

Turkish Transport News

INTERMODAL

Combined Transport and Logistics Systems Magazine

Issue 36

SUPERIORITY OF THE LOGISTICS IN GEO-POLITICS

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air cargo for 2023

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POWER OF INTERMODALITY IN ECONOMIES

Although all economic structures differ from country to country, the components of the economic life are similar to each other. In this context, especially production activity forms the main skeleton of the economy. The needs and wants of individuals and also households are the basic and indispensable

element of consumption.

While the goods and services needed by domestic production is being met partially through imports, and meanwhile surplus production of goods and services are exported. So both, import and export activities make a huge contribution to the national income. Thus foreign trade activities gives a great impetus to the economy as whole.

As it is well known, more exporting reduces the foreign trade deficit, but in opposite, importing widens the current account. It is not easy to answer the question of what is the ideal economy today. Having a self-sufficient economy is undoubtedly preferable in every period. However, in today's complex world, it is unthinkable for economies to be introverted. Being an active and strong part of international trade reveals the strength of an economy. More importantly, the way to remain competitive is directly dependent on the intensity of participation in international trade. Commercial activity is the strongest link in the chain between production and consumption. Although the needs of individuals, the ultimate goal of consumption, offer a range of variations, there is always a balance between vital or basic needs and needs related to pleasure and happiness. This balance is established with purchasing power. As purchasing power increases, consumption needs of individuals also increase. When purchasing power decreases or remains constant, needs should be limited or well defined. Production also takes shape according to the spiral of needs. Because the success of production is closely tied

to the supply-demand balance. It is the trade itself that provides this balance. The price phenomenon, which constitutes the flow rate and style of trade, is shaped by the supply-demand balance and other factors. The interaction between processes such as quality, speed and accessibility and cost factors, inputs, expected profit target, competition conditions in the market and consumers' demand for that product or service determines the direction and power of commercial activity.

In fact, the whole of the economy is formed by the sum of intermodal activity. The more of these modes, the better the economy will function and display a healthy and strong structure. Economies have to be multimodal in terms of sectoral production power and value chain as well as production, trade and service sectors in terms of risk analysis. Therefore, intermodality is the main key to the success of economies and economic activities.

Today, besides being a sector, logistics is actually the top component of all sectors. The success of production and distribution processes depends on the good structuring of logistics to some extent. In today's era of modern or sophisticated economies, the logistics sector means a lot more than the safe and timely transportation of a good or product from one place to another. Logistic structures also show an extraordinary diversity according to product types. The logistics of sensitive products such as fresh vegetables, fruits or ornamental flowers, fast moving consumer goods, meat and milk require very different investments and transportation modes. The logistics of medical supplies, especially pharmaceuticals, constitutes a very different area of expertise. Today, logistics activity is a very comprehensive process that extends to the digital tracking of the journeys of the products with storage facilities, handling capabilities, shipping speed and variety of transportation vehicles, as well as transportation.

Intermodality is now an indispensable element of success, existence and sustainability in logistics. The strength and diversity of logistics structures should be handled as the strongest support of national economies and social life, both in good times and in difficult times. ■

Issue 36

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Logistics News to You



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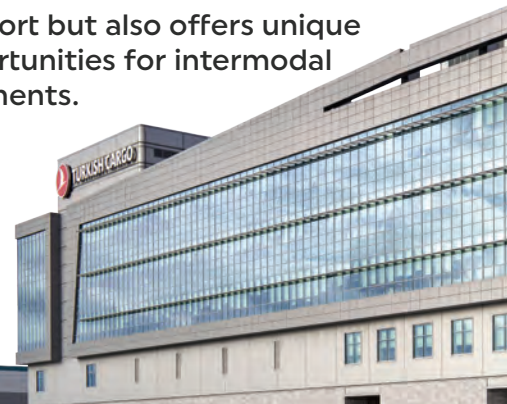
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TÜRKİYE CONTINUES ON ITS JOURNEY TO BECOME A LOGISTICS SUPER POWER



Adil KARAIŞMAİLOĞLU

► Türkiye located in the middle of 67 countries with the Gross Domestic Product of 43 trillion and 200 billion US dollars where around 1.6 billion people live and which are accessible with a 4-hour flight has the potential to become the hub of the region with a trade volume of 11 trillion US dollars.

We as the Ministry of Transportation and Infrastructure act with this in mind and perform our studies in line with a transformation process that is focused on integrated development in the fields of transportation and communication, is formed with mobility, digitalization and logistics dynamics, is new and effective and aims for integrating the world into our geography. In the light of our vision to become a super power in the field of global logistics, we plan to make our transportation investments to ensure that the transit transportation from Asia and Europe is carried out via the transportation networks in Türkiye. In the light of the Transportation and Logistics Master Plan Vision 2053 we announced on April 5, 2022, we completed our projects to ensure that Türkiye becomes a 'regional hub' in the field of logistics, logistics costs are decreased for the transportation of international transit goods via Türkiye, resources are directed to efficient investments and our

legislation and strategies are focused on this direction and the human resources using technology effectively in the field of logistics and we started to implement the same quickly.

We as the Ministry of Transportation and Infrastructure invested 183 billion US dollars in the last 20 years. Thanks to these investments, we contributed 1 trillion US dollars to production and 600 billion US dollars to national income. Moreover, the savings of 28 billion US dollars we achieved with our investments of 183 billion US dollars make us better understand the value of the infrastructure projects.

We are undergoing a difficult period where global uncertainties are felt more due to regional instabilities like the Ukrainian - Russian war in our close geography after the pandemic. Türkiye played an active role in the continuation of the global supply chain during this period by maintaining its access to both its neighbors and the countries in the other regions of the world thanks to its strong transportation network. Continuing on its path to become a "Logistics Super Power", Türkiye went beyond being an alternative between Asia and Europe and became a valuable and profitable logistics and production hub at the center of the Middle Corridor.

The importance of Türkiye in the logistics sector is understood better with the "Grain Corridor" established under the leadership and initiative of Türkiye. The grain supply problem with a critical importance for the humankind was resolved with the Grain Corridor established via sea transportation. We made a great contribution to prevent the global food crisis with the delivery of 25 million tons of grain to be distributed to every corner of the world to the international markets thanks to the sea transportation corridor. We closed 2022 with record breaking exports of 254.2 billion US dollars thanks to the policies, radical reforms and large investments to achieve the goals of forming a stronger economy and place Türkiye among the top 10 economies of the world under the leadership of our President Recep Tayyip Erdoğan. This success is the achievement of our exporters, logistics sector transporters and all stakeholders. We will further accelerate our service efforts realized in the last 20 years and continue to develop new projects in order to increase the international competitiveness of the logistics sectors and to respond to our demands and needs thanks to our projects and investments. We will take our unique achievements to even further. ■



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LOGISTICS SECTOR MAKES THE BIGGEST CONTRIBUTION TO EXPORTS

Çetin NUHOĞLU
Chairman



► We as the entire country are going through a rough patch due to the earthquakes with their epicenter in Kahramanmaraş and affecting several cities. We feel a great pain and a deep sorrow. May God rest the souls of the people who died because of the earthquake. I wish a quick recovery to the injured and may God give patience to the relatives of the people who passed away. We as a country are successful in uniting in difficult times. We will once again heal these deep wounds. Having acted as a hero during the pandemic period, the logistics sector mobilized for the delivery of the aids also during the earthquake disaster. We should feel proud of our transporters that forwarded whatever needed from basic necessities to construction vehicles for rescue operations. We are in a period when the importance of the logistics sector is fully understood at the world. As the logistics sector has become more important, new countries and regions including primarily Turkey started to attract mode demands in the global supply chain. 2023 will be a year where the milestones of future will be laid for the world, our country and the sector. Our sector has important duties in 2023 marking the 100th anniversary of the Republic. The world economy grew by 3.1 percent in 2022 while the exports by Turkey had a historical

record of 254 billion US dollars. It is good news that our share in the global exports has increased. The logistics sector made the biggest contribution to the export performance of Turkey. The shift of procurements to Turkey caused a boom in the sector and clearly showed the logistics advantages of Türkiye. These advantages will show itself as more production, exports and transportation on the statistics in 2023. The high added value provided by the logistics sector will also increase the country's welfare. The world economy is expected to grow by 2.2 in future. The growth ratio for Turkey, on the other hand, will double this figure. The Turkish economy is expected to display a strong and balance growth of around 5 percent in future. Major changes will occur in future in many fields such as new market approaches, new production methods, fluctuations on the supply and demand lines, pressures on the trade and new networks. This change will benefit the Turkey most. Europe is searching for a new alternative. They want to work more with the Central Asia and Middle East. The road to be covered by Europe to achieve this goal passes through Turkey. Turkey will become the most important transit country of the trade between Europe and Asia with

the continuation of the correct steps taken against the latest developments in this region. However, we should take such actions quickly, otherwise, we may lose this.

New supports and incentive mechanisms are launched in Turkey to increase exports. More support is provided to the sectors with state of the art technologies and high contribution ratios. The supports provided to the logistics sector will both increase the goods and service exports. We left behind a very hectic year in logistics and transportation. Even though the boom caused by the impact of different developments, our sector could not show its actual performance due to the problems in the sector. Transporting exports of 254 billion US dollars in 2022, the sector exported services of 11.4 billion US dollars in the 11-month period in 2022. This figure is similar to the previous year according to the comparison made. However, the service imports increased by 42 percent to 10.9 billion US dollars. The foreign trade surplus of the sector decreased by 90 percent. With the resolution of these problems, our sector will continue to report more foreign trade surplus. The logistics sector will continue to make every kind of contribution for the achievement of the country goals in 2023 when the new century of the Republic will start. ■

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WE CONTINUE WORKING TO ACHIEVE OUR EXPECTATIONS AND GOALS

Ayşem ULUSOY
President



► Covid-19 pandemic which started in 2020 and spread across the world brought new working models along with it and showed that contactless and digital applications should be expanded. Especially e-trade, automation and digitalization came to the forefront in 2021 and 2022. The progresses achieved in rendering ports autonomous, improvement of the customs clearance processes and modernization of the infrastructure, increasing the share of rail transportation and conclusion of service agreements and customs clearance statements in digital environments are among the top agenda items to increase the resilience of the sector to crises. We experienced a new chaos environment similar to the chaos in the logistics sector during the pandemic with the Russia - Ukraine war as of March 2022. With the onset of the war, problems were experienced with regard to logistics activities in the entire world and especially in our region and transportation activities nearly came to a standstill on certain routes. The closed airports and sea ports and the increasing oil prices dealt another major blow on the supply and logistics chain. The war affected the logistics costs especially in the developing countries and therefore, the cost

problem became a global problem affecting our sector in 2022. The integration of the logistics corridors and technologic processes changed by the war to our sector day by day will continue to increase competitiveness in our sector in the future. In this context, the integration between transportation modes such as road, railway, sea and air will continue to be among the top agenda items of 2022 and beyond. From this perspective, the transportation and logistics activities that are gradually growing and the related sectors that become important sectors with the pandemic increased the share in the country economy with infrastructure and technological transformations and continue to do so.

The transportation sector which proved its importance with the pandemic achieved significant works in 2022. Our sector has the potential to take major opportunities in terms of areas of improvement and our region proved its uniqueness in the world once again during the pandemic. We gave a good account of ourselves with our exporters and national logistics power especially during the period where the orders from China cannot be completed and most of the procurement requests were directed to Turkey. However, the fight against high

freight rates should be among our initial goals in order to increase our competitiveness in the international arena. This fight requires having your own goods, strategic market, vehicles and facilities and conducting transportation activities with our own national fleets.

