Founder and CEO of primeRail Patrick Zilles stated: "I am proud that after successful cooperation with DFDS, primeRail will now become an important part of one of the leading ferry networks in Europe. primeRail will be integrated into DFDS, maximising mobility with cost-effective and innovative intermodal transport solutions." The complete integration of primeRail into DFDS is expected to be completed within the year. ■





Damla Alişan
Vice Chairperson
of the Board of
Directors



ALIŞAN LOGISTICS CONTINUES ITS DIGITALIZATION EFFORTS

► Alişan Logistics is a 37-year-old brand that develops customized logistics solutions through its integrated logistics services, referred to in the sector as “contract logistics,” with a vision to meeting all the needs of its customers. Featured on the Fortune 500 Turkey list for the last seven years, the company carries out a range of operations, including international transportation, storage, warehousing services, and liquid fuel transportation with its fleet of 500 company-owned vehicles and 1,500 employees in 32 locations across the country.

Experts in logistics for chemicals

Emphasizing the company’s leading position in the field of hazardous materials logistics, Damla Alişan, Vice Chairman of the Board of Alişan Logistics, said, “Thanks to our many years of experience, we have a high level of expertise and infrastructure for the range of services we provide, from handling of chemicals to transportation and storage. Our company manages its processes in line with international standards and legal regulations, especially SQAS and ADR regulations, and plans its investments

accordingly. Alişan Logistics earned the highest possible score on the last SQAS (Safety and Quality Assessment for Sustainability), and has taken been regarded as one of the best companies for implementing this system in Europe. Furthermore, since large scale companies like ours have an obligation to address environmental issues, we are particularly careful when it comes to cleaning the containers used for transporting chemicals, which we complete in line with international standards, while also disposing of waste without harming the environment.

Meanwhile, the “carbon border regulations” to be implemented by the European Union within the framework of the European Green Deal will oblige many sectors, including the chemicals and logistics industries, to make the changes needed to ensure sustainability. Within the context of corporate citizenship, leading brands will opt for logistics companies that implement these regulations. With this in mind, we are making all the necessary preparations accordingly.”

Our storage services constitute a significant part of operations

Alişan Logistics provides top-quality Storage and Warehousing services at 13 locations across the country, with a storage capacity of 450,000 pallets in an indoor area of almost 300,000 square meters. It offers a range of services for hazardous products (flammable/combustible), chemical products, food-containing products, FMCG products, and temperature-controlled products, along with other products with standard storage needs, in its warehouses and duty-free storage areas. According to Damla Alişan, operations designed for the chemicals and FMCG industries, as well as value-added product handling and high-standard, safety-priority operations, are all planned and fulfilled at Alişan facilities.

Demand for and investment in storage have increased with the pandemic

Noting that certain mandatory changes had been made following the pandemic, especially in the field of e-commerce, Damla Alişan asserted: “We are planning more comprehensive warehousing and micro-distribution activities, and these will be implemented over the course of next year. R&D activities, artificial intelligence, and advanced technologies are all changing the future of logistics.” Pointing out that organizations tend to adjust their inventories in times of uncertainty and to stock higher amounts of certain products, Alişan said, “We will continue our investments in this area, too. We currently have active projects for designing new business and operation modules with a vision to meeting today’s needs in terms of technology and digitalization. Meeting the needs of our customers is always our number-one priority. Our company’s significant advantage is its ability to meet all our customers’ warehousing and logistics needs across a wide range of sectors, our experienced staff, and our capacity for providing tailor-made logistics solutions.”

Stressing the company’s recent R&D activities and its ongoing efforts of digital transformation, Alişan added: “We have already started to benefit

from the advantages of cloud service -in terms of cost, security and innovation- thanks to our close cooperation with Microsoft Azure. We expect to complete the digital transformation in 2022. As you are aware, innovation and technology investments are among the most important drivers for making a mark in the logistics industry, as they are in most other industries. In our market segment, there are 13 R&D centers that



have been approved by the Ministry of Science and Industry of Turkey. Two of these were established by our company. We can say that the Istanbul and Konya regions represent our primary focal points. Nearly 50 experts currently work in our various R&D operations. At these facilities, we are developing technological solutions that can be easily integrated into the software systems of our business partners and provide fresh perspectives to long term logistics requirements.

In terms of our financial performance, we experienced growth of more than 45% in 2021, corresponding to nearly 1 billion TRY. In addition, we have set an even more ambitious growth target for 2022. We plan to continue our investments at full speed, fueled by our trust in our country and industry. As for our employment targets, there is something I would like to emphasize here. As a company holding the “Women-Owned Company” global certificate, the total number of our female employees has risen by 20% to 23% over the last three years. Maintaining all of these upward trends continues to be a key objective for us.” ■



Vittorio Zagaia
CEO

**"WE BELIEVE THAT WE HAVE
WELL INTEGRATED
OUR INTERMODAL
TRANSPORTATION SERVICES
TO OUR OTHER SERVICES"**

► Established in 1997 with the the joint venture of Albini & Pitigliani Spa (Alpi World), Galata Taşımacılık is celebrating this year its 25th year in Türkiye. Having set off to its journey with 13 people, the company today is one of the leading players in the Turkish logistics industry with more than 250 employees. Deputy Board Chairman and CEO Vittorio Zagaia underlines the ongoing investments of the company also in intermodal transportation field investing regularly in 45"PW High Cube containers. Vittorio Zagaia mentions that they have well integrated this service into the other services of Galata thanks to the wide coverage area of the company.

Mr. Zagaia, you are celebrating your company's 25th year. What would you like to say about the level the sector has reached in 25 years and the position of Galata in the sector as well as its contributions to the sector?

Today we are handling more than 100thousand shipments yearly. Chosen consecutively and 3 years in a row Great Pace to Work Turkey , our company is also among the top 10 Türkiye's Biggest Service Exporters as per Turkish Exporters Assembly in 2021. We have a structure designed to provide always the best solutions and services with innovations to maximize our service quality.

Can we call Galata as a fully integrated logistics company? Can you please summarize the services you provide in all fields of freight forwarding and logistics?

The entire team of our organization has adopted the principle of taking firm steps towards the goal since day 1. Before starting a new service we do extensive researches and investments. For instance, I can say that we are the only freight forwarding company that provides weekly and regular road transportation services to 17 countries, but this took

us 25 years to build. While we have a global coverage both in air and sea transportations thanks to our extensive agency network that took years to build too. Another important subject is the diversity of the industries that we provide services. This has a very important share in our growth and versatility in our services.

Can you please provide information on the activities of Galata in the field of intermodal transportation?

Intermodal transportation is one of the recent services among the overall services we provide. We have preferred investing directly in to 45"PW High Cube containers owned by us starting this service. We made our first investment back in 2020 and today we still continue to invest in our fleet. The customer profile of the intermodal being an alternative transportation service is entirely different and thus, their expectations are also very different. Thanks to our diverse and extensive coverage area with customers from many industries, we believe that we have well integrated this service to out other services. Every container we have ordered has been quickly and directly included in the system. This transportation mode will become more prominent in future. This is because of different reasons such as increasing transport costs and European Union green deal. We are changing our structure accordingly and plan our medium- and long-term investments accordingly.

If you are to make projections regarding a few years after the pandemic, what developments and changes will occur in the logistics sector?

The pandemic has once again shown the importance of our sector. The part played by the sector in maintaining our daily lives normally during the restrictions is undoubtedly very important. Thanks



to the technological transformation we have initiated many years back, we have worked remotely since day 1 and we still continue the same system.

We are continuing to invest in digital transformations and technology because our future as industry will be surely very much depending on the digitalization and transformation coming accordingly.

Comparing 2019 to 2021, what growth rate have you achieved?

We have achieved a growth over 20% on average than the budgeted and targeted numbers. In 2020, we have experienced a growth caused by the transportation of different products and an increase caused by logistics and add value services 2021. We believe that we have correctly foreseen and calculated this and added it to our budgets and we still continue to grow in line with our expectations.

What are your goals and expectations for 2022? If you are to evaluate the first quarter of the year, can you say that the progress in these three months is parallel with your goals?

2022 is also our 25th year in the Turkish market. Therefore, it is very important and valuable for us. I can say that we continue our journey with results parallel to and higher than our budget in the first quarter. Therefore, we have decided to anticipate some of the investments earlier than planned. One of these investments is the new logistics warehouse that we plan to open in the Anatolian Side of Istanbul. Another one is to increase the number of our intermodal containers. Moreover, we would like to continue our initiatives and investments in the African continent and to continue to grow there. ■

MODERN LOGISTICS - A CHALLENGE BETWEEN COST PRESSURE AND CLIMATE TARGET

- ▶ Just recently the EU commission has principally approved that road logistic shall become part of Co₂ certificate trade by 2025 another huge challenge for modern road logistics which today is based only on fossil energy with a significant Co₂ footprint. Technical solutions like electric or hydrogen trucks are not yet in place and it will still take a while to get it on a Zero Emission level with green energy and hydrogen.
- How to meet this additional challenge next to permanent cost pressure, high competitiveness, low margins and explosion of fossil



energy prices and increasing driver shortage.