We believe that in order to benefit from the areas of opportunities that we have in future, the cooperation between the private and public sectors should be increased and our sector should be supported with incentives for us to continue our rise in 2023. Especially increasing the number of vehicles in the national air and sea fleets should be set as a national strategy and incentive mechanisms should be established for the transporters for this strategy.

Another important agenda item that will set the course of international trade in future and will affect every logistics stakeholder with regard to competition during this process is the European Green Deal. It should be noted here that green transformation is of greater importance for the transportations we made to Europe being our largest export partner. Having announced its goal to become a carbon-neutral continent by 2050, the European Union created sectoral strategies to achieve this goal. ■



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TÜRKIYE'S LOGISTIC SECTOR BECOMES MORE SUSTAINABLE

Nail OLPAK
President



► Transportation sector which connects both domestic and international markets has always been vital for economic and industrial growth as well as for international trade. Following the recent developments including Ukraine – Russia conflict, the utmost importance has been given to the sector. However, after the first shock wave of the pandemic, the sector had been hampered by equipment shortages, supply chain disruptions, capacity constraints, rising fuel prices and labor shortages. Then, in the late 2021 several factors including pent-up demand from epidemic pushed price index of freight costs, the prices went up by %200-250 annually. When the freight costs retracted to previous levels in early 2022, with the beginning of Ukraine – Russian conflict a new phase began for transportation sector. Since Ukraine is one of the major wheat exporters, the crisis was internationalized via food supply security. Türkiye is the only country which provided a secured transportation route for Ukrainian wheat and played a pivotal role during the conflict. Türkiye's role is not only about geographical closeness to the geography of conflict, but also about being a key transit country between Europe and Asia. As a transit hub for goods moving between Europe, Asia, and the Middle East, Türkiye invests in

infrastructure projects to adopt the new business environment and creating a good transport corridor. Recent geopolitical shifts and ongoing search for alternative production centers have led to a re-evaluation of Türkiye's potential as a trade hub. Within four-hour flight distance, Türkiye's potential market can reach to more than 1,3 billion people and to a market worth of more than 26 trillion dollars GDP, which encourages foreign investors and multinational companies to establish regional centers in Türkiye. To guide and enhance the transportation lines, İstanbul Airport was opened in 2018. In 2021 it became one of the twenty busiest airports and in 2022 one of the ten busiest airports in the world.

To capture its potential to be a global hub and simulate high value-added production, Türkiye has invested heavily its infrastructure. Notable examples are Çanakkale 1915 Bridge, İstanbul high speed railway, Yavuz Sultan Selim (3rd Bosphorus) Bridge, Marmaray & Eurasia Tunnels and modern İzmir seaport. The main transportation and logistics corridors will be developed and improved in the future which will also facilitate access to new markets. With its infrastructure projects, logistics infrastructure in Türkiye and third-party logistics companies help to achieve greater supply chain resiliency. In 2021, when

the freight costs went upwards, some companies announced to manufacture more in Türkiye for shortening its supply chain.

Türkiye has played a significant role in the Belt and Road Initiative (BRI), China's ambitious infrastructure and economic development project aimed at promoting connectivity and cooperation among countries in Asia, Europe, and Africa. One of the key components of the BRI is the construction of transportation infrastructure, including highways, railways, and ports. Türkiye's strategic location at the crossroads of Europe and Asia makes it an important transit hub for these transportation projects. With European Union's Green Initiative is onboard, European countries plan to bring net greenhouse gas emissions down to net zero and meet 100% of power demand in the country through clean, renewable energy. Türkiye's "Green Consensus Action Plan" in the face of this change and transformation in international trade and economy, aims to support our country's transition to a sustainable and resource-efficient economy in line with its development goals. By reducing the dependency on oil transport and by increasing the level of cost-oriented energy efficiency, the transportation sector with all its modes of transport would ensure to be more sustainable in the future. ■

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Şekib AVDAGIÇ
President



► We as the nation woke up in early morning on February 6, 2023, with Kahramanmaraş Earthquake which deeply affected 10 cities in the Southeastern and Eastern Mediterranean region. We made great efforts to bind up the wounds of the earthquake and extend our hand to tens of thousands of people under the wreckage and hundreds of thousands of local people in the region who were affected by the earthquake. This earthquake and the developments afterwards showed that it is possible to bind up the wounds of your citizens at far places and ache for other people only by having a strong logistics sector that is good in quickly getting organized. One of the biggest factor that helped the public organize aids and delivered them to the region with success since the first day of the earthquake was the logistics sector. Thousands of transportation vehicles overcame all kinds of difficulties and delivered all the materials needed to the region. Therefore, I would like to once again extend my gratitude to the logistics sector members at the beginning of my article. Türkiye showed that Türkiye has a logistics advantage not only because of its geographical conditions but also the logistics sector members' having "a heart

filled in with solidarity, unity and cooperation". Therefore, the biggest power of the logistics sector which make vehicles and assets vital is to act in unity and cooperation when necessary in addition to the vehicles or logistics centers it owns. Looking from this perspective, it can be said that the quote by Ibn Khaldun "Geography is destiny" both indicates that we have to live with the earthquake and also we have logistics advantage as we are located at the junction point of continents. However, it is very important for us to have higher power in sea and air transportation like our power in the road logistics. Being aware of this, our Government set significant goals for the logistics sector under the 11th Development Plan and focused on "strengthening integration between transportation modes and eliminating the obstacles to enter the sector". Thus, intermodal logistics centers were started to be established in Türkiye under the cooperation of the State Railways and Infrastructure Investments General Directorate as set under the Presidency Annual Programme for 2023. 12 of 23 logistics centers planned to be constructed were put into operation while the construction of 3 is ongoing. Importance was placed on large scale ports

and connection between roads and rails. Within this scope, the partial completion of Filyos Port, being one of the large scale main regional port projects, equipped the sector with serious advantages. Studies are ongoing in the Eastern Mediterranean region to satisfy the main container port and shipyard needs.

It will also make Türkiye effective on the "Road and Belt Initiative". Unfortunately, the war between Ukraine and Russia caused a big damage on the Northern Logistics Corridor which rose up due to the pandemic. The war made it impossible to transport transit goods to Russia via Karasu and Odessa. But this was immediately replaced by Sarp Border Gate between Türkiye and Georgia. Moreover, the "Middle Logistics Corridor" starting from Bulgaria-Greece and extending to Iran, Georgia, Azerbaijan and China via Türkiye, i.e. the Silk Road, became important once again and came to the forefront. Experts expect the logistics volume of the Middle and Northern Logistics Corridor to exceed 1.5 trillion US dollars in the next 10 years.

All these investments and projects show us something: The future is in the logistics and the countries with good advantages in logistics will have an effective power in future. ■

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**TURKISH CARGO
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PORTS ARE NOT ONLY THE LOGISTICS BASES OF TÜRKİYE'S FOREIGN TRADE

Aydın ERDEMİR
Chairman



► Ports are also logistics bases that handle dangerous goods. Dangerous goods can also be transported in containers. Disasters can also affect our ports. Five cranes weighing tons were overturned at TCDD Haydarpaşa Port due to a severe storm in Istanbul in July 2017, and a fire broke out when a crane was overturned onto oil drums. A fire broke out in the maintenance-repair facility at the Marina la Bajadilla in the city of Marbella in southern Spain, burning nearly 80 boats in January 2023. It took several days to extinguish and control the fire caused by containers in the backyard of İskenderun port after two major earthquakes hit 11 cities. The operations of the support and aid ships in the port began once the fire was under control. In other words, our port, which is in an extremely critical position, was immediately put into operation and began to serve. From the first hours of the earthquake, TÜRKLİM has established a "Crisis and Support Desk", which included all member port operators in the region from Taşucu to İskenderun, Ceyhan and İskenderun Harbour Masters as well as Mersin and İMEAK İskenderun Chambers of Shipping in the region. We also included sectoral organizations such as UTİKAD, UND, Railway Transporters Association (DTD), which were involved in these operations, our RORO operators that have regular RORO and ship lines to the region from ports in the Aegean and Marmara regions, and

our RORO handling terminals. As ship organizations for the delivery of aid by sea from our ports in the Marmara and Aegean regions to Gulf of İskenderun have started, this desk has been used to ensure that disaster support operations carried out by ships were uninterrupted and trouble-free.

There are about 219 coastal facilities (ports, piers, dolphins, buoys) in Türkiye where loading and unloading can be done by sea. Modern ports with high capacity and high-speed equipment are built to serve large vessels are located at the Gulf of İskenderun, where the highest number of port investments in Türkiye during the last 20 years in terms of port investments and infrastructure have taken place. İskenderun LimakPort was opened to relief vessels and ROROs very quickly after the extinguishing of the fire. Ports such as LimakPort, İsdemir, Atakas Port, Tosyali, Yazici Port, Assan, Orhan Ekinci Pier, Gübretas, MMK, Torosport Ceyhan, Sanko, EMBA and even Sönmez Cement in Adana Yumurtalık Free Zone are ready for any kind of support with their existing piers. Mersin International Port, Mesbaş Port and Ceyport Taşucu Port are also ready to provide support when needed, in fact Mersin International Port is already in use at the moment. There are 7-8 ports with RORO piers suitable only for RORO vessels between İskenderun and Taşucu. Türkiye's largest LPG and petroleum products storage terminals and ports

are in the region from İskenderun to Mersin when we look at the fuel oil needs of the region.

Aid (such as construction equipment, containers, ambulances, trucks, medicine, clothing and food etc.) is being delivered by RORO and other ships from our ports from the Marmara and Aegean regions to the ports in the region, and all incoming ships are being unloaded smoothly and quickly at the destination. Passenger ships that will also serve as temporary hospitals and accommodation are also being organized for the coming days. In short, our regional ports continue to serve with all their strength and means. The coastal length of Türkiye (including islands) which is surrounded by sea on three sides is 8 333 kilometers. As can be seen from Turkish Statistical Institute's (TÜİK) statistics on the subject, almost 60% of Türkiye's foreign trade in value (USD) and 95% in tonnage (TON) was transported by sea during 2021. The rate of maritime transportation in terms of tonnage reached 95% worldwide during the pandemic. Maritime transportation has an extraordinary share compared to other modes of transportation. In this respect, Turkish ports, which are the starting and ending points of the maritime trade, are not only the main bases of Türkiye in foreign trade, but also the gates of life during major disasters. This situation has once again shown the importance of maritime transportation. ■

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THE FUTURE OF THE LOGISTICS INDUSTRY IS VERY BRIGHT

Mustafa GÜLTEPE
Chairman



► Türkiye, which was shaken by two unprecedented large earthquakes, is going through challenging times. Following the earthquakes on February 6th, all of Türkiye showed an exemplary solidarity that is rarely seen. As the export community, we also acted from the first day to help earthquake victims. With the leadership of Türkiye Exporters' Assembly (TİM) and the coordination of Ministry of Interior Disaster and Emergency Management Presidency (AFAD), we launched a relief campaign for the region with our 61 exporter unions. In the first stage, we shipped urgently needed materials such as blankets, clothes, food supplies, and baby formula to the region. As the export community, we also took responsibility for solving the housing problem of earthquake victims by developing the TİM Container&Prefabricated Housing Project. We are building a total of 1000 containers and prefabricated houses in Kahramanmaraş, Hatay, Adıyaman, and Malatya, which were the most affected by the earthquake. We will deliver 30 square meters prefabricated houses and 21 square meters containers with electricity, clean water and wastewater infrastructure ready. We will also meet the furniture and home appliance needs of more than 5,000 earthquake victims. Hopefully, we will start the delivery of the houses from the third week of March. It is certain that the earthquakes will have negative effects on our economy

and exports. However, we have started working to minimize the negative effects of the disaster and to revive production in the region. I believe that it is important for the earthquake victims to overcome their social traumas and to stop migration from the region for the production and education to return to normal.