VEGA, an Austrian based logistic provider with a very strong subsidiary in Istanbul/Turkey is addressing this change in the logistic sector since years with innovative ideas.

Just recently the innovative efforts of the company have been awarded by the association Allianz pro Schiene and the German ministry of environment with the 1.German

Transport Transition Prize for their roadrailLink solution, a connector which can load any rubber wheeled self driven vehicle as well as cargo trailers of various types from road to rail.

The European trailerfleet consist of more than 3 million trailers, out of which only a few percents are craneable and therefore ready for intermodal rail transport across the continent. The market share of craneable trailers is decreasing constantly in the recent years, as such trailer has a weight and cost disadvantage.

The global Co₂ challenge to reduce





Co₂ footprint by at least 50% till 2030 calls for a magic stick to get all requirements fulfilled. roadrailLink connectors of VEGA builds the bridge between the two modes, without any further investment necessary by the road logistic providers.

By its own research and development department located in the Salzburg/ Austria VEGA is working in cooperation with different partners in Europe on new ideas in intermodal transport and is registering constantly new patents on different innovations. Over the last couple of years VEGA developed several different roadrailLink(r2L) connectors to load all kind of non crunable rubber wheels vehicles on standard intermodal rail waggon. For the automotive industry it combines highly appreciated cost efficiency with the uprising demand for significant Co₂ saving The Co₂ balance

of VEGA is amazing and will grow in value due to the upcoming EU legislation:

Meanwhile the company has more than 750 r2L adapters in the market of which each has the potential to save 200 to Co₂ per year, so the saving scheme is significant considering that 1 to Co₂ in the certificate trade is today already rated more than 100€/to.

A new partnership with another Austrian Start up Company SWS provides another important tool for the food and pharmaceutical logistic chain - a battery pack mounted on rail waggon and getting charged by the axle movement of the waggon offers secure and clean energy supply for refrigerated trailers loaded on the waggon with r2L connectors.

And a strong partnership with the biggest waggon fleet owner in Europe VTG enables VEGA to provide

a complete package to the logistic sector, who desperately needs solution for the 3 main tasks of the time:

- Co₂ taxation
- Driver shortage
- Fuel price explosion

Driver shortage has been realized already in UK after Brexit and with the actual war in Ukraine has touched all over Europe - in addition the baby boomer generation (the 1960 ies) will all retire in this decade and will enforce the driver shortage much further.

The upcoming challenges are huge, but with the innovative power of VEGA the solutions are already in place and prove that innovation is possible in all fields of logistics for a climate neutral logistic with less drivers needed in the future.

The future is rail - lets get the GREEN DEAL on track! ■

IMPACTS OF RUSSIA-UKRAINE WAR ON LOGISTICS SECTOR ARE INCREASING: RO-RO ALTERNATIVE FOR RUSSIA

As the Russia-Ukraine war continues, the crisis regarding the transportations to the region is growing. The freight forwarders have directed their activities to Georgia-Russia route due to the closing of the Ukrainian route, making it considerably non-usable. Long truck queues at the borders pose a significant problem.

► The toll of the Russia-Ukraine war on the transportation sector is getting heavier. After the stopping of the transportation to Ukraine, major problems have started also at Russia route. More than 50 percent of the export transportations from Turkey to Russia are carried out by road. Around 60 percent of these transportations used to be made through Ukraine. After the closing of the Ukrainian route due to the war, nearly the entire volume has been shifted to the Georgian route. This route is used not only by the transportations to Russia but also to Central Asia. Besides, some goods have been shifted to road transportation since the ship owners do not want to go to the region due to various reasons. However, due to the insufficient capacity at the border gates, the truck queue on the Georgian-Russian border is sometimes kilometers long. The RO-RO trips from Turkey to Ukraine stopped and ships cannot make return journeys from Ukraine. The transportations to Central Asia region through Iran are carried out

by transfer to the semi-trailers of vehicles with Turkmenistan license plates at Türkmenbaşı port and Iranian border due to the closing of Turkmenistan border gates for goods transportations. The shift of the export transportations from Turkey to Russian and Central Asian countries to Georgia through Sarp border gate due to the closed routes have increased the busy workload at Verhny Lars and Kazmalyar on the route to Russia and Azerbaijan. According to the information obtained from the companies, the waiting time for entry from Russia to Georgia and Azerbaijan is around 12-15 days in average and the daily number of vehicles entering to Russia is no more than 200. Moreover, the border gate between Georgia and Russia is located at a high altitude place. Due to the snow in this location, the road between Verhniy Lars (Russia) – Kazbegi (Georgia) is always blocked. The snow removal by the Georgian Authorities takes very long. The drivers of more than 2 thousand vehicles with Turkish

license plates in the region try to survive these weather conditions for long days. Nearly one thousand Turkish drivers wait for entry into Russia while nearly the same number of other Turkish drivers wait for entry from Russia to Georgia. Especially the truck drivers kept waiting in Russia on their return journey have very difficult days.

4 urgent actions are expected from the government for ending the truck queues

- Actions should be taken to cancel the transit fee of 500 US dollars per trip charged only to the Turkish freight forwarders in Azerbaijan for trips to Russia through Azerbaijan.
- A direct RO-RO line should be opened between Turkey and Russia with the support of the government.
- The Turkmenistan border gate closed due to the pandemic should be reopened for transit transportations.
- Turkish authorities should offer technical support and cooperation to Georgia whose roads are blocked due to snow.



The most permanent solution: RO-RO

ector authorities have been emphasizing for some time the urgency of establishing a direct RO-RO line in order to solve the problems regarding the road transportations to Russia and to Central Asia through Russia. The establishment of a direct RO-RO line between Turkey and Russia is considered to be the quickest solution in the short term. Not only the Turkish freight forwarders but also Russian business people want the RO-RO line. But this line requires actions by governments.

Freight fees to increase

The Association of International Forwarding and Logistics Service Providers (UTİKAD) evaluated the impact on the Turkish logistics sector of the war between Russia and Ukraine which have a significant share in the foreign trade of Turkey in terms of volume. UTİKAD Board Chairman Ayşem Ulusoy made the following comments on the subject: "SWIFT is closed to some banks in Europe but is open in some

of them. This shows that the trade activities will continue but Russia will no longer be a transit country or a final destination country. Europe can currently technically sell the products it has produced or has already sold but does not have any road to transfer them. Turkey can assume a very serious duty at this point. But the route through Ukraine used by the European Union countries is no longer an alternative due to the war. This makes Turkey advantageous. The goods exiting European Union will first arrive at Central Asia and then to Russia. All producers who are currently using this line request alternative routes from logistics service providers."

Freight forwarders shifted to a new route

The war has forced the Turkish transporters to change their routes. The entries to and exits from Sea of Azov are closed and no cargo transportation operation can be organized from Odessa and Mariupol ports under attack. There is a ship queue in Kerch Strait. Crisis regions

such as Donetsk were excluded from the transportation routes and the requirement to cover longer distances will increase costs.

No problem is experienced with the transportations to the Northern Europe and Scandinavian countries since Belarus and Poland routes are used for transportations to these countries. The companies to transport to Lithuania, Latvia, Estonia and Belarus can continue with their operations on Hungarian and Slovakian roads without entering into Ukrainian borders.

Do not plan operations!

The International Transporters Association (INTA) has made warnings regarding the shipments to the region. It is reminded in the statement that a state of emergency has been declared in Ukraine and therefore, restrictions may be imposed on the transportation operations and added that: "It is critical that transporters should not plan operations in the related regions until an official announcement is made regarding entry-exit and transit procedures." ■

"COMBINED TRANSPORT AND SHIPMENT OPPORTUNITIES SHOULD BE DEVELOPED"

Minister of Trade Mehmet Muş said that "Let us further develop together the opportunity we have gained with Baku-Tbilisi-Kars Railway. Let us revive the Silk Road with an important place in Turkish history with our shared efforts and let us become closer with each other".

► The Turkey-Turkic Republics Economy and Trade Conference was organized under the organization of the Foreign Economic Relations Board of Turkey (DEİK) for the 30th anniversary of the independence of Turkish states. Giving a speech at the Conference, the Minister of Trade Mehmet Muş noted that there are strong and

well-rooted historical and cultural connections between Turkey and Turkic Republics and added that the aim is to further deepen in the economic and commercial fields these significant connections available in every field. Muş said that the obstacles before the trade should be eliminated, the trade should be more liberalized

and developments should be further improved in order to develop the goods and service trade and to achieve goals.

Baku-Tbilisi-Kars Railway should be revived

Stating that the joint goal should be to increase mutual investments, focus should be on the development of the



investment environment and all necessary actions should be taken as soon as possible, Muş continued as follows: "The transportation routes on the Eastern-Western axis have increased the activities in our region and made it necessary for us to develop combined transportation and shipment alternatives. Our goal is to establish a shared logistics infrastructure where transportations are not limited with quotas, goods are transported freely, costs are decreased to reasonable levels, customs processes are made easier and the obstacles before the goods circulation are eliminated. Not only the road transportation but also the railway transportation has areas of improvement for our cooperation. Let us further develop together the opportunity we have gained with Baku-Tbilisi-Kars Railway. Let us revive the Silk Road with a valuable place in Turkish history with our shared efforts and let us become closer with each other."