As logistics sector is one of the most critical stakeholders for our exporters, I believe that our exporters should work closely with the logistics sector in this entire process.

When we look at the last 10 years of data, we see that our exports have increased from \$161.5 billion to \$254.2 billion. Along with our exports, the importance of our logistics sector has also increased. In 2013, 54.6% of our exports were transported by sea, 35.8% by road, and 8.2% by air. In 2022, we made 59.1% of our exports by sea, 31% by road, and 8.1% by air. As can be seen from the figures, especially the weight of maritime transportation is increasing. In addition to being economical, sea transportation is preferred by buyers due to sustainability criteria, which has become prominent in recent years.

As the Türkiye Exporters' Assembly, we are with our exporters in production, marketing, innovation, branding, design, and logistics processes. As a result of consultations with logistics sector representatives and our exporters, we launched the Türkiye Logistics Portal application. With our portal, which

serves as a digital bridge between our exporters and the logistics sector, we deliver our products to all corners of the world with the most suitable and feasible means of transportation. Logistics constitutes one of the most important cost items of exports. Therefore, the geographical locations of countries are of great importance in order to be competitive in the global market and to gain price advantage. Türkiye, surrounded by seas on three sides, offers very favorable conditions for maritime transportation. We are located in a position where we can easily reach Europe by road. Likewise, we are located at a distance that can easily reach all the Middle East and Asia geography. The unique geographical position of Türkiye, which serves as a bridge between continents, makes us a great logistics hub.

Based on all these developments, I can easily say that the future of our logistics sector is quite bright. It is very important to prepare for this bright future with common sense and consultation. I am sure that by acting in coordination, we will increase our country's export range, which is currently 3,065 kilometers, to the global average of 4,744 kilometers. As TİM, within the scope of our vision to make Türkiye one of the top 10 exporting countries in the world, we will continue to develop and maintain our cooperation with our sector. ■



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VEHICLE LOGISTICIANS WAIT FOR SUPPORTS

Adnan AĞAÇLI
Board Chairman



► The automotive market's performance was below the expectations in 2022 due to the production problems, unbalanced supply-demand, fluctuations in money markets, inflation and exchange rate increase. We left behind another year with unavailable vehicle problems as the semiconductor chip supply problem is ongoing. Despite all those negative situations, we witnessed that the Turkish automotive industry displayed good performance in exports and production last year. The Turkish automobile industry overcame the existing problems thanks to its competitive approach. According to the data shared by the Automotive Manufacturers Association (OSD), the total production increased by 6 percent to 352 thousand and 648 and the automobile production by 4 percent to 810 thousand and 889 in 2022 as compared to the previous year. The production of the commercial vehicle group increased by 10 percent, of the heavy commercial vehicle group by 26 percent and of the light commercial vehicle group by 8 percent in January-February 2022 period as compared to the previous year. During January-December 2022, the total market increased by 7 percent to 827 thousand and 147

as compared to the same period of the previous year. The total market of the Turkish automobile and light commercial vehicles increased by 6.2 percent to 783 thousand and 283 as compared to the same period of the previous years. The automobile sales decreased by 5.5 to 592 thousand and 660 while the light commercial vehicle market increased by 8.6 percent to 190 thousand and 623. According to the average of the last 10 years, the automobile market decreased by 2 percent while the light commercial vehicle increased by 3 percent and the heavy vehicle market increased by 30 percent in January-December 2022 period. The total market was realized in parallel with the ten-year average. The capacity utilization ratios for the January-February period were realized as 70 percent for automobiles and light commercial vehicles, 92 percent for trucks group, 41 percent for bus-midibus group and 66 percent for tractors. The total capacity utilization rate for the Automotive Industry was 70 percent during the January-December period. This will cause a boom both in the new vehicle market and in the second hand market in 2023 because of the demand delayed since July. If especially the obstacles before the consumers to access affordable loans are removed, we can conclude

that the total market can reach the expected level at the end of the first six months. We expect the current problems to be reduced as of the second half of 2023. Raw material and semi-finished material crisis, supply problem and the logistics problems which arose during the last quarter, the energy crisis and chip problem will affect the market in a year where the vehicle availability is the indicator of the market under this inflationist environment seen both in Türkiye and at the global level. The risk and expectation of the continuation of this in 2023 seem to be very high. We expect the 'vehicle availability' problem to decrease to some extent by ratio during the last quarter of the year and the market to be realized in the range of 750 to 800 thousand in 2023. The abovementioned and ongoing price and unexpected cost increase indicate that a very difficult and complex year awaits us. Our expectation from the government and sector dynamics and stakeholders taking part in especially the logistics chain is that they provide the required support to the Vehicle Logistics sector in order to prevent this difficult period from damaging the Vehicle Logistics sector and capital structure and for us to take the correct position in this difficult period. ■

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CRISIS YEARS OF THE GLOBAL ECONOMY AND SUPERIORITY OF LOGISTICS

İlker ALTUN

Managing Director - Aysberg Group



► Our world is going through a process that is complex and surrounded by international problems that may come as a surprise to many of us. The increase in energy prices affects all economies of the world. The threat of recession is making itself felt strongly in both the G7 and G20 countries. Increases in inflation are becoming a chronic problem of both the US, the EU and the UK. A China that has lifted Covid restrictions seems to be a candidate to become the door of hope for the world economies again in 2023. It is difficult to predict from today how the banking crisis that started in the US in mid-March and spread to Europe will affect the world financial system. Of course, it is out of the question for any country and any economy to remain independent of this global atmosphere and cyclical developments. While each country is experiencing its own crisis, it also has to cope with the repercussions of global-scale crises. In the days when the pandemic was not yet on the world agenda, another important event was happening. In January 2020, Brexit was approved. The UK's exit from the European Union with Brexit was an important milestone in the new world order. Apart from other reasons, Britain would focus all its resources on increasing the prosperity of Great Britain instead of sharing its own wealth with the rest of Europe. Today, both sides are faced with

problems that they could never have foreseen during the Brexit process. While the quarantine period that started with Covid 19 presented very different challenges for both the EU and the UK, disruptions and breaks in the supply and production chain led to serious systemic problems for both the EU and the economies of individual member states. The UK, on the other hand, did not even have the opportunity to enjoy "being free" due to Covid shutdowns after the Brexit decision.

This time the world has been confronted with a new polarization that was never predicted. A new wall has been built between Russia and Europe and the United States. While the war initiated by Russia in Ukraine has shaken the entire world balance. It has led to deeper problems in the European continent and the EU region. Although the energy crisis hit Germany the hardest, it was inevitable that the developments in the German economy, which is the locomotive of the EU, would affect the entire EU. More importantly, the European continent, which focuses on the green economy, has put nuclear energy back on the agenda.

2023 has a different importance and feature for the whole world and Europe, as well as for Turkey. 2023 is the 100th anniversary of the foundation of the Republic of Turkey. Symbols

and anniversaries have an important place in the history of countries.. 100th Anniversary is also a very valuable anniversary for all Turkish citizens. Although the position of the Turkish economy in the world economies is changing from period to period, today, both in terms of GNP and individual sectors, the logistics sector also has a parallel weight to this importance of Turkey. Turkey has a real geopolitical superiority with the privileges provided by its geographical location. This applies not only from the point of view of Europe, but also from the point of view of all these geographies, including Russia. It should not be forgotten that Turkey will have an indispensable position in world trade and transportation road maps from now on.

Geographies assign roles to nations. The attractiveness of the geography increases in direct proportion to the logistical possibilities, and the quality of the logistics infrastructure affects the quality of production. Turkey has taken and is taking important steps in this area. From now on, Turkey will continue to play a role in world trade in a way that is compatible with its geography. It will continue to play an increasingly important role in the flow of goods between east and west. On the other hand, it will continue to experience the effects of international policies that create a conjuncture. ■

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TRANSIT PERMIT QUOTA FOR HUNGARY IS INCREASED

► The number of transit permit quota was increased to 156 thousand at the meeting of Joint Turkish-Hungarian Road Transportation Commission held in İstanbul. The Joint Turkish-Hungarian Road Transportation Commission held a meeting in İstanbul on September 7 to 8, 2022. The main agenda item of the meeting was the requirement to increase the transit permit quota for Hungary used by Turkish transporters as a transit route. As a result of the meetings held, the Transit Permit Quota was increased from 130 thousand to 145 thousand. Moreover, an agreement was reached to provide additional one thousand Bilateral Entry Permit quota to Türkiye in addition to the available 5 thousand Bilateral Entry Permit quota used for the transportations from/to Hungary. In addition to the above, additional 250 thousand transit permits will be added in 2022 to the available 500 Iraq Third Country Entry Permit quota granted for transportations from Hungary to Iraq.

UND Vice Chairman Bilen: “Full reciprocity is the medicine for international transportation”

Commenting on the full reciprocity implementation for Georgian

vehicles, the International Transporters Association (UNDTA) Board Vice Chairman and General Secretary Ergün Bilen told that “Full reciprocity is the medicine for international transportation”. Bilen said the following in this regard: “Full reciprocity is the medicine for international transportation. The full reciprocity applied on Georgia should be applied for Azerbaijan, Iran and all other countries, as well. Same fees should be paid by the vehicles with Azerbaijani license plates like the Turkish vehicles that are charged by Azerbaijan. This is not an unfair practice, but a correction of an unfair treatment.

Iran does not accept that the fuel in the fuel tank of Turkish vehicles that enter from Turkmenistan to Iran with a full fuel tank and want to return to Türkiye is Turkmen fuel and charges them taxes. Therefore, the same practice should be implemented for Iranian vehicles that enter Türkiye and the Iranian vehicles should be charged with the same tax if they are to enter Türkiye with a full fuel tank. The Ministry of Transportation and Infrastructure did their best until today to ensure this during the meetings held with both Azerbaijan and Iran but could

not achieve any result to this end. The only solution is an eye for an eye, in other words, full reciprocity. Türkiye implemented full reciprocity on Iran in 2016 and achieved results. This must be repeated. Full reciprocity should set an example not for Iran and Azerbaijan but all countries. As Turkish drivers are asked to wait for 40 days to get a Schengen visa application appointment from EU member states, the drivers from those states should be also asked to wait for 40 days for visa applications for Türkiye. We do not want implementation of visa requirement on Schengen countries. We just want that visas should be granted to the drivers under the same conditions. The visa problem will be resolved with the reciprocity to be applied by the Ministry of Foreign Affairs. The purpose of full reciprocity is not to cause difficulty to the transporters but to solve problems by implementing full reciprocity. I want to take this opportunity to thank the Ministry of Transportation and Infrastructure that implements a perfect reciprocity on Georgian vehicles and ask this practice to be taken as an example for all other countries. This is the expectation of the entire sector from the government.” ■

An aerial photograph of a dense forest with a mix of green and autumn-colored trees. A train track with several blue freight cars runs vertically through the center of the image. A bright yellow, scalloped-edged circular callout bubble is positioned in the upper left quadrant, containing text.