Olpak: "We are growing together with our friends"

Stating that the Turkish business world is already advantageous as compared to its competitors thanks to its courage, speed, price and quality, the Chairman of Foreign Economic Relations Board of Turkey (DEİK)

made the following remarks: "We are ready for further cooperation thanks to our friendship and sharing approach. Our priority should be to purchase processed industry products from each other, not only energy and raw materials, in order to further develop this cooperation. It is also a fact that the sister republics can satisfy their machinery, equipment and capital goods needs from Turkey at the most affordable conditions. Sectoral policies and practices, information and technology transfer, public-private sector partnership and applied experience sharing in industrial zones and techno parks can be also important cooperation areas. Ensuring coordination in commercial policies, strengthening the transportation and logistics infrastructure and first minimizing and then eliminating the non-tariff barriers are also of great importance. We are strong together and will become stronger as we achieve them."

Hisarcıklioğlu: "Let us further liberalize the trade between us with preferential trade agreements"

Chairman of the Turkish Chamber of Industry and Trade M. Rifat Hisarcıklioğlu made the following remarks: "Let us further liberalize the trade between us with preferential trade agreements. There is a serious cooperation opportunity between our countries also in the service sector. We need an agreement to facilitate the service trade. Shared standards should be determined and processes should be simplified and accelerated for customs transactions. We should also cancel the transit quotas against each other. More trade activities can be achieved with more entrepreneurs and a stronger private sector. We need a strong Chamber system to develop the entrepreneurship and private sector in our countries. Turkey has important achievements and experience in this field. We also need new projects in the field of communication and software where we can develop our cooperation further." ■



A COMPREHENSIVE RESEARCH ON E-COMMERCE LOGISTICS

The global e-commerce logistics market grew by 27.3 percent in 2020. According to TÜSİAD-Deloitte E-commerce Report, the market is expected to worth of 557 billion Euros by 2025.

► Turkish Industry and Business Association (TÜSİAD) has prepared a comprehensive e-commerce report in cooperation with Deloitte. Prepared as a result of the activities of the E-commerce Working Group of Digital Turkey Round Table, the report examines the evolution of and recent developments regarding e-commerce in the world and Turkey and focuses on current topics such as social trade, effective marketing, direct sales to consumers, e-exports and religion market. According to the report, the global e-commerce logistics market grew by 27.3 percent in 2020. This market is expected to achieve a compound growth of 8.6 percent during the period from 2020 to 2025. The market is also expected to reach 557 billion Euros by 2025.

E-commerce volume reached 1.5 trillion us dollars

Stating that e-commerce is a must in digitalization process, TÜSİAD Board Member and Digital Turkey Round Table Chairman Serkan Sevim told that the cross-border e-commerce volume has reached 1.5 trillion dollars in 2020 and this volume is expected to reach 4.82 trillion US dollars by 2026. Reminding that an important dimension of the digital economy is the e-trade, TÜSİAD Chairman Simone Kaslowski told that: "Individual internet penetration exceeding 70

global awareness, market share and e-exports of our brands and products with the steps that we will take in the field of e-commerce."

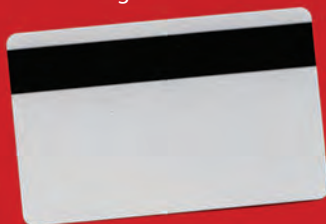
Promoting the report, Deloitte Turkey Consultancy Services Leader Hakan Göl told that they have focused on the opportunities provided by e-commerce in the previous report prepared in 2019 and this time they have prepared a report from the e-commerce and SME perspective and this means that the e-commerce has boomed fast. According to the report data, demographic factors are the main factors affecting the e-commerce. The world population growth has currently slowed down as compared to previous years but this is not the case in very country or region. Even though the population growth rate is slow in developed countries such as the UK, Germany and Russia, countries like Turkey are developing countries and therefore, their young population is high.

Increase in social media use affects e-commerce

According to the evaluations in the report: "The internet usage rate is one of the main factors affecting e-commerce. The ever growing internet days is around 90 percent in developed countries and is around 78 percent in Turkey. The smart phone

percent, increase in mobile broadband subscriptions and regionalism advantage provided by our geographical location are the main elements

paving the way for us in e-trade in national and international terms. Within this framework, our purpose should be to increase the



ownership rate for the household has increased by 57 percent and the increase in tablet ownership is more than 2-fold in Turkey in the last 5 years. The increase in social media use also affects the e-trade.

The global number of social media users was 3.6 billion in 2020 and is expected to reach 4.4 billion US dollars by 2025. The social media user penetration in Turkey is expected to reach 78 percent in 2022.

The digital transformation which has started in financial services in recent years has accelerated with the restrictions in Covid-19 process. Cards with contactless payment option, mobile wallets and wearable technologies have entered into social life quickly. 44.5 percent of the e-commerce payments made in the world in 2020 were made by digital wallet/mobile wallet. These payments are expected to reach 51.7 percent in 2024. The number of mobile contactless payments in Turkey was 10 million and 281 in 2020 but increased to 18 million and 701 thousand in the 11-month period until December in 2021."

Turkey is the 23rd in e-commerce

According to the Report, 17 out of 390 investments and purchases made in 2021 were in the field of e-commerce. These 17 transactions were worth of 2.886 billion US dollars and the e-commerce was in the top 10 in terms of number of transactions.

Excluding the impact of inflation, the e-commerce expenditures made in Turkey during the period from 2016 to 2020 have increased by around 3.2-fold and reached 226.2 billion Turkish liras in 2020. Regarding the ratio of e-commerce expenditure per person to the GDP per person, Turkey was the 23rd among 2 countries.



The e-commerce volume of Turkey was 161 billion Turkish liras in the first half of 2021. It has grown by 49 percent as compared to the same period of the previous year. The category with the biggest increase during the period from 2019 to 2020 was food and supermarket with an increase of 283 percent.

E-commerce incentives are expected to increase

China was the first in the cross-border e-commerce transactions and was followed by the USA, UK and Germany with 261 billion US dollars in 2020. The cross-border e-commerce transactions constituted 25.5 percent of the e-commerce volume in the EU with 146 billion Euros. According to the data by the Ministry of Commerce, the e-exports of Turkey were worth of 1.42 billion US dollars in the second half of 2020. The product categories with the highest number of sales in the micro exports of Turkey are ready made garment, home appliances, ornaments, illuminating devices and automotive products. Turkey has

carried out highest number of trade activities with Germany, USA and the UK in terms of cross border trade. Supporting solutions for entry into this market are expected to increase in 2022.

4 solution recommendations for e-exports

The problems experienced with e-commerce across the world are also seen in Turkey. These problems are considered to be resolved with regular studies under the cooperation of the public and private sectors and the NGOs for the determination of correct strategies and enacting of facilitating regulations. The solution recommendations made under the report under 4 categories are as follows:

1. E-export strategy, customs processes and legislation, communiqué improvements
2. Possible steps to be taken regarding logistics and transportation
3. Studies on brand building and importance of digital marketing
4. Organizational structure and focusing on customer experience. ■



NEW ERA IN LOGISTICS STARTED WITH DIGITALIZATION

The Covid-19 pandemic which started at the end of 2019 and affected the entire world in 2020 has caused a deep influence on individuals, companies and governments. The negative impacts of the social isolation during this period have ensured that the life facilitating impact of the digital transformation recommended to be focused on since 2010s is seen. The pandemic process has also caused major changes and reforms in the logistics sector.

► The logistics sector is one of the sectors significantly affected by the logistics sector. The pandemic process once again showed that the logistics sector has a critical importance. Even though the sector has been adversely affected by the pandemic, it has played a key role in delivering the products needed including especially medical materials and pharmaceuticals to the final

consumers. During the process where the consumption behaviors have changed because of the restrictions imposed, the digitalization has developed fast and new business models aligned with this change have been started to be realized, all stakeholders of the logistics have tried to generate flexible solutions and to provide services. The Covid-19 has significantly

accelerated the realization of the trends of the future such as digitalization. The companies which have ensured digitalization during the pandemic have achieved a significant competitive edge. Digitalization in many fields definitely touches upon the supply chain. The digital transformation in logistics covers a high number of topics.



There are hundreds of areas of improvement from vehicle tracking to Blockchain, RFID to drones, artificial intelligence to virtual reality. The financial resource allocated to digitalization in the logistics sector was around 55 billion US dollars in 2018 and is expected to exceed 145 billion US dollars in 2025. As can be seen, important investments will be made in digitalization as well as vehicles and warehouses.

Investments in e-trade have increased

The retail companies have focused on e-trade during the pandemic. They were forced to decrease the number of their physical shops and had to invest more in e-trade. Those who have not preferred online shopping before have joined in the e-trade network. The logistics has tried to

keep up with the extraordinary development of the e-trade. While the burden of the cargo sector in Turkey has increased by 2 or 3 folds, we can say that the logistics infrastructure failed to help with this burden. Due to the problems in the delivery of online orders, many consumers preferred buying from close shops the products they usually buy online. The future of e-trade is closely dependent on the logistics. E-trade companies in Turkey today prefer establishing their own logistics networks like Turkey.



The area where the digital transformation in logistics will progress together with technology is the internet of things. During the pandemic, the distance between the people grew farther and the communication between the machines has increased more. Houses, plants, hospitals, trucks and thousands of others have billions of devices. With the expansion of the use of devices, we started to need more solutions to collect, store and analyze device data. During the pandemic when especially the remote work has increased, the companies that have digitalized their systems and ensured communication have proceeded on their ways without any interruption. Conventional solutions are no longer needed for the products that need fast delivery, storage and transfer such as



especially drugs and food. The logistics sector is undergoing a remarkably fast and unique transformation. The future of the logistics lies in innovation and technology. Some of the technologies such as artificial intelligence, internet of things, 3-D printers, augmented reality, cloud communication, blockchain, RFID, drone etc. are already used in the field of logistics and many companies will benefit from the technological developments created by the Logistics 4.0 in near future in order to provide faster, cheaper, more reliable, more traceable and sustainable services.

The number of companies benefiting from artificial intelligence is on the rise

The companies can by using artificial intelligence optimize the

supply-demand gap, automatize decision making, channelize storage requirements, identify target consumers and provide more visibility in the supply duration from order to delivery. For instance, Blue Yonder - a DigiTech company in Arizona - has launched the "Luminate Planning Platform" which is an artificial intelligence supported end-to-end digital realization platform for producers and retailers. This automatized supply chain solution allows the companies to manage their supply chains with simplified planning, visibility and spontaneity.

Wearable technology before the robots

Robots in the supply chains play a crucial role in various practices, beyond the basic transfer of the

objects. For instance, GreyOrange - a Singapore based warehouse robot designer and producer - has developed a robot sorting system in order to allow retail, FMCG and e-trade companies to manage their distribution networks. Another impact of the pandemic is that solutions such as virtual reality and wearable technologies have become widespread. The training of the logistics employees has also become easier thanks to the virtual reality. Virtual reality glasses allow the couriers experience driving in the streets of the city. Wearable technologies, on the other hand, provide great convenience in logistics operations such as especially picking up, packaging and shipment. A worker placing the product boxes in the warehouse can by wearing



devices like a glove both find the location of the product and record it into the inventory and accelerate the placement function by using easily both of his hands. Wearable technologies are like an intermediary solution before the use of the robots in logistics processes.

Digital twin warehouses

Digital twins allow the digital representation of the real supply chain used to arrange and manage the supply chains and business strategies of a company. The German based global logistics company DHL has created a digital twin warehouse that receives real time data from the physical warehouse and continuously monitor performance in order to identify optimum storage

solutions.

The biggest supporter of the logistics is the technology. For instance, the vehicle tracking systems have developed significantly and thanks to the integrated mobile vehicle tracking systems, the location and situation information of any vehicle in the fleet is obtained within only a few seconds. Thanks to these systems, it is possible to view and measure many information from the humidity in the trailer to fuel consumption of the drivers. Barcode and Radio Frequency Identification Systems (RFID) also strengthen the hands of the logistics service providers. These technologies come into play for the satisfaction of many needs from with which vehicle the products are delivered to automatic sorting of packages and decreasing the error rate to zero.

3-D Printers

Logistics can be defined as the delivery of the correct material of correct quantity and correct situation to the correct consumer with the correct price at the correct place and time. Based on this definition, 3-D printers will provide key advantages to the logistics and supply chain activities. The use of 3-D printers has freed people and institutions from the dependency on any location and this means that companies are capable of production at a location closer to their customers with their mobile production equipment. This will also create positive impacts on the last kilometer logistics. Another impact of the 3-D printers will be on the supply part production. Since supply parts can be produced with 3-D printers when needed, it will be no longer necessary to store and invest in supply parts. ■

526.3 MILLION TONS OF GOODS TRANSPORTED VIA TURKISH PORTS

at ports also increased by 8.3 to 12 million and 591 thousand and 470 TEUs in the same period. The announcement stated that the highest amount of goods was handled at Kocaeli Port and underlined that the port facilities operating under the administrative borders of Kocaeli Port handled 81 million and 335 thousand and 143 tons of goods in total in 2021. Pointing out that the highest amount of containers was handled within the administrative borders of Ambarlı Port, the announcement has further stated that: "2 million and 942 thousand and 550 TEUs of containers have been handled at the port facilities operating within the administrative borders of Ambarlı Port in 2021. The amount of goods handled by Marmara Sea ports has also increased by 8.9 percent to 191 million and 578 thousand and 637 tons and achieved a growth of over the country average. 36.4 percent of all goods handled in 2021 was handled by the ports in Marmara region. Marmara Sea ports handled 7 million and 34 thousand and 54 TEUs of containers in 2020 and the number of containers handled by them increased by 9 percent to 7 million

and 670 thousand and 832 TEUs in 2021. 60.9 percent of all containers handled at Turkish ports was handled by Marmara region ports. The total amount of goods handled in sea transportation for foreign trade increased by 5.7 percent to 386 million and 396 thousand and 718 tons. The amount of goods loaded for exports increased by 10.7 percent to 153 million and 763 thousand and 658 tons and the amount of goods unloaded for imports increased by 2.7 percent to 232 million and 633 thousand and 60 tons. The total amount of containers handled in sea transportation for foreign trade increased by 3.5 percent to 9 million and 421 thousand and 640 TEU. The weighing confirmation has been made for 2 million and 590 thousand and 511 full containers for exports." 670 Thousand and 876 Vehicles Transported on Ro-Ro Lines Noting that the number of vehicles transported on regular Ro-Ro lines with international connection increased by 32.9 percent to 670 thousand and 876, the announcement has further stating that: "The automobile was

- The General Directorate of Sea Transportation of the Ministry of Transport and Infrastructure has announced the Sea Trade Statistics for 2021. According to the announcement made, the amount of goods handled at ports in 2021 increased by 6 percent to 526 million 306 thousand and 784 tons as compared to the previous year, the amount of containers handled

The Ministry of Transport and Infrastructure has announced that the amount of goods handled in 2021 by ports across the world has increased by 3.6 percent while the amount of goods handled in Turkey has increased by 6 percent to 526 million and 306 thousand and 784 tons.



the most handled type of vehicle at the ports with 2 million and 92 thousand and 480 automobiles transported on international lines with a sea connection. 96 percent of the transported automobiles are comprised of automobiles for sales purposes and the remaining 4 percent are comprised for automobiles for

transportation purposes. The trailer truck is the second most transported type of vehicle with 599 thousand and 458 trailer trucks transported. As 54 thousand and 273 vehicles transporting foreign trade goods preferred the sea transportation in January 2022, the number of

sea transportations increased by 21 percent as compared to January 2021.”

Emphasizing that the cruise tours were canceled due to the measures taken against the pandemic affecting the entire world, “The number of cruise ships decreased significantly in 2020. Thanks to the decreased measures in 2021 and Galataport İstanbul Terminal which has become operational in the second half of 2021, the cruise ship statistics have increased as compared to the previous year. The number of cruise ships calling at Turkish ports increased by 1460 percent to 78 and the number of cruise ship passengers visiting our ports increased by 2387 percent to 45 thousand and 362 passengers in 2021 as compared to the previous year. Marmaris Port hosted the highest number of cruise ships in 2021 with 31 cruise ships calling at the port. Marmaris Port was followed by Kuşadası Port with 27 ships and Galataport İstanbul Terminal with 9 ships.” ■

logitrans: THE LARGEST MEETING POINT FOR THE GIANTS OF THE LOGISTICS SECTOR

Considered as the most suitable platform for establishing business relations on the intercontinental supply chain between Europe and Asia, the 'International logitrans Transport Logistics Exhibition' hosted 122 companies from 18 countries including Finland, Estonia, Egypt and China being the first time participants of the organization this year.