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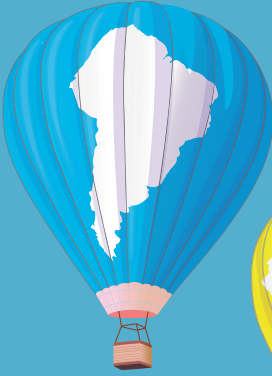
INTERMODAL TRANSPORTATION - THE MOST IMPORTANT MODE TO HELP WITH THE ACHIEVEMENT OF CARBON DECREASE GOAL

► EU Green Deal requires a radical and environmentally friendly transformation in European Union especially with regard to industrial activities. It aims for converting the continent to a carbon neutral area by decreasing by 2030 the carbon emission by 55 percent less than the levels in 1990 and aiming for zero carbon emission by 2050. European Commission published its report covering the reflection of 2030 targets on various sectors. While new methods to decrease freight costs and carbon footprints are evaluated, alternative transportation mode options should be taken into consideration more for transportation of goods over long distances. Companies have accelerated their investments in intermodal transportation which has attracts more attention thanks to its cost decreasing and environmentally

friendly features. Intermodal transportation is the most important mode which help with the carbon decrease goal in the transportation system. The rise in the number of road goods transporters increases the traffic congestion and causes delays. All these factors force the transportation companies to use a combination of seas, roads and railways to transport their goods over longer routes. This will provide benefits both to the purchaser and transportation company in terms of costs. Therefore, many shippers started to prefer intermodal goods transportation instead of a single transportation mode. Even though road transportation continues to be in the forefront as the most dominant mode in the logistics of the countries, intermodal is a more economical transportation method for the distances of 800 to

one thousand kilometers. Optimizing the strengths and efficiencies of each transportation method, the intermodal transportation helps with the decrease of losses and damages and ensures safe transportation of the goods. All these reasons increase the share of intermodal transportation factors and are also believed that they will reveal a new competition approach and redistribute the cards in the sector. Moreover, the EU's effort to set the carbon footprint to zero within the scope of the Green Deal approach and to create transportation with a greener trade will also necessarily shape its partners. Turkey to come to the forefront as one of the critical countries at this point is expected to increase her share in the European continent thanks to intermodal transportation. ■

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21.6 BILLION US DOLLARS OF INVESTMENT IN MARITIME SECTOR

Minister of Transportation and Infrastructure Adil Karaismailoğlu said that “We will invest 21.6 billion US dollars more in the maritime sector by 2053. This will ensure that we contribute 180 billion US dollars to our national income.”

► Minister of Transportation and Infrastructure Adil Karaismailoğlu said that “Maritime sector where the goods volume has increased more than 20-fold in the last 50 years is the most strategic sector. In 2021, around 93 percent of the import goods and around 81 percent of the export goods in terms of volume were transported by sea. Today, we expect to increase our place in the global ranking one rank higher thanks to our capacity of 31.3 million deadweight tons and to be ranked as the 14th. We also expect the Turkish flag ship tonnage to increase this year, after a long period of time. We increased the number of shipyards from 37 in 2002 to 84 and of ships from 149 to 217. Container handling decreased by 1.2 percent and the total goods handling by 3.8 percent across the world. However, the number of containers handled at Turkish ports increased by 8.3 percent as compared to the previous year and was realized

as 12.6 million TEUs last year. We increased the total amount of goods handled by 6 percent to 526 million tons as compared to the previous year. We expect to continue our growth this year and handle a total of 545 million tons of goods by the end of 2022. During the period from January to October 2022, the amount of goods handled at Turkish ports increased by 5 percent as compared to the same period of the previous year despite the Russian-Ukrainian war. These figures achieved by Türkiye in the maritime trade alone despite the economic crisis in the world, contraction and stagnation threats in the country economies and wars are an important part of our success story on the journey we set off for investment, employment, production, export and current surplus goals.”

Minister Karaismailoğlu further made the following remarks regarding the investments to be made in the maritime sector: “We established 21

Regional Port Directorates in order to provide better services to the Turkish maritime sector, to ensure its sustainability and to strengthen our maritime organization more. We shared with the public our 30-year transportation and communication investment plan that will ensure that Türkiye takes her rightful place among the ‘top 10 economies of the world’ in the light of the 2053 Vision of Türkiye. We planned 198 billion US dollars of investments in the next 30 years. We will invest 21.6 billion US dollars more in the maritime sector by 2053. This will ensure that we contribute 180 billion US dollars to our national income. Our impact on production will exceed 320 billion US dollars. We will contribute to employment of 5 million persons throughout 30 years. In short, we allocated a special place to the maritime lines under our Transportation and Logistics Master Plan 2053. We will increase the number of port facilities from 217 to 255. We will expand the Green Port practices.” ■



EKOL A GLOBAL LEADER IN THE FIGHT AGAINST CLIMATE CHANGE

- ▶ Ekol continues its environment- and technology-based efforts to leave a better world for future generations. With an environmentally friendly attitude, Ekol maintains investments in facilities, technology, and renewable energy sources. Ekol has been providing higher-quality, sustainable, low-cost, and efficient services to customers for 15 years through the intermodal transportation system, which significantly reduces carbon emissions. Ekol has prevented the emission of 658,000 metric tons of CO₂ into the atmosphere thanks to a reduction of 438,000 cubic meters of diesel fuel use over the last 10 years with intermodal transport, its sustainable business model. In other words, the company has achieved a reduction in the consumption of fossil fuels that is equivalent to 74,753 hectares of forest, 14 times larger than Istanbul's Belgrade Forest, and enough to travel to the Moon and back 1,700 times. Each month, Ekol prevents the



consumption of enough fossil fuels to save a forest the size of 700 soccer fields. These fossil fuels are enough to power 350 circumnavigations of the world.

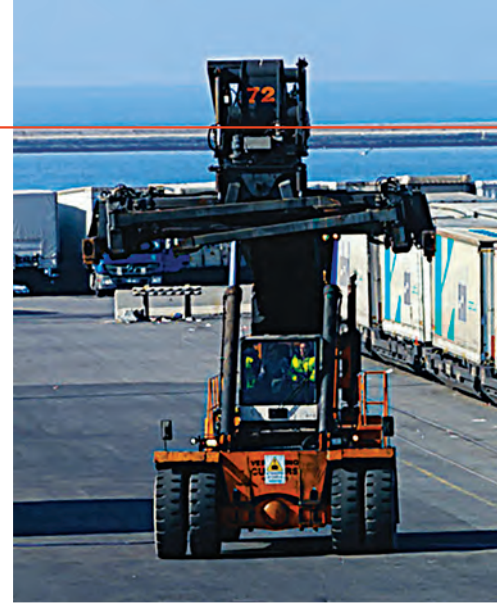
A global leader in the fight against climate change

Ekol has been calculating its corporate carbon footprint in compliance with international standards since 2012 and systematically reports, on a monthly basis, the average value created in the supply chain with customers. It maintains awareness efforts at all levels through the annual attainment of e-certificate awards. In the fight against the climate crisis, which gained momentum after the 2019 EU Green Deal, it is crucial to effectively contribute to Goal 13: Climate Action, which Ekol prioritizes as the most critical of the UN Sustainable Development Goals. On an entirely voluntary basis, Ekol ensured accuracy in reporting through independent audits and by calculating the "2020 Corporate Carbon Footprint" according to

the updated international ISO 14064:2018 -1 standard as the focus of all operations and value chain. Subsequently, it became the first logistics brand in the world to verify its carbon footprint across its entire suite of services, including the supply chain. Within the scope of the same effort, in 2021, Ekol took the initiative to participate in the Carbon Disclosure Project (CDP) Climate Change category. The company subsequently reported with full transparency how it considered the fight against climate change a component of its sustainability strategy. Participating voluntarily in the Climate Change category of CDP in 2021 and 2022, Ekol became the first company to be evaluated in the B "Management" Level with performance reports equivalent to the European average and above the logistics industry average. Furthermore, Ekol received an "A" rating in Supplier Relations in the CDP Value Chain Program and became a "Global Leader."

Lotus facility to meet 70% of its electricity from the sun

Last year, Ekol commissioned the largest Solar Power Plant (SPP) to be installed on a single roof at its Lotus Facility, a green facility that boasts the largest storage space in





Europe, and its health operations automation solution. With the Lotus Facility, which was built on an area of approximately 40,000 square meters, Ekol has become the first company in the industry to install panels of this size on a single roof while also adding value to sustainable life. With this solar power plant, the Lotus Facility can meet 70 percent of its energy needs from the sun, the biggest renewable energy source of all. Since its commissioning in June 2022, the facility generated energy equivalent to the annual electricity consumption of 1,470 households. The investment will reduce 3,100 metric tons of CO₂ per year, which is equivalent to planting 140,000 trees.

Alvarium targets zero errors in human health

Ekol cooperates with Alvarium, the automation solution for health operations, to introduce professional solutions to address the needs of the healthcare industry. Alvarium Automation (OSR Shuttle) covers an area of approximately 1,000 square meters. Making zero errors in human health a real possibility, OSR works with Ekol to provide fast, non-damaging and continuous service. OSR is the tangible investment of logistics 4.0 efforts by Ekol. It

systematically connects two business units through the Internet of Things. Orders are delivered to vehicles in accordance with the scheduled vehicle's unloading location. The automated labeling and barcode scanning systems ensure packaging orders and the notification of the Ministry of Health are completed without the need for human labor.

Ekol360 to add value to the e-commerce ecosystem

The rapidly growing e-commerce sector presents new opportunities for local and global brands. Building on 33 years of expertise in the industry, Ekol has created a brand-new system to offer integrated e-commerce services. Ekol360, Ekol's new brand for e-commerce activities, enables customers to focus on their own production by offering end-to-end, value-added services. The multinational structure of Ekol also helps clear obstacles to facilitate global expansion. Offering technological, fast,

proactive, and innovative E2E solutions, Ekol360 utilizes its strong infrastructure to create added value for both Ekol and the entire e-commerce ecosystem.

Even more ambitious in e-commerce in 2023

In 2023, Ekol will continue to make investments in LEED-certified facilities developed and commissioned with an approach for leadership in energy and environmental design and will make investments in green ports and offices. It will further cement its position in e-commerce and will develop software solutions that will provide the infrastructure for e-export, fulfillment, final delivery, and E2E integration and order management.

Ekol360 will be providing Ekol services to customers on three continents. During the first quarter of 2023, Ekol will be operating in different regions with an e-commerce-oriented perspective and a diversity of services. ■

Lars Hoffmann
*Vice President and Head of
Business Unit Mediterranean*

DFDS EMPOWERS ITS OPERATIONS WITH THE MEDITERRANEAN BUSINESS UNIT FOR 5 YEARS

- ▶ DFDS Mediterranean Business Unit enters 2023 with 20 vessels, growing its fleet from 12 to 20 in just 5 years. DFDS Mediterranean Business Unit also leverages safe and fast transportation solutions between Turkey and Europe with an enhanced intermodal transportation network.

Advantageous services, environmentally-friendly and sustainable transportation

Carrying out its Turkey operations at the ports of Pendik, Yalova, Izmir, Ambarlı and Mersin, DFDS Mediterranean Business Unit has expanded the scope of its services from the port of Trieste in 2018 to the ports of Patras in Greece, Sète and Marseille in France, and the port of Tunis in North Africa.

Providing a broader range of services in line with the needs of its customers by increasing the number of services on the Yalova-Sete line to 5 per week, DFDS Mediterranean Business Unit acquired primeRail to add railway to its service network, further expanding the company's environmentally friendly and sustainable transport solution portfolio. DFDS Mediterranean Business Unit's operation network combining Ro-Ro and railway transport acts as a bridge between Turkey and the UK, which gives companies with operations overseas competitive edge with faster and sustainable services. The Sète-Paris line launched in 2022 allows to transport goods departing from Yalova to Paris in 6 days with 3 train services in both directions between these two locations, offering time advantage to Turkish exporters. DFDS Mediterranean Business Unit helps organizations and international transportation companies across Turkey expand their reach to Italy, Greece, France,



Germany, and the UK in Europe, in addition to North Africa.