► The 'International logitrans Transport Logistics Exhibition' being the largest transport and logistics exhibition of the Eurasia region has brought together the leading logistics companies of the world in Istanbul for the 14th time. Organized on November 10-12 with the participation of 122 exhibitors and around 10 thousand visitors from 18 countries, the exhibition provided a network creation opportunity to the companies and the sessions organized during the 3-day exhibition focused on topics such as reliable supply chain, digital transformation, mobility, e-trade and environment. The International logitrans Exhibition organized by EKO MMI Fair Co. - a

partnership of Eko Fair Co. and Messe München has brought together the decision makers of the logistics and supply chain sectors of Europe, Northern Africa, the Middle East and Central Asia countries. Local logistics brands such as Turkish Cargo, Ekol, Omsan and NGL, VEGA, international partnerships such as the Danish DSV and DFDS and major domestic and foreign sea transportation sector players such as Ulusoy Denizyolları, Serenity Gemicilik and Trieste Port have attended logitrans being the most important platform for bringing together all stakeholders of the logistics industry. Pace Logistics and Mark Multimodal from Turkey attended the exhibition

for the first time while exhibitors such as Arkas Logistics, Sarp Intermodal and Kombiverkehr were among the intermodal transport representatives. Brands such as Tırsan, Serin Treyler, Yılınak Proje and Ağır Taşıma have also introduced their products and services at the exhibition. The exhibition presenting the world's leading logistics companies to exchange information, evaluate investment opportunities and establish a network with business partners creates an excellent bridge between Europe and the Near East. This year 122 companies from 18 countries attended logitrans exhibiting a wide range of products





and services in the entire value chain of the logistics, telematics and transportation.

While the exhibition was attended mostly by companies located in Turkey and neighboring countries, companies especially from Germany, France, Italy and Austria attended the exhibition as part of country pavilions or with their individual stands. Attended also by companies from Finland, Estonia, Egypt and China, the organization is considered as the most suitable and largest platform for establishing business relations in the intercontinental supply chains between Europe and Asia.

logitrans TURKEY

international transport
logistics exhibition

The International 'logitrans Transport Logistics Exhibition' has also attracted the attention of the visitors with its special departments in addition to a wide range of exhibitors. The conferences themed as "Digitalization in Logistics Sector", "Women Executives in Air Cargo" and "Logistics Solutions made in Germany" organized as part of logitrans 2021 have

discussed the developments in the sectors and allowed the exhibitors to increase their visibility. The "Challenges and Opportunities for Turkey In Changing and Transforming Supply Chains After the Covid-19 Pandemic" panels attracted great interest on the third day of logitrans.

Being among the most important logistics organization of the sector thanks to its sustainable success, the 'International logitrans Transport Logistics Exhibition' was opened by EKO MMI Fair Co. Managing Director İlker Altun, Ministry of Trade International Service Trade General Manager Emre Orhan





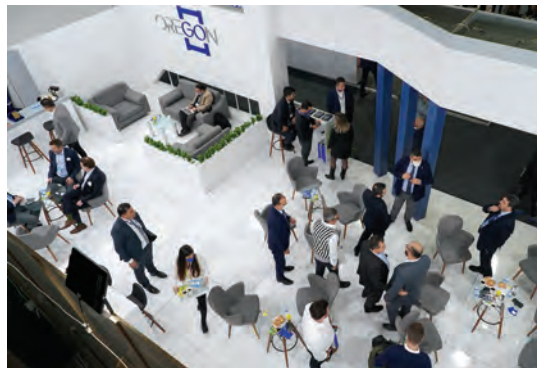
Öztelli, Ministry of Trade Logistics Department Head Yusuf Karakaş, Turkish Exporters Assembly (TİM) President İsmail Gülle, International Transporters Association (UND) President Çetin Nuhuğlu and Association of International Forwarding and Logistics Service Providers (UTİKAD) President Ayşem Ulusoy.

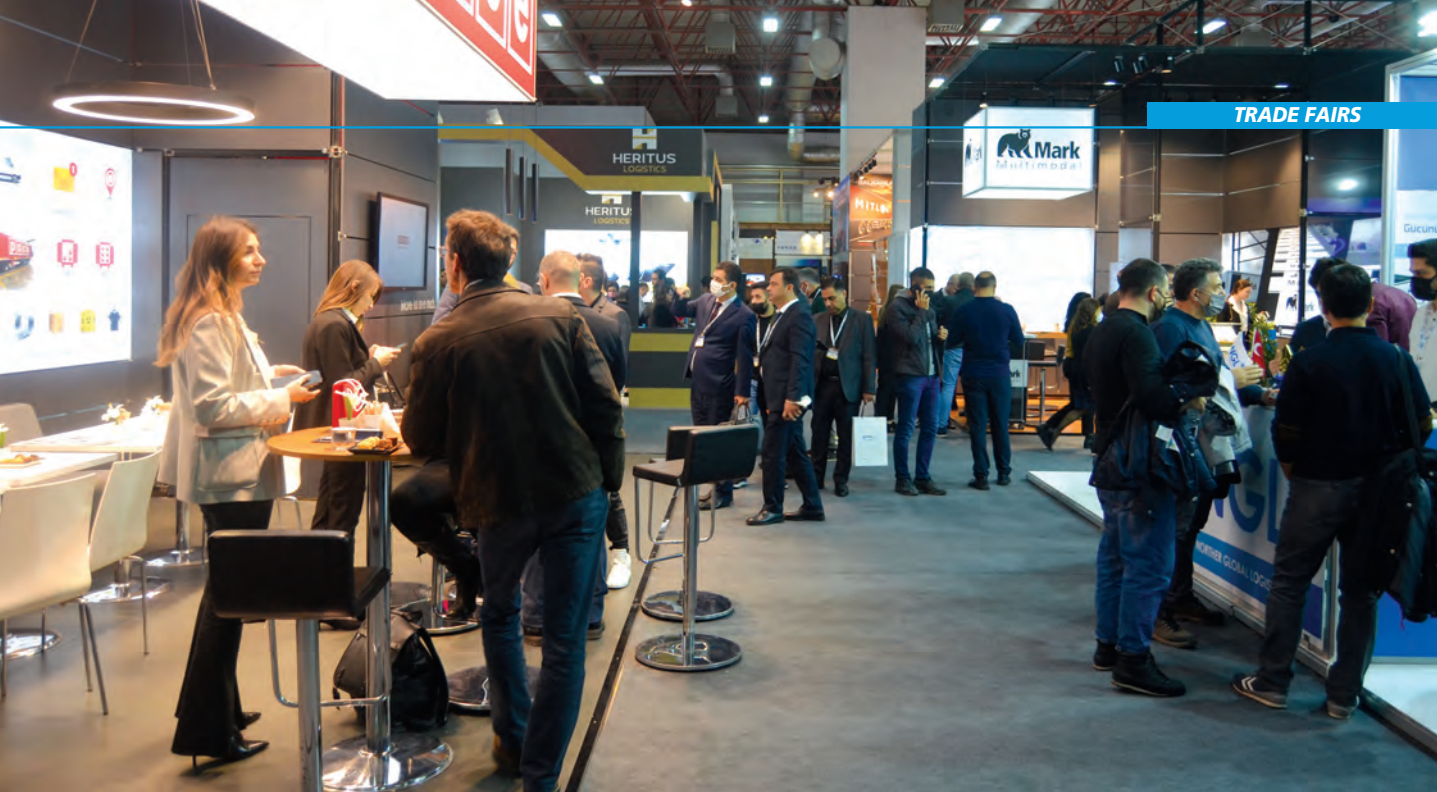
Altun: “The world has admirably watched the successful works of the sector”

The main topics of the 3-day long exhibition included the logistics solutions of the Turkish retail and production companies in supply

and waste management. logitrans provides all companies looking for sustainable alternative transportation options on rails with business connections regarding the Silk Road. EKO MMI Fair Co. Managing Director İlker Altun emphasized in his speech that the world is watching with great admiration the successful works of the logistics sector during the pandemic. Altun further said the following: “Many things have changed during the pandemic period. Digitalization, e-trade and e-mobility as well as environment sensitiveness and climate change have been top agenda items. The developments

made also change the way of doing business. As the way of doing business changes, the logistics sector changes, as well. The competitiveness is now determined with having production areas and production power as well as logistics opportunities and accessibility. Logistics means national security or “perpetuity” as in the trendy saying for the companies and countries. Stating that Turkey has many logistics advantages, Altun underlined that important steps have been taken with the investments made in recent years to get a share both in the foreign trade but also from the world trade in terms of logistics.





Schönberger: “logitrans has a fixed spot in the exhibition calendar”

Messe München Transport Logistics Exhibition Manager Dr. Robert Schönberger made the following remarks in his speech at the opening ceremony: “Despite the pandemic, the ratio of actual business agreements and negotiations at the International logitrans Transport Logistics Exhibition is at a record level. Therefore, we are of the opinion that the exhibition is successful and has a fixed spot in the exhibition calendar.” Stating that they also believe in

Turkey in general terms and in İstanbul logistics market in private terms in addition to logitrans brand, Schönberger further added the following: “We would like to present you with more developments. Therefore, we

consider this event as a start for its development in future. logitrans will be organized at Yenikapı Eurasia Show and Art Center in 2022. This is an opportunity for us for not only returning to the previous level but also for development.” ■

*EKO MMI Fair Co. Managing Director **Mr. İlker Altun** (on the left) and Messe München Member of the Board of Management **Mr. Falk Senger***



THE POST-PANDEMIC LOGISTICS OPPORTUNITY SHOULD BE UTILIZED WELL

► Giving a speech at the panel themed Challenges and Opportunities for Turkey In Changing and Transforming Supply Chains After the Covid-19 Pandemic organized within the scope of the International logitrans Transport Logistics Exhibition, UND Executive Board Chairman Alper Özel told that the Turkish logistics sector has gained more importance as a result of the pandemic. Alper Özel told that a major transformation is needed to

benefit from the opportunities in the new supply chain but there are also some uncertainties.