DFDS has been consistently growing its employee base, one of the key factors of the company's high-quality service offerings since the Mediterranean Business Unit was launched in 2018. DFDS Mediterranean Business Unit has over 1000 employees in Turkey, France, and Italy now.

DFDS Mediterranean Business Unit increases women employment in the maritime industry

DFDS Mediterranean Business Unit also signed a protocol of goodwill with Mr. Adil Karaismailoğlu, Turkish Minister of Transport and Infrastructure, on March 8, 2021, promising that minimum 10% of the interns hired in the maritime industry would be women. Although

this percentage had been stipulated as 10% in the protocol signed with the Turkish Ministry of Transport and Infrastructure, DFDS Mediterranean Business Unit achieved 30%. DFDS maintains its efforts to further increase employment of women in shipping globally and specifically in Turkey.

Lars Hoffmann, Head of DFDS Mediterranean Business Unit, said the following for the 5th year of DFDS Mediterranean Business Unit in the light of all these developments: "Celebrating 5th year in the business, DFDS Mediterranean Business Unit continues to grow by investing in sustainability, technology and innovation to maximize the benefits for its customers, employees and partners.

I believe that we have a significant potential to grow by expanding our customer portfolio in Turkey and in Europe. We will continue our operations at full pace in the upcoming period to fulfill our potential."

The unique celebration logo designed for the fifth anniversary of DFDS Mediterranean Business Unit will be used alongside the company's logo throughout the year. ■



FIRST LOGISTIC COMPANY IN TURKEY, WHO IMPLEMENTED SQAS ASSESSMENT (2006) FOR ALL ITS OPERATIONS IN WAREHOUSING-TRANSPORTATION & TANK CLEANING

► **What would you like to tell us about Alişan Logistics? What are the industries that you serve?**

Alişan Logistics was established in 1985, a-women-owned company with the vision of becoming an international logistics services provider that empowers its customers with its innovative, flexible and integrated technological solutions in the local and global markets. We are pioneer SQAS assessed company in Turkey for Warehousing, Transportation & Tank Cleaning Modules. Today, our company has a self-owned 550-vehicle fleet and more than 1600 employees in more than 50 different locations throughout Turkey and it offers its customers operating in the chemicals industry, including hazardous chemicals,

and fast-moving consumer goods, food, agriculture and many other industries, services such as international transportation, storage/warehouse services, dry bulk, liquid bulk, and energy transportation. Alişan Logistics meets the demands of its customers from A to Z with its integrated logistics services, which are also called "contract logistics" in the industry, and comes up with tailor-made solutions with high added value.

Can you tell us about chemical product logistics? What is the difference Alişan Logistics makes in this area?

What makes Alişan Logistics stand out is the fact that we have been providing

services mainly to fast-moving consumer goods (FMCG) and chemistry industries, along with many others, for 38 years since the day we were founded under SQAS. So, we have substantial expertise and background in handling, distribution and storage of hazardous chemicals, one of the most important categories in the chemicals industry. Our practice & Our investments always focus on this area, too. We also focused to invest on R&D, technology and digitalization, in order to design new business and operation modules that fit the requirements of the era we live in. For example, we gained cost-efficiency, more secure and innovative advantages brought by the cloud system - Microsoft Azure. Our agreements covers five different migration routes consisting of database and application services migration, server project, document management and SharePoint security level increase, as part of our recent digital transformation journey.

We know that R&D is important for your company and you are continuing your efforts in that area. Can you share some information with us about your R&D activities?

Our R&D Centers in Istanbul and Konya are constantly coming up with new projects on digital transformation and the effective use of technology. Fast



Damla Alişan
Vice Chairperson
of the Board of
Directors



execution of business processes with zero error and in a way that meets high standards, through integration with customer systems, Artificial Intelligence, and advanced Robotic Process Automation is just one of the goals these projects aim to achieve.

We would also like to hear about your perspective on sustainability. What are the precautions you have taken in your operations in the sector for a more sustainable world?

We are very diligent about this issue because of our expertise in the chemicals industry & all operations are under SQAS. Therefore, first of all, I would like to draw your attention to the fact that the chemicals industry has the second largest share in exports in Turkey. Carriers should aim to achieve customer satisfaction by attaching importance to the environment and human health in line with the set laws and regulations, in order to provide the expected quality in dangerous goods transportation. To this end, an examination of the industry would show that it is necessary to inspect the reliability of the services provided, with periodic checks and tests. Another way to ensure safety and increase the quality in the sector is to have well-trained and well-educated employees. It seems that the "border carbon regulations" to be implemented by the European Union within the framework of the European Green Deal will oblige many sectors



such as chemicals and logistics industries to make the necessary changes in terms of sustainability. Within the framework of corporate citizenship, major brands will also prefer logistics companies that implement these regulations. As Alişan, we take this matter very seriously. We have also been conducting diligent studies for a long time for reduction of wastes and their disposal without harming the environment.

We already Responsible Care & Operation Clean Sweep Agreement already. In addition, last year we started the renewal of our towing fleet and completed the renewal of the second batch at the end of the year. In the new year, we plan to reduce the average age of our truck fleet and invest in new truck that will reduce our carbon footprint.

While we have been providing services to our customers since 2010; we have paid attention to implement the logistics practices that are the most suitable for environmental conditions, both within our own organization and within our business partners in the supply chain. In 2005, we took the initiative to open the first tank cleaning facility that would operate at European Union standards



and allow washing of tankers that carry chemicals, without harming the environment. Concurrently, we offered this facility to the use of the logistics and chemicals companies of our country. Likewise, we have also made important contributions to the enactment of the relevant legislation. As a result of all these efforts, we were granted the 'Environment-Friendly Facility Award' by the 'Turkish Healthy Cities Association', which was established with the support of the World Health Organization. In addition, we have been heavily involved in the lobbying efforts on this matter for a long time. For instance, we are also the founder of KTTD (Chemicals Transport Vehicles Cleaners' Association), and in order to continue to be an advocate of this important issue, we, as Alişan Logistics, still actively take part in the Board of Directors of the association. As a result of our business, we are very proud of it to be one of the 2 brands qualified for green logistics certification in Turkey. Our investments regarding our environmentally friendly practices and activities within the scope of sustainability will continue without slowing down, to make our world more livable for future generations. ■

GLOBAL ROUTES HAVE CHANGED TRANSIT TRANSPORT GAINED MUCH MORE IMPORTANCE

► Since the disruption of supply chain affected by Covid-19, transit transport gained momentum due to the changes in world trade and the search for alternative production centers. At this point, as the global ramifications of Russian-Ukrainian war, today we have reached that world trade continues to seek new routes in regular container transportation.

The search for new routes in global trade has brought both opportunities and difficulties for the Turkish logistics industry. While Ukrainian ports were closed for container ships, most of the western container companies decided to stop their shipments to Russian ports so Turkish ports became transit center for CIS countries. Another

change in routes occurred with the closure of the northern route, leading to transportation of European-origin cargoes to Turkic Republics via Türkiye by Western companies.

This change once again proves that Türkiye is located in valuable geography to sustain the international flow of goods through the moves made by the Turkish logistics industry during the epidemic and the Russia-Ukraine war. The Turkish logistics sector, which came to the forefront during the Covid-19, showed an extraordinary success when routes closed by the Russian-Ukrainian war. The geographical location of our country also provides a great advantage. Türkiye's advantageous

geographical location, stretching from Asia to Europe and from Africa to Russia, makes Türkiye the center for more than \$2 trillion of cargo carried in the region. The Middle Corridor as an important integration point for China and Europe, is at the heart of the annual trade traffic of more than \$600 billion from Beijing to London. According to data from the Ministry of Transport and Infrastructure of Türkiye, 1919 trains have operated on the BTK (Baku-Tbilisi-Kars) Railway Line since its established and 1 million 310 thousand tons of net cargo have been transported. In the January-July period of 2022, the number of containers transported from here increased by more than 57 percent compared to the



same period of the previous year, and Türkiye continues to consolidate its position as a bridge between Europe and Asia day by day.

Accordingly, we gladly follow some investments made to further strengthen Türkiye's position in the Belt and Road Initiative. Among these investments, Baku-Tbilisi-Kars (BTK) Railway Line, Istanbul Airport, Yavuz Sultan Selim Bridge, Marmaray and port investments come first, and some arrangements need to be made in order to make Türkiye a more preferable centre in this Project. Because in the Middle Corridor Initiative, Türkiye has a critical place in terms of providing uninterrupted access from east to west.

These regulations should address for ensuring infrastructure compatibility with the countries in the region, construction of a new line between Kars Logistics Centre and Ahilkelek, harmonizing the customs systems of the countries, increasing the capacity of Marmaray for freight transit, providing railway passage from Yavuz Sultan Selim Bridge, and developing transit transportation.

Considering the internal and external economic and political developments and agreements made in recent years, the logistics sector is likely to increase its share in national income and develop in terms of its strategic importance in line with Türkiye's 2023 production and export targets. Following an innovative production and foreign trade policy, increasing its share in world markets, diversifying its products and markets will increase Türkiye's advantages in the logistics sector.

According to the current situation, the flexible structure of the Turkish logistics sector, which produces solutions, reveals the hopes for the better future. Because logistically favourable countries are better

integrated into the global value chain and attract foreign direct investment for exports. In addition to this, Turkish logistics companies are also global investors in this sector. It is easily seen that logistics companies established in overseas countries. Since last decade, Türkiye's logistics companies have been also global investors, which are the value over \$2 billion in overseas logistics. Development of logistics services are crucial part of our commercial activities. Therefore, every step that we take in this sector will ultimately advantage our economy, trade and the development of our country.

On the other hand, throughout its foundation in 2013 as DEİK/Logistics Business Council, we carry out our activities in order to support the international expansion processes of companies operating in the logistics sector in Türkiye and to help Turkish logistics sector to become more prestigious and competitive internationally. Hereby, we aim to understand the regional and global supply chain dynamics and to address the needs arising in all kinds of foreign economic interaction and cooperation processes.

In 2022, the Business Council initiated its activities working on Türkiye's new route in economy and logistics, Türkiye's "transit base location" with the functioning of the middle corridor, digital logistics, unprecedented impact of the Covid-19 on the sector, the Green Deal and the Belt and Road Initiative. In the realm of possibility, the Business Council has discussed the issues including effects of carbon-neutral economy on road and sea transport along with green financing at "the Effects of zero carbon targets on Turkish Logistics Sector Panel" during Logitrans 2022.



Ayşem Ulusoy
Chairperson/DEİK Logistics
Business Council

As the Business Council, for the first time, we have participated in the Transport Logistic in 2019 as representing the Turkish Logistics Pavilion. This year on the dates between 9-12 May, we will also represent Turkish Logistics Pavilion in Munich at the Hall A4, Booth 123-222.

This year, 20 Logistics Companies will participate to the Turkish Logistics Pavilion: Alpözler International Transport, Asset Global Logistic Integration, Barlas Trans., Bulung Logistics, Ceylog Lojistik İnş. San ve Dış Tic. Ltd. Şti., Datamind Bilisim A.Ş., Esalco Logistics, Fevzi Gandur Lojistik A.Ş., Galata International Freight Forwarding Inc., Genel Transport, Globelink Ünimar, Imsan Group, Kinay Transport and Logistics Inc., Lima Logistics, Logitrans Lojistik, OPLOG, Performans Group- Dizayn Concept Logistics Services, SOFT Business Solutions Inc. Tur Transit Logistics, Ulustrans Logistics. ■



WE PUT THE CUSTOMER AT THE CENTER OF EVERYTHING WE DO

- ▶ DISCORDIA is the largest transport & logistics company in Bulgaria. The company is a market leader on the Balkans as well as reliable and preferred partner on the European market with more than 30 years of history and experience. Company's portfolio of services covers the business needs and help companies to deal successfully with challenges at the following business areas:

1) international road transport services – delivered by DISCORDIA own fleet of 1400+ trucks or performed by 3000+ transport companies, which are cooperating with the company in the area of road freight inside of Europe, 2) sea and air freight forwarding services, providing transportation to all parts of the world, 3) rail freight forwarding services 4) intermodal – design of individual and flexible solutions.

Currently, the company operates and provides transport and logistic

Your reliable partner at Transport & Logistics offering flexibility and variety of business models

solutions in 70 countries (40 of them are in Europe) and is constantly expanding its global coverage. DISCORDIA's headquarters is in Bulgaria and it has subsidiaries in Ukraine and Romania as well. The company employs more than 2,200 people with the ambition to increase their number to 10,000 by 2030.

"In Discordia, the customer is at the





center of everything we do. Our flexibility and customer-oriented approach enable us to offer all possible business models of work and let the customer have the freedom to choose whether he wants to cooperate with us on a spot basis, on a contract basis, or on both models. This allows us to be a sought-after and preferred partner by all types of companies - large, medium, and small ones in the business segment." said Jeliazko Jeliazkov - the Commercial Director of Discordia. At the end of 2022, the company initiated an international Net Promoter Score (NPS) survey

DISCORDIA

among its customers to measure their satisfaction and readiness to recommend DISCORDIA as reliable partner. The results were a real record for the industry: the level of satisfaction is 8.7 out of a maximum of 10. The NPS, presenting the customers' and partners' willingness to recommend DISCORDIA is 67, which score is more than twice the average level among the countries of the EMEA region (according to data from Ipsos CX lens.)

To meet the client's needs and keep a high level of satisfaction, we are constantly improving our commercial policy and customer centricity. We are focused on the personal touch and individual approach. We recently created a Key Account Managers team who takes care of our largest Bulgarian and international business clients. Being a part of a very dynamic business sector, we are expanding not only our market coverage but our portfolio of services and solutions as well. DISCORDIA has developed a new business line - providing guaranteed capacity and fixed prices for transport which gives us an opportunity to actively participate in local and international tenders.

Becoming a technological leader in the industry is among the main goals and ambitions of DISCORDIA that's why the company's planned investments in innovations will be more than 10 million EUR by 2027. This big step will allow the company to implement the latest and best in class generation of systems and solutions which will modernize and optimize all business processes, workflow, and customer experience. ■



Vittorio Zagaia
Vice President
& CEO

**Aram
Kalenderoğlu**
President

Volkan Sarıcı
Vice President

WE ALWAYS FIND A WAY

Galata Int'l Freight Forwarding & Logistics offers logistics solutions in 5 continents since 1997, with more than 100 global business partners and more than 300 employees.

- Galata Int'l Freight Forwarding Inc. is an international freight forwarding and logistics company established in 1997 in Istanbul, Türkiye. Celebrated its 25th anniversary in 2022, 4 years consecutively Great Place to Work in Turkey, Great Place to Work for Women and Great Place to Work for Millennials chosen Galata International Freight Forwarding Inc. along with its head quarters in Istanbul is present in Turkey through branch offices in Izmir, Bursa, Mersin, Istanbul Airport Cargo Terminal and state of the art warehouses located in the Istanbul-Catalca, Bursa, Ankara and Izmir.
- In landfreight, both in consolidated and FTL transports Galata offers regular and weekly services to 21



countries both in inbound and outbound.

With its own fleet of 45" PW High Cube Intermodal containers is as well actively serving in multimodal transport.

While in air and sea transport with valuable partners worldwide offers a global coverage.

Galata, is moving over 100.000 shipments annually worldwide with a team of over 300 professionals and over 10.000 shipments monthly in logistics and distribution Turkey wide..

With the strategy in offering tailor made services to each and every customer & partner, Galata achieved to serve more than 5000 active customers worldwide in various industries.

Galata is totally concentrated in offering well analysed solutions combining service quality with optimum costs and speed according to needs of different industries based on ethical, employee & customers and environment policies supported with a strong information security management system and personal data protection.

Galata is certified with Green Logistics Certificate from the Turkish Ministry of Transport. ■



QUEUES ARE GETTING BIGGER AND EXPORT COSTS ARE GETTING HIGHER



Trucks filled in with Turkish goods worth of millions of US dollars are waiting in queues in truck parks.

► Here is a photo from above Kapikule where Bulgaria and Turkey are strangled in terms of foreign trade. Thousands of trucks waiting on both sides have to pass through these gaps narrowing like the neck of a funnel. Connecting Asia and Europe to each other and used for entering from/to Turkey and European Union, Kapikule Border Gate is the gate of Turkey opening to Bulgaria and from there, to the entire Europe and is the second busy gate in the world and the top in Europe. Kapikule is also the largest road and railway border gate of Turkey and cargo trains also pass through this gate. 3 thousand and 681 trucks excluding vehicles such as automobiles, minibuses, buses etc. are waiting in the same area at the same time on the satellite photo dated September 17, 2022. Excluding

those waiting in other further parks. Parties pass the buck to each other at these gates with queues exceeding 5 kilometers from time to time. Perhaps the best gate is no gate. Like the situation between Germany and Austria or Italy and France... In fact, the police waiting at the gate, the customs brokers and the drivers are the same persons... All drivers who are Turkish, Serbian, Bulgarian or Polish use these gates together. However, Turkish drivers are subject to more torture at border gates... We have seen and even experienced this in person! Some of my reporter colleagues and I wanted to experience the situation in those gates in order to see what it is to be like there in person and make a more objective comparison. We

first saw Kapikule and then returned and preferred exiting the country via Pazarkule as there was a long automobile queue at Kapikule. And we were told that its reason was that the 'Bulgarian system is being reset'. In other words, we fell at the first hurdle! We decided not to wait any longer and passed through Pazarkule which was under renovation and entered Greece from Kostanies Border Gate. We used Greece roads for a short time and then entered Bulgaria from Kapitan Petko Voyvoda Border Gate.

One cannot travel without spending some money. We paid a total of 113 Euros including 70 Euros for Bulgaria, 32 Euros for Serbia, 11 Euros for Hungary as toll fees for our automobile excluding fuel over our return travel of 3,000 kms from İstanbul to Slovakia.

Western block replaced eastern block

We travelled across Bulgaria in company with trucks with Turkish license plates and reached Kalotina Border Gate. There is no surprise in Bulgaria. As the residents on this route earn their living from Turkish transporters, parks, roads, restaurants and gas stations were full of vehicles with Turkish license plates, Turkish signs and Turkish speaking people. We finished the Bulgarian roads and entered to Serbia, i.e. the former Yugoslavia, from Gradina Border Gate and set off for Belgrade via Nis. Construction and repair works were



ongoing on some parts of those roads of around 340 kilometers. Serbia is the central country of the former Yugoslavia. It has closer relations with Russia, instead of EU and its relations with Turkey is not that bad. This strict and proud nation could not advance as its other brothers, i.e. Slovenian and Croatian people, in terms of increasing the economic welfare, as we witnessed from the cities. It also has a strict anti-immigrant policy. As we neared towards Batrovci Border Gate from Belgrade to Croatia to observe the route used by the vehicles with Turkish license plates, we saw irregular immigrants mostly waiting together with Turkish trucks and walking towards the gate. We left Serbia from Horgos Border Gate and entered Hungary from Rösztke Border Gate which took us a full 3 hours and 20 minutes due to most probably the searches for illegal immigrants. One looks for Somats, Hungarocamions and Romtrans on those roads, parks, gates... Willy Betzs which used made their mark on the roads are no longer remembered. Now all you can see is a Discordia at every kilometer. Even though we no longer see trucks bearing the names of well known Turkish international road transporters like Ulusoy, Türksped, Ektrans, Esin, Cesur, Aslan Nakliyat on those roads, it is normal to see many more Turkish transporter brands replacing them.

Illegal immigrants are the nightmare of drivers

The irregular immigrants who made their way especially to Serbia try hard to enter the EU from this country implementing a very strict immigration policy. Those we saw on the roads aim for at least entering Croatia within a trailer that they jumped in secretly when they had the chance. They, of course, have become the nightmare of especially Turkish drivers. The common complaint of the drivers we met was the immigrants, rather than waiting at the border gate. Their concern is to protect themselves against the immigrants, rather than preventing them. Turkish police are also employed at Batrovci Border Gate located on the border between Serbia and Croatia. Those police are not a sufficient solution to protect Turkish drivers against the problems that the immigrants cause. According to what is told by the drivers, the immigrants enter inside the trailers especially in the evening and when they are caught at the border, a fine of 5 thousand Euros is imposed on the vehicle owners. It is not surprising here to see immigrants who hit the road and are looking for opportunities to enter Europe among the immigrants who are mostly Afghani and Syrian who make a victory sign whenever they see us, in addition to those waiting for evening at places such as deserted restaurants, hotels etc. that are adjacent to immigration offices and close to the borders and are used as a hub for them. ■



THE LARGEST LOGISTICS GATHERING IN THE EURASIA REGION WAS HELD AT THE LOGITRANS EXHIBITION

▶ A record number of people attended this year's International logitrans Transport Logistics Exhibition, which was held in Istanbul from November 16-18, 2022 and which is regarded as the most powerful platform for fostering business ties in the intercontinental supply chain between Europe and Asia and for bringing together the key players in the logistics sector. While practically all logistics industry participants were present at logitrans, it was once again made clear that Turkey has solidified its strategic position in the Eurasian

area. The main agenda item of logitrans was the increase of the importance of Türkiye in the logistics.

In the framework of the "International logitrans Transport Logistics Exhibition," which was held at the Avrasya Show and Art Center in Yenikapı and was organized by EKO MMI Fair Co., a collaboration between Eko Fair Co. and Messe München, 171 companies and organizations from 23 countries, including 4 pavilions, interacted with their customers and stakeholders at their spectacular booths competing with

each other. 16.724 people visited logitrans during the three days of the exhibition, which experienced a huge increase of compared to the previous year. In addition to Turkish Cargo, which has made significant progress internationally and has become one of the most important players in global air cargo, Lufthansa Cargo, Dachser, Arkas, DSV, and DFDS, as well as the showcase exhibitors of logitrans, other giant names of the Turkish logistics industry also took part in the exhibition. Exhibitors attracted the attention of visitors with their creative and interactive





From left to right; TREDER Chairman of the Board Yalçın Şentürk, EKO MMI Fair Co. Managing Director İlker Altun, Messe München Board Member Falk Senger, International Forwarding and Logistics Service Providers (UTİKAD) President Aşem Ulusoy and International Transporters Association President Çetin Nuhoglu.

applications. In addition to the regular exhibitors of the exhibition organized for the 15th time this year, this year's trade exhibition also witnessed a significant number of organizations and companies participating for the first time.