Öner: “The transportation potential of Turkey is high and expectations are positive”

Stating that they have created a Logistics Trust Index in Turkey for the first time, KPMG Transportation Sector Leader Yavuz Öner told that the last quarter figures of the index are positive for the sector. Noting

that the sector undergoes a positive development regarding topics such as business volume, human resources etc., Öner said that: “However, there is stable outlook regarding profitability.” Remarking that Turkey has to keep up also with the transformation in the West, Öner made the following remarks: “As you know, the green deal and climate change topics and a transportation infrastructure aligned with them require Turkey to develop a similar transportation





The conference organized with the theme of Challenges and Opportunities for Turkey In Changing and Transforming Supply Chains After the Covid-19 Pandemic emphasized the advantages of the Turkish Logistics sector in the new supply chain approach and discussed what can be done to utilize this opportunity provided by these advantages.

infrastructure and ensure alignment with them. A green deal action plan has been recently announced for this purpose. This of course includes a transformation regarding transportation requiring the support of the Government. Europe as the competitor aims for decreasing its carbon emissions in the field of transportation by 90 percent by 2050 and plans a green transformation in the transportation and aviation sector.”

Stating that 20 percent of international transportation is planned to be shifted to the railways, Öner further made the following remarks: “It will take some time as an investment but a



Yavuz Öner
KPMG Transportation Sector Leader

transition to combined transport is expected. In this regard, we are entering into a process that the companies have to prepare them for this transformation. That is because the transportation potential of Turkey is high and expectations are positive. We also observe a capital flow from abroad and merger and acquisitions trends in Turkish transportation companies. We expect that there will be a transformation period in future regarding the transportation sector and we expect a management approach aligned with this transformation is required to be developed simultaneously by the companies and the government.”

Baydarol: “Turkish transporters may be exposed to additional taxes due to carbon emissions”

The European Union and Global Research Association (ABKAD) Deputy Chairperson Can Baydarol told in this speech that everything seems to be good but underlined that this period is the period when we have to be the most cautious. Baydarol said that there will be environmental pressures on the sector due to developments such as the



Can Baydarol
ABKAD Deputy Chairperson

Green Deal and added the following: “Turkish transporters may be exposed to additional taxes in future due to carbon emissions. European Union will grant major incentives to its companies for ensuring this transformation. This will create an unfair competition for the Turkish transporters. Thus, similar incentives should be granted to the sector.”

International Service Trade General Directorate Logistics Department Dr. Yusuf Karakaş talked in his speech about 12 different supports to be granted to the logistics sector by the International Service Trade General Directorate. Stating that these supports are aimed at medium and small sized

companies, Karakaş underlined that their purpose is to ensure that these companies bring higher amount of foreign currency to Turkey. Telling that the amount of supports to be granted will increase as the foreign currency amount increases, Karakaş explained their efforts to solve the problems experienced by the trade sector at the border gates and other problems such as driver problems. Noting that they will launch a pilot project to solve the driver problem and they will train drivers as part of this project, Karakaş told that Turkish vehicles will easily transfer the goods they will load on the International Logistics Networks to be established to countries on the continents they are located at. Karakaş told that they will grant supports to the companies and as a prerequisite for these supports, the companies have to use minimum two transportation modes.

Ereke: “Raising young drivers may assist in eliminating the driver problem”

IRU Turkey Business Development Manager Erman Ereke shared the efforts made by IRU to resolve the



Erman Ereke
IRU Turkey Business Development Manager

problems before the logistics sector. Stating that the road transportation sector has experienced major losses during the pandemic period, Ereke told that they have made calls to the governments and non-governmental organizations regarding them. Noting that the researches conducted by the IRU revealed a 24 percent global driver gap, Ereke further made the following comments: “Governments have to make some legislation changes and carry out encouraging activities to fill in this driver gap. When the reason behind this driver gap is looked into, it can be actually clearly seen when you

examine the field. What we have to do to fill in the driver gap is to improve the border passing processes. This problem is not only specific to Turkey but also experienced at the global scale. We have the same problem in the USA and also in Europe and Turkey even has the same problem. There are thoughts such as making Syrian citizens drivers to solve the problem in the driver employment.

One of the good steps taking in this regarding is the change made in Turkey regarding the driver age limit. We as IRU are making calls to decrease the driving license obtaining stating age to 18 and to raise drivers at an earlier age and employ them in the sector. It is a good step to increase the driver age to 69. However, we are of the opinion that decreasing this age to 18 in Turkey may to some extent assist in raising them at an earlier age and solving the problems regarding the employment of drivers.”

Remarking that thanks to the road transportation route established between Pakistan which has become a part of the TIR system thanks to the efforts of the IRU and Turkey, the transportation duration between these countries was decreased from one month to one week, Ereke also told that the transportation duration between the United Arab Emirates and Turkey have also decreased from 22 days to 6 days. Telling that there are serious increases in the transports made from Turkey to the West, Ereke made the following remarks: “However, there are serious problems in the East. Turkish freight forwards have a serious quota problem in this region. These companies try to organize transports from different routes in this region with additional costs. We as IRU carry out negotiations on how to solve this problem.” ■



33 MILLION TONS OF GOODS TRANSPORTED WITH RAILWAYS

Having a share of 3.13 percent in goods transportation with around 33 million tons of goods transported in 2019, the railways are expected to have a share of over 5 percent in 2023 and to transport 55 million tons of goods.

► According to the Transport 2053 Vision prepared within the scope of the Transport and Logistics Master Plan, the railway transportation increases its global impact regarding development and change and becomes more and more important for the transportation sector in parallel with safety, environment, energy and economic needs.

The railway transportation of Turkey ensuring connection between Asian and European continents with her transportation network thanks to her central location has a strategic importance in this network.

The railways with an investment appropriation increased exponentially over the years are getting ready to leave their mark on the transportation system with the 2023 goals set for them in the 100th year of the Republic. The share of railways in goods transportation was 3.13 percent with around 33 million tons in 2019 and is expected to exceed 5 percent and reach 55 million tons in 2023.

The share of railways to increase by 10-fold in international goods transportation

The share of railways in transportation is expected to exceed 11 percent in 2029 and to be around 22 percent in 2053. This will increase the share of railways in goods transportation by 7-fold from 2019 to 2053. The share of railways in

international goods transportation is also aimed to be increased by 10-fold. By 2053, the share of trains in goods transportation is planned to increase more than 6-fold. The number of passengers to be transported by rail is planned to be around 19.5 million in 2023 and this figure is expected to exceed 145 million in 2035 and 269 million in 2053.

The increase in the share of railways in goods and passenger transportation will contribute to a serious decrease in carbon emission, as well. 440 million tons of goods will be transported on railways with a 7-fold increase in expected share of the goods transportation of 55 million tons and 5.08 percent in 2023. This will increase the share of railways to 21.93, higher than the European average of 18 percent.

Turkey is Now a Central Country for Transit Goods

The transportations on Baku-Tbilisi-Kars (BTK) line to Georgia, Azerbaijan, Kazakhstan, Turkmenistan, Uzbekistan, Kyrgyzstan, Tajikistan, Russia and China have increased significantly. Especially the development of transit transportation on Turkey-China-Turkey and China-Turkey-Europe line have presented all sector with many new opportunities. The transportations on Baku-Tbilisi-Kars Railway Line which was put into operation in 2017 increased by 100 percent every year

and all transportations on the line have until today exceeded 1 million and 500 thousand gross tons in total. Net 482 thousand and 967 tons and gross 787 thousand and 387 tons of transportations were made on BTK in 2021. These means an increase of 98 percent in transportations as compared to 2020.

The railway transportation between Turkey and Russia on the BTK (Turkey-Georgia-Azerbaijan-Russia) creates a new Northern-Southern corridor and different destinations and transportation of different product groups provide our exporters with an important advantage. Thanks to the increase in railway goods transportation between Turkey and Russia on the BTK line and the efforts and cooperations to make the line attractive, the transportations on this route increase day by day. The share of railways in the transportations between Turkey and Russia is expected to increase to 10 percent and 1 million tons of coal, grains, fresh fruit and vegetables and metal goods are expected to be transported in the short term and this figure is expected to increase to 3 to 5 million tons in the medium term. The Middle Corridor is expected to attract more goods transportation in 2022 with the higher number of transportation in the Middle Corridor including especially Baku-Tbilisi-Kars railway line. ■

AIR CARGO GROWS DESPITE A CHALLENGING BACKDROP

Air cargo, which showed its best performance in its history in December 2021, achieved its best monthly performance since 1990 in February 2022. According to the data announced by the International Air Transport Association, IATA, air cargo increased by 11.9 percent in February 2022 compared to the pre-COVID 19 period, 2019. Although there is a slight deterioration in the figures for March, it is stated that the upward trend of air cargo will continue in 2022.