Altun: "logitrans achieved another outstanding success"

Stating that the exhibition was a great success with respect to the number of exhibitors and visitors as well as the added value created, İlker Altun, Managing Director of EKO MMI Fair Co., emphasized the fact that Turkey is both a logistics base and an international supply chain base in the Eurasian region has become indisputable. According to İlker Altun, the logitrans Exhibition is a crucial



international transport
logistics exhibition

tool in helping Turkey reach its objective of raising its international logistics profits in tandem with its merchandise exports to 20 billion US dollars in 2025 and 30 billion US dollars in 2030.

Senger: "Turkey's importance has never been so evident"

Messe München Board Member Falk Senger told that the exhibition receives a great interest abroad for the first time and remarked that "The importance

of Turkey has never been more evident. Logistics' character requires personal networks and a relationship of trust among those involved. Therefore, the availability of platforms like logitrans is important for a strong logistics market.

I would like first extend my gratitude for accepting the decision to change the exhibition center of this exhibition with such a high number of participants. This is a crucial step for us, the organizers, but it is a more important indicator for you, your sector and your image related with it. This is caused by clarity for mutual trust and a positive future. logitrans is bigger than ever, more international than ever and more focused than ever.





TRADE FAIRS

Nuhoğlu: "Logistics sector is like a diamond"

International Transporters Association President Çetin Nuhoğlu mentioned the importance of the participation of countries like Germany, Latvia, Russia, and the Czech Republic in the exhibition with their national support and added "This gives the message that Türkiye is important. Turkey was already very important in globalization, now it is also very important in regionalization. This exhibition is highly essential. logitrans is a serious and significant event, but it is also a great chance to forge solid partnerships. We are at a great place right now to think about and prepare for

Turkey's logistical opportunities. Turkey was already very important in globalization, now it is also very important in regionalization. The logistics sector, which is of utmost importance in the development of regional cooperation, stands like a diamond in the rough among all sectors of the country. Just like the Turkey's standing on the world map. The increase in the transportation trips indicate that the exports of Turkey have a very significant share. We carry more than 50 percent of exports to Europe by road. The Central Asia is an incredible opportunity for us in the future, especially for the transportations by road, thanks to the Middle Corridor.

Ulusoy: "Location of Turkey should be utilized well"

International Forwarding and Logistics Service Providers (UTİKAD) President Ayşem Ulusoy underlined that the logistics sector is open to development and has a big potential and remarked that "We have been saying for years that Turkey's geopolitical position should be well utilized. However, the recent tensions between Russia and Ukraine, fluctuations in exchange rates and problems at our border gates show us that we must use this position correctly. We should strengthen our fleets and support new market entrants. Efforts should be made to increase combined transportation." ■





EKO MMI Fair Co. Managing Director İlker Altun:

“PROTECTION MISSION OF THE TRANSPORTATION AND LOGISTICS INDUSTRY COME TO FOREFRONT”

► After the Coronavirus pandemic causing panicking across the world, the importance of physical contact, and thus, that of the exhibitions were proven. Exhibitions attract great interest across the world. We are in a new ground for exhibition location with an exhibition not only full in physical terms but also in terms of quality and also in a new era of the world. Other developments experienced with the deterioration of the climate also caused transformative impacts on the logistics. The rise of e-commerce, contactless transportation, climate neutral movement targeting zero carbon footprint and green transformation covering the same define logistics like the economic and social activities. To this end, developed countries design policies for supply from short distances. War forces changes in logistics, as well. The logistics world is also facing other restrictions due to embargoes. Türkiye comes to the forefront at this point with the production capacity and the investments made in the logistics infrastructure in the recent

years. Having become a country preferred for procurements, the logisticians of Turkey satisfy the demand they receive with good quality like the producers of Turkey.

However, inflation, the tendency of the largest economies of the world to downsize and the expectation of stagnation cause concerns.

We need to cooperate to be a part of the ecosystem in future. This is possible with inclusion in existing networks or establishing new networks. These exhibitions serve for this goal.

Exhibitions are where people meet face to face, create networks, see and display what is new and thus, contribute to and witness the creation and realization of international and useful ideas. When we look at the show of the transportation and logistics sector displaying bravely the innovations today, we see that protection of climate comes to the forefront. The purpose here is to ensure that everyone benefits from a safe, sustainable and climate friendly mobility in future. logitrans is dedicated exactly to this purpose.

The companies and non-governmental organizations in the sector have a high degree of motivation now. The events which will start right after the opening ceremony and will go on for three days will form an effective basis for the knowledge development and distribution mission of the exhibitions. I recommend you to attend the events focusing also on climate protection structure to be organized in two halls. ■



INTERRUPTIONS IN THE SUPPLY CHAIN ARE MINIMIZED THANKS TO ADVANTAGES OFFERED BY ROAD

► The International Transport Logistics Exhibition logitrans, being the largest transport and logistics exhibition of the Eurasia region, brought together the leading logistics companies of the world. The International Transporters Association (INTA) held a panel on the “Sustainability of Supply Chains in Crisis Periods” within the scope of

the exhibition. Moderated by INTA Chief Executive Officer Alper Özel, the “Sustainability of Supply Chains in Crisis Periods” panel attracted attention to the performance shown by the Turkish international road transportation sector during the crisis periods and emphasized on the contribution that the sector makes

to exports with the improvement of the processes. The panel discussed the approach to be implemented, revealed how the countries should see the logistics and transportation sectors and evaluated the situation with regard to Turkey. INTA International Service Trade Executive Vice President Dr. Yusuf Karakaş told



that: "The international road transportation sector has great advantages. We develop a system that is affected the least by the interruptions in the supply chain thanks to the support provided by the sector. We launched state supports to overcome the problems in the supply chain".

UND Vice Board Chairman Fatih Şener underlined the power of the sector by telling that "Touch on the logistics, if you want to support a sector". Şener told that "Turkey currently shines like a big diamond in its region. We have logistics skills. We gained them with crises and difficulties. The crisis strengthened our muscles and increased our sensitivity. We of course do not want the crises but the crises have a strengthening effect on our sector". IRU Turkey Permanent Delegate Erman Ereke emphasized on the

increasing importance of the Central Corridor and told that "We work to simplify and fasten the processes. We develop the digitalization of the TIR system. We also discuss the establishment of green lines. Faster transportations are conducted on the green corridors established on the Eastern-Western axis. Today we have a system to digitally use the TIR system for transportation from China to Turkey. We can ensure facilitations via border transits. Our efforts to digitalize the Transit Permits and decrease RO-RO costs are ongoing".

TUM Strategy Founding Partner Selim Can Sazak told that "There is an impression that Russia only performs trade activities with Turkey and China. However, Russia imports from the UK, the Netherlands and Germany. What is more interesting is that Russia has increasing exports to those countries. It is observed that

the trade activities to critical sectors are ongoing".

UND EU Consultant Can Baydarol said that we witness a period with major uncertainties and when the Russian-Ukrainian war ends, the uncertainty will be replaced by a new crisis. Baydarol further told that: "We should take a strategic decision. Will we implement reciprocity or will we prefer keeping the supply chain intact? The interruptions in the supply chain are the problem of Europe, rather than us. If I implement to you what you implement to me, then what will happen to the supply chain? A transit agreement should be concluded with the European Commission. Poland signed such an agreement. However, we witness a political stance and this should be forced. This will be achieved with the implementation of reciprocity to the European drivers entering Turkey". ■





THE SECTOR MOBILIZED TO BIND UP WOUNDS AFTER THE DISASTER OF THE CENTURY

After two big earthquakes of magnitude 7.7 and 7.6 in Kahramanmaraş and causing extraordinary destruction in 11 cities including mainly Adana, Hatay and Diyarbakır, the logistics sector used every means to transfer the collected aid materials to the affected region.

► The largest earthquake in Kahramanmaraş which affected 11 provinces caused big infrastructure damage and a serious logistics interruption in addition to a high number of deaths. The high magnitude of the disaster prevented access to every point in equal time. While hundreds of companies directed their trucks, regardless of the size, to the region for aid materials, the transportations on the seas, the air and railways also accelerated. Having utilized every means available for the disaster of the century, the logistics sector expands great efforts for binding up the wounds. UND brought together the vehicle owners

with individuals sending aids via the Logistics Crisis Desk it has established and work 24 hours to ensure coordination. Not charging anything for the help it provides, UND has sent around 2 thousand and 500 trucks to the earthquake region up until now. The association members who coordinated via the Disaster Coordination Desk established by Association of International Forwarding and Logistics Service Providers (UTİKAD) show great efforts for transporting aids from every point of the country to the disaster region. The Disaster Coordination Desk brought together the important logistics NGOs, the officers of the

public institutes and institutions, the municipality employees, managers and employees operating in the field of logistics and by doing so, took the first step for a major volunteer movement. The freight forwarders that contacted logistics associations direct their vehicles and drivers to the regions where they are needed via the coordination desks established by the associations. Logistics companies also provide support individually. The Disaster Emergency Crisis Desk established under the Ministry of National Defense after the earthquake responds to the requests and created an "air corridor for aids"



for sending research and rescue teams to the region. The Turkish Armed Forces also established a logistics support hub for the fast distribution of aids delivered to Hatay to the people affected by the earthquake.

19 logistics hubs were established

The aids sent to the region are classified at 19 logistics hubs established in 8 regions. Then, they are transferred to the regions in need via military vehicles under the coordination of AFAD. According to the explanation made by the Ministry of National Defense, "The Turkish Armed Forces mobilized for helping the earthquake victims. Hot meals, food packages and bread were distributed to the citizens in the regions affected by the earthquake. Moreover, the field kitchens directed to the affected regions started its operations. Mobile toilets and bathrooms were also sent to the earthquake regions".

Sea and rail transportations were also put into use

As lots of aid materials are continued to be transferred to the disaster region, the logistics coordination for storing and distributing the aids

delivered to the region maintains its importance for the process of binding up wounds in the region. With the effective utilization of the rail and sea transportation alternatives, the pressure on roads should be minimized and the materials delivered to the storage areas should be distributed with proper vehicles using their fuel capacity and the vehicles reaching the region should be ensured to leave the region fast in a planned way and should be used for new goods planning. While many factors like the type, dimension, urgency of the materials to be transported and the qualities of the region to where they will be transported affect the logistics coordination, the requirement to satisfy the need fast in disasters show the importance of an effective cooperation between the public administration units and non-governmental organizations. The vehicles filled with aid materials tried to be delivered via roads caused traffic congestions on the roads in the region. Thanks to fast and effective efforts, different transportation modes were put into use and the aid materials required to be delivered to the region were delivered fast. The association members operating in the field of sea transportation organized RO-RO trips and show efforts to deliver the

aid materials to the region. As of the second day of the earthquake, the aid materials delivered to İskenderun thanks to the RO-RO trips initiated from İstanbul and İzmir were distributed to the official authorities assigned in the disaster region. Railway trips were initiated as the railways provide faster delivery and transportation of more goods as a result of the meetings held by UTİKAD and Railway Transport Association with the Turkish State Railways. The block train trips initiated from Köseköy, Kocaeli delivered kitchens, living containers and mobile toilets to the disaster region. The organization of a UTİKAD block train to transfer aid materials is ongoing at full speed.