- ▶ February saw improvements in air cargo traffic thanks to reduced disruptions from Omicron outside of Asia, as well as the end of Chinese New Year. However, an Omicron wave spread in China and certain other Asian countries in February and March, and the war in Ukraine is having an impact on air cargo.
 - Lockdowns and factory closures in Asia, sanctions related to the war, and shortages of crucial inputs are driving prices higher, and economic activity

and trade lower. March therefore is likely to be a challenging month for air cargo.

Geneva - The International Air Transport Association (IATA) released data for global air cargo markets showing that demand increased in February despite a challenging operating backdrop. Several factors benefitted air cargo in February compared to January. On the demand side, manufacturing activity ramped-up quickly after the early February Lunar New Year holiday. Capacity

was positively influenced by the general and progressive relaxation of Covid-19 travel restrictions, reduced flight cancellations due to Omicron-related factors (outside of Asia), and fewer winter weather operational disruptions. Meanwhile IATA is returning to year-on-year traffic comparisons, instead of comparisons with the 2019 period, unless otherwise noted. Cargo demand is tracking above pre-Covid-19 levels, although capacity is still constrained.

- Global demand, measured in cargo tonne-kilometers (CTKs*), was up 2.9% compared to February 2021 (2.5% for international operations).
- Adjusting the comparison for the impact of the Lunar New Year (which can cause volatility in reporting) by averaging January's and February's performance, demand increased 2.7% year-on-year. While cargo volumes continued to rise, the growth rate decelerated from the 8.7% year-on-year expansion in December.
- Capacity was 12.5% above February 2021 (8.9% for international operations). While this is in positive



territory, compared to pre-Covid-19 levels capacity remains constrained, 5.6% below February 2019 levels. Several factors in the operating environment should be noted: General consumer price inflation for the G7 countries was at 6.3% year-on-year in February 2022, the highest since late 1982. While inflation normally curtails purchasing power this is balanced against higher savings levels coming out of the pandemic. The Purchasing Managers' Index (PMI) indicator tracking global new export orders fell to 48.2 in March. This was the lowest since July 2020 indicating that a majority of surveyed businesses reported a fall in new export orders. The zero-Covid policy in mainland China and Hong Kong continues to create supply chain disruptions as a result of flight cancellations due to labor shortages, and because many manufacturers cannot operate normally. The impact of Russia's invasion of Ukraine had limited effect globally on February's performance as it occurred very near the end of the month. The negative impacts of war and related sanctions (particularly higher energy costs and reduced trade) will become

Passenger Traffic Recovery Continues in March

The International Air Transport Association (IATA) announced passenger data for March 2022 demonstrating that the recovery of air travel continues. Impacts from the conflict in Ukraine on air travel demand were quite limited overall while Omicron-related effects continued to be confined largely to Asian domestic markets. Total traffic in March 2022 (measured in revenue passenger kilometers or RPKs) was up 76.0% compared to March 2021. Although that was lower than the 115.9% rise in February year-over-year demand, volumes in March were the closest to 2019 pre-pandemic levels, at 41% below. March 2022 domestic traffic was up 11.7% compared to the year-ago period, far below the 59.4% year-over-year improvement recorded in February. This largely was a result of the Omicron-

related lockdowns in China. March domestic RPKs were down 23.2% versus March 2019.

International RPKs rose 285.3% versus March 2021, exceeding the 259.2% gain experienced in February versus the year-earlier period. Most regions boosted their performance compared to the prior month, led by carriers in Europe. March 2022 international RPKs were down 51.9% compared to the same month in 2019.

"With barriers to travel coming down in most places, we are seeing the long-expected surge in pent-up demand finally being realized. Unfortunately, we are also seeing long delays at many airports with insufficient resources to handle the growing numbers. This must be addressed urgently to avoid frustrating consumer enthusiasm for air travel," said Willie Walsh, IATA's Director General.

March Figures for Air Cargo

- Global demand, measured in cargo tonne-kilometers (CTKs*), fell 5.2% compared to March 2021 (-5.4% for international operations).
- Capacity was 1.2% above March 2021 (+2.6% for international operations). While this is in positive territory, it is a significant decline from the 11.2% year-on-year increase in February. Asia and Europe experienced the largest falls in capacity.
- Several factors in the operating environment should be noted:
 - The war in Ukraine led to a fall in cargo capacity used to serve Europe as several airlines based in Russia and Ukraine were key cargo players. Sanctions against Russia led to disruptions in manufacturing. And rising oil prices are having a negative economic impact, including raising costs for shipping.
 - New export orders, a leading indicator of cargo demand, are now shrinking in all markets except the US. The Purchasing Managers' Index (PMI) indicator tracking global new export orders fell to 48.2 in March. This was the lowest since July 2020.
 - Global goods trade has continued to decline in 2022, with China's economy growing more slowly because of COVID-19 related lockdowns (among other factors); and supply chain disruptions amplified by the war in Ukraine.
 - General consumer price inflation for the G7 countries was at 6.3% year-on-year in February 2022.

more visible from March. "Demand for air cargo continued to expand despite growing challenges in the trading environment. That is not likely to be the case in March as the economic consequences of the war in Ukraine take hold. Sanction-related shifts in manufacturing and economic activity, rising oil prices and geopolitical uncertainty will take their toll on air cargo's performance," said Willie Walsh, IATA's Director General.

- North American carriers posted a 6.1% increase in cargo volumes in February 2022 compared to February 2021. The ramp up of manufacturing activity in China following the end of the Lunar New Year resulted in growth in the Asia-North America market, with seasonally adjusted volumes rising by 4.3% in February. Capacity was up 13.4% compared to February 2021.
- European carriers saw a 2.2% increase in cargo volumes in February 2022 compared to the same month in 2021. This was slower than the previous month (6.4%), partially attributable to the war in Ukraine which started at the end of the month. Seasonally adjusted demand on the Asia-Europe route, one of the most affected by the conflict decreased by 2.0% month on month. Capacity was up 10.0% in February 2022 compared to February 2021, and down 11.1% compared to pre-crisis levels (2019).
- Middle Eastern carriers experienced a 5.3% year-on-year decrease in cargo volumes in February. This was the weakest performance of all regions, which was owing to a deterioration in traffic on several key routes such as Middle East-Asia, and Middle East-North America. Looking forward, there are signs of improvement as data indicate that the region is likely to benefit from traffic being redirected to avoid flying over Russia. Capacity was up 7.2% compared to February 2021.

IATA Annual General Meeting To Be Held in Doha

The International Air Transport Association (IATA) announced that the 78th Annual General Meeting (AGM) and World Air Transport Summit will take place 19-21 June 2022 in Doha, Qatar, hosted by Qatar Airways. This will be the second time that the global gathering of aviation's top leaders will be held in Qatar; the first being in 2014. Originally, the 78th IATA Annual General Meeting and World Air Transport Summit were planned for the same dates in Shanghai, People's Republic of China, hosted by China Eastern Airlines. The decision to change the venue reflects continuing



Covid-19 related restrictions on travel to China.

"It is deeply disappointing that we are not able to meet in Shanghai as planned.

In the meantime, we are pleased to be returning to the dynamic aviation hub of Doha and the warm hospitality for which Qatar Airways, our host airline, has become famous. This year's AGM will be an important opportunity for aviation's leaders to reflect on the shifting political, economic, and technological realities facing air travel as the industry's recovery from the Covid-19 pandemic gathers pace," said Willie Walsh, IATA's Director General.



- Latin American carriers reported an increase of 21.2% in cargo volumes in February 2022 compared to the 2021 period. This was the strongest performance of all regions. Some of the largest airlines in the region are benefitting from the end of bankruptcy procedures.

Capacity in February was up 18.9% compared to the same month in 2021.

- African airlines saw cargo volumes increase by 4.6% in February 2022 compared to February 2021. Capacity was 8.2% above February 2021 levels. ■

THE IMPORTANCE OF 'PREIGHTERS' SEEMS TO START TO DIMINISH

One of the unusual market developments triggered by the Covid-19 pandemic has been the emergence of passenger-freighters, or the so-called 'preighters'. These are passenger aircraft that are operated temporarily for cargo-only missions, using the belly space, and in some cases also using the passenger cabin (with or without seats). The chart looks at how the prevalence of this new category has evolved over the past two years.

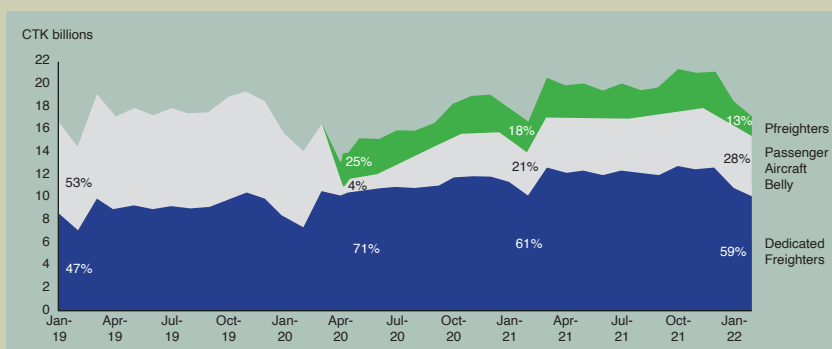
- Before the breakout of Covid-19, about half of air cargo transported globally traveled in the belly of passenger aircraft. As the pandemic resulted in the sudden grounding of passenger airplanes, a large chunk of the belly cargo capacity disappeared from the market: belly cargo represented only 4% of total cargo volumes in May 2020. Airlines reacted to this by increasing the utilisation of dedicated freighters and by starting to operate preighters, the latter representing up to 25% of the total cargo volume transported worldwide in Q2 2020.
 - As passenger-freighters entered the market in response to an acute shortage of capacity, we can expect them to be gradually phased out as passenger aircraft capacity comes back online. With Covid-related travel restrictions easing across many jurisdictions and an increase in passenger demand, we might be currently observing the start of this phase-out process. In February 2022, only 13% of the total cargo volume

was transported by preighters - the lowest share since they first appeared in the market in April 2020 and 5%-points lower than in the same month last year. Part but not all of this reduction is accounted for by a seasonal drop in cargo demand that takes place every January-February after the year-end holiday season. However, while the total cargo volume in February was 19% below that of December last year, the

volume carried in preighters dropped by a larger 34% during the same period. In contrast, belly volume shrunk by only 8%, suggesting that substitution of preighter capacity for belly capacity might have started.

- In parallel, the FAA terminated exemptions that allowed airlines to put cargo in the cabin (not the hold) of passenger aircraft on 31 December 2021. In the EU, a similar exemption will cease on 31 July 2022. ■

Breakdown of Total International Cargo Traffic (CTKS) by Category (Jan 2019-Feb 2022)



Source: IATA Statistics

TOP 20 IMPORTING COUNTRIES (MILLION DOLLARS)

COUNTRY	YEAR			JANUARY-APRIL			APRIL		
	2020	2021	SHARE	2021	2022	SHARE	2021	2022	SHARE
RUSSIA	17.829	28.959	10,7	8.247	18.223	15,7	2.184	5.504	18,7
CHINA	23.041	32.239	11,9	9.649	13.182	11,4	2.400	3.294	11,2
GERMANY	21.733	21.726	8,0	7.572	7.525	6,5	2.129	2.009	6,8
ITALY	9.200	11.562	4,3	3.641	4.035	3,5	963	1.072	3,6
INDIA	4.830	7.936	2,9	1.940	3.770	3,2	593	1.056	3,6
USA	11.525	13.148	4,8	3.745	4.718	4,1	1.099	1.054	3,6
SOUTH KOREA	5.734	7.597	2,8	2.114	2.976	2,6	634	887	3,0
FRANCE	6.988	7.932	2,9	2.942	2.980	2,6	679	678	2,3
BRASIL	3.228	3.827	1,4	1.029	1.649	1,4	331	650	2,2
IRAN	1.193	2.824	1,0	775	1.517	1,3	194	583	2,0
SPAIN	5.039	6.312	2,3	2.117	2.286	2,0	553	555	1,9
ENGLAND	5.583	5.558	2,0	2.015	2.025	1,7	536	544	1,8
NETHERLAND	3.629	4.508	1,7	1.622	1.616	1,4	455	479	1,6
BELGIUM	3.716	5.628	2,1	1.541	1.682	1,4	422	438	1,5
JAPAN	3.743	4.389	1,6	1.434	1.506	1,3	357	401	1,4
SAUDI ARABIA	1.720	3.456	1,3	886	1.500	1,3	288	357	1,2
COLOMBIA	1.013	1.692	0,6	354	959	0,8	151	310	1,1
MALAYSIA	1.990	3.098	1,1	950	1.354	1,2	312	309	1,1
KAZAKHISTAN	1.181	1.595	0,6	502	822	0,7	103	309	1,0
POLAND	3.005	3.636	1,3	1.289	1.255	1,1	311	299	1,0
OTHER	83.597	93.800	34,6	28.460	40.494	34,9	7.144	8.680	29,5
TOTAL	219.517	271.423	100,0	82.824	116.073	100,0	21.837	29.466	100,0

Source: RİP (TB&TÜİK)

TOP 20 EXPORTING COUNTRIES (MILLION DOLLARS)

COUNTRY	YEAR			JANUARY-APRIL			APRIL		
	2020	2021	SHARE	2021	2022	SHARE	2021	2022	SHARE
GERMANY	15.979	19.312	8,6	6.272	7.287	8,7	1.653	2.001	8,6
USA	10.183	14.721	6,5	4.274	5.832	7,0	1.184	1.776	7,6
ENGLAND	11.236	13.704	6,1	3.871	4.377	5,2	1.038	1.167	5,0
ITALY	8.083	11.474	5,1	3.561	4.508	5,4	888	1.124	4,8
IRAQ	9.142	11.127	4,9	3.296	4.201	5,0	923	1.086	4,6
SPAIN	6.684	9.621	4,3	2.911	3.528	4,2	779	1.048	4,5
FRANCE	7.195	9.111	4,0	3.080	3.104	3,7	772	893	3,8
NETHERLAND	5.195	6.767	3,0	1.999	2.895	3,5	610	825	3,5
ISRAEL	4.704	6.356	2,8	1.931	2.610	3,1	549	740	3,2
ROMANIA	3.894	5.176	2,3	1.494	2.253	2,7	404	657	2,8
POLAND	3.475	4.674	2,1	1.473	1.942	2,3	393	543	2,3
UAE	2.828	5.493	2,4	2.429	1.720	2,1	598	492	2,1
BULGARIA	2.634	3.954	1,8	1.157	1.594	1,9	329	466	2,0
RUSSIA	4.507	5.775	2,6	1.650	1.608	1,9	468	442	1,9
EGYPT	3.136	4.514	2,0	1.399	1.797	2,2	355	421	1,8
BELGIUM	3.635	4.899	2,2	1.485	1.594	1,9	385	400	1,7
MOROCCO	2.057	2.977	1,3	857	1.242	1,5	206	367	1,6
CHINA	2.866	3.663	1,6	1.151	1.097	1,3	351	307	1,3
GREECE	1.800	3.118	1,4	843	1.198	1,4	220	306	1,3
IRAN	2.253	2.771	1,2	799	945	1,1	197	256	1,1
OTHER	58.153	76.016	33,8	22.739	28.235	33,8	6.455	8.049	34,5
TOTAL	169.638	225.222	100,0	68.670	83.565	100,0	18.757	23.364	100,0

Source: RİP (TB&TÜİK)



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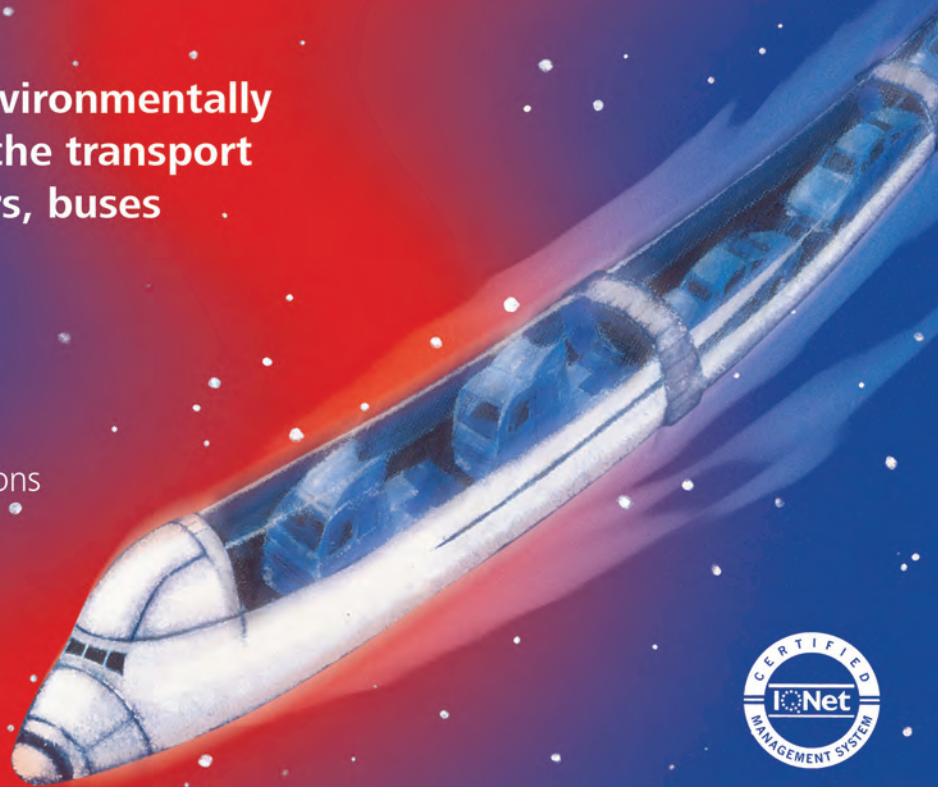
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