Roads were closed, RO-ROs were used

As the damaged roads made it difficult for the aids to reach the affected region, giant RO-RO ships used for exporting cars came to help. These vehicles were filled in with aid materials and sent to the affected region. This ensured that with the use of railways which is a sustainable and safe transfer method, hundreds of drivers and trucks were taken from roads taking long to travel on and aids were delivered fast. ■

SERVICE STANDARDS AT LOGISTICS CENTERS TO INCREASE

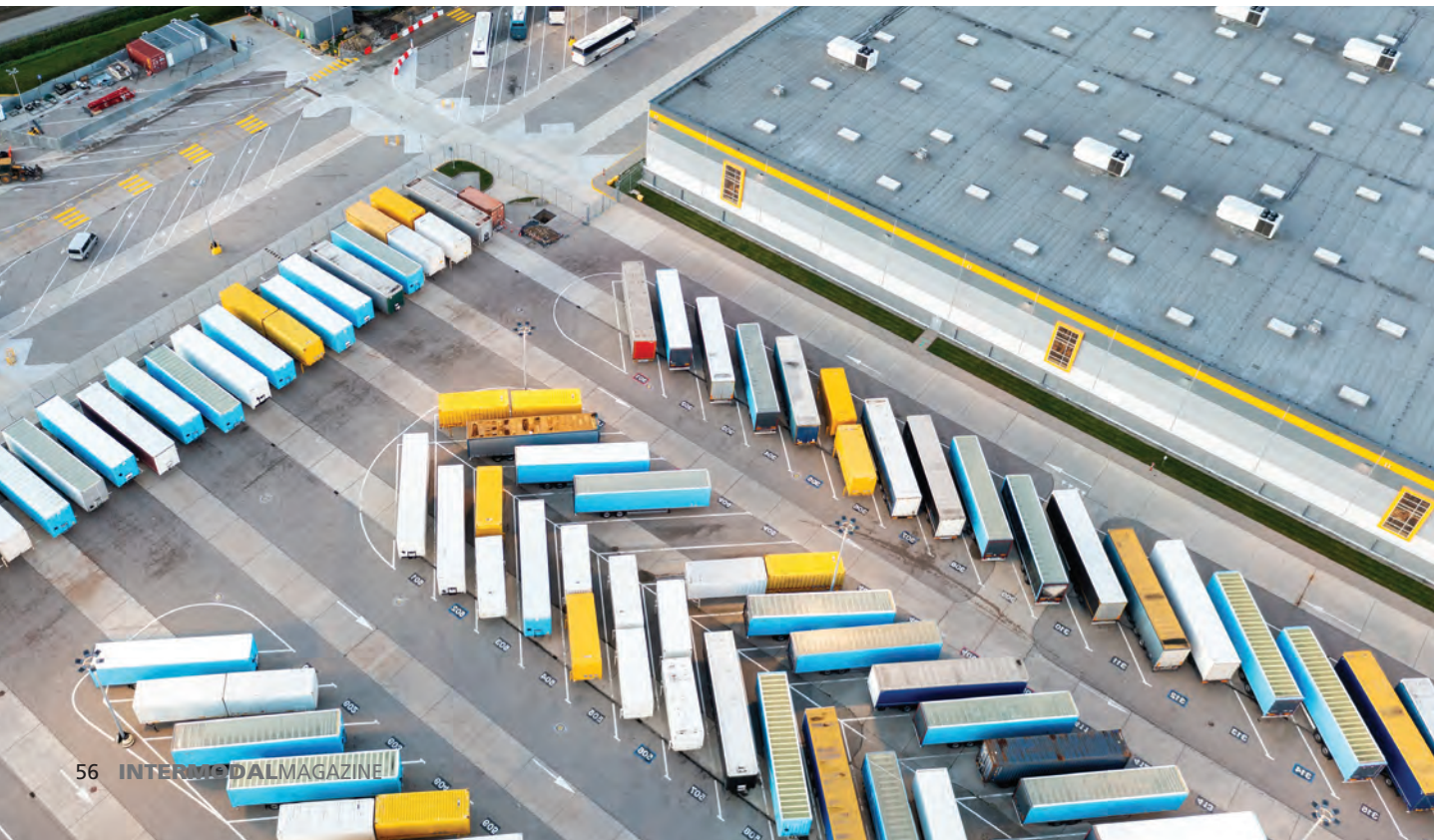
Türkiye's strategies regarding transportation and logistics sectors were determined by taking into consideration the goals and strategies regarding the transportation sector's vision and the vision and goals determined based on the goals under the Türkiye's development plan and transportation policies.

► In order to ensure that Türkiye becomes more effective regionally in the field of logistics, the construction of logistics centers and hubs will be prioritized with projects to decrease logistics costs and transaction durations and processes,

to ensure integrated operation of transportation modes, to improve combined transportation practices and to improve the quality and security in transportation planning and the results of the Turkish Transportation and Logistics Master Plan.

Line capacities and efficiencies will be increased

Railway investments will be prioritized in the field of transportation. Second line constructions, signalization and electrification investments will be made as prioritized investments





with Konya - Karaman - Niğde - Mersin - Adana - Osmaniye - Gaziantep, Ankara - Sivas, Ankara - Afyonkarahisar - İzmir, Bandırma - Bursa - Yenişehir - Osmaneli, Halkalı - Kapıkule projects.

Moreover, construction of junction lines at important goods centers, projects to increase line capacity and efficiency and production of local rail system vehicles will be prioritized.

Completion of ports will be prioritized in the field of maritime transportation

The completion of the constructions of Filyos Port, Eastern Mediterranean Main Container Port and Çandarlı Port will be given first degree priority. Importance will be placed on investments to construct Ro-Ro ports at suitable locations and investments and projects to minimize the transactions, costs and bureaucratic processes both at private and public ports will be evaluated with the highest priority.

In order to convert Türkiye into a Global Air Logistics Hub, the establishment of regional and global

logistics hubs near the airports, supporting those hubs with air, sea, road and rail transportation modes and making plans to ensure that those regions become regional and global hubs in air cargo transportation and are used as disaster logistics centers are of great importance.

Studies to use Unmanned Aerial Vehicles for air cargo services among other fields are believed to add value to the sector. The international rules regarding environment should be complied with to ensure continuation of sustainable growth.

Logistics centers to have better standards

The standards of the existing and currently constructed logistics centers especially in Çukurova, Western Black Sea and Marmara regions will be raised and new cargo and logistics centers will be planned at railway corridors with high cargo demand. In order to ensure that Türkiye becomes more effective regionally in the field of logistics, the construction of logistics centers and hubs will be

prioritized with projects to decrease logistics costs and transactions terms and processes, to ensure integrated processing of transportation modes, to improve combined transportation practices and to improve the quality and security in transportation planning and the results of the Turkish Transportation and Logistics Master Plan.

13 logistics centers have been put into operation or constructed until now and the planning and construction processes for another 13 logistics centers are currently ongoing.

Development of smart transportation systems is ongoing

Smart Transportation Systems increase road safety, road capacity, movement capability, travel comfort and speed, on one hand, and decreases the adverse impacts of transportation on human, environment and energy resources, on the other hand. Those systems aim for increasing the efficiency of the individuals and institutions today and in future. ■



LOGISTICS SECTOR WANTS WELL-DESIGNED INCENTIVES

The Association of International Forwarding and Logistics Service Providers (UTİKAD) shared 2022 evaluation and 2023 expectations for the logistics sector in its press meeting.

- ▶ UTİKAD shared 2022 evaluation for the logistics sector, the activities of the association in 2022, 2023 expectations, 2022 transportation data and the results of UTİKAD Turkish Logistics Sector Research results at the press meeting it held. Stating that the logistics sector had to deal with many problems both at the global and regional level in 2022 during her opening speech, President Ayşem Ulusoy told that “we effectively discussed the problems required to be solved quickly such as stagnation in global economy, increase in energy prices, changes in the trade routes due to war and long truck queues at the border gates and we made solution recommendations in the meetings held with the public”.

Ulusoy: “We should diversify our routes and markets for competition”

Emphasizing that the Middle Corridor under the One Belt One Road Project of China passes through Türkiye, and therefore, Türkiye is a bridge between Europe and Asia, Ayşem Ulusoy told that this should be evaluated well. Noting that some investments are made to further strengthen the position of Türkiye under the Road and Belt Initiative and these investments include Baku-Tbilisi-Kars railway line, Istanbul Airport, Yavuz Sultan Selim Bridge, Marmaray and port investments, Ulusoy told that Türkiye has a critical position for ensuring uninterrupted access from east to the west on the Middle Corridor,

the importance of diversification of transportation routes and markets was once again understood during the pandemic and therefore, first Türkiye and then its neighbors should perform infrastructure, customs and legislation improvements for Türkiye to achieve the desired capacity on the Middle Corridor route. Ayşem Ulusoy indicated that without placing the required importance of logistics, the expected growth cannot be achieved in exports and shared the expectations for the sector for 2023. Ulusoy told that “the incentives granted to the logistics sector should be well designed to cover SMEs and it is of utmost importance that incentives on vehicle transformations should

2023 EXPECTATIONS OF THE LOGISTICS SECTOR

- Minimizing the number of authorization certificates,
- Investments to support the logistics infrastructure of Türkiye,
- Infrastructure investments to connect the railway network to logistics centers,
- Strengthening the railway infrastructure and ensuring uninterrupted transportation,
- Development of transit transportation,
- Revision of the sector entry requirements and transportation organizer competences,
- Adapting the Industry 4.0 and Blockchain technology opportunities to the sector, raising awareness regarding digital world,
- Providing support to technological investments and digital infrastructure,
- The 12th Development Plan's providing positive momentum for the transportation and logistics sector,
- Increasing investments by foreigners,
- Normalization of freight levels,
- Performance of legislation and compliance studies for the green transformation of the sector,
- Increase in e-trade and e-exports.

cover the entire logistics sector as the sector has to handle an important topic like especially the EU Green Deal”.

Ulusoy remarked that UTİKAD will carry out important works regarding both the driver need and employment of both blue and white collar personnel.

Güler: “Transportation services increased by 57.89 percent”

UTİKAD General Manager Alperen Güler informed the press about the important developments in 2022 and UTİKAD Efforts Planned for 2023 in his presentation.

Alperen Güler shared the following data for the sector size: As of the end of November 2022, the goods imports were worth of around 331 billion US dollars and exports of 231 billion US dollars. According to the data by the Central Bank of the Republic of Türkiye, services worth of 76 billion US dollars were exported during the period from January to October 2022 by around 52.92 percent as compared to the same period of the previous year. The forwarding services increased by 57.89 percent while the goods income was 10 billion and 385 million US dollars.

UTİKAD Board Member Serdar

Ayrtman told that: “The USA is trying to slow down this line. The trade wars between USA and China which started before the war between Russia and Ukraine are still ongoing. This should be taken into consideration as part of the big

picture regarding this corridor. USA wants to prevent access of Chinese goods to its own market. The trips on the Middle Corridor are ongoing and this line competes with the air transportation, not with the sea transportation”. ■



OPTIMISTIC EXPECTATIONS FOR 2023 CONTINUE



► Air cargo completed 2022 with strong winds. According to IATA data, while air cargo closed the year 2022 with a decline in all over the world, the biggest decrease on a regional basis was in the European market. The data show that airlines in the European region and the leading players in the air cargo market continued to be severely affected by the war in Ukraine. While European carriers faced a 11.5 percent decrease in demand in 2022 compared to 2021, air cargo entered 2023 with a downward trend with all regions. The decline in inflation in the G7 region, as well as the developments in the Chinese economy and the removal of Covid restrictions will be factors that will positively affect the air cargo market in 2023.

The International Air Transport Association (IATA) data indicated that the decline in air cargo since March 2022 peaked in December. In December, the rate of decrease in air cargo was 15.3 percent compared to the previous year. In the Asia Pacific region, this decrease was 21.2 percent, and 17.4 percent in European-based carriers.

- Global full-year demand in 2022, measured in cargo tonne-kilometers (CTKs*), was down 8.0% compared to 2021 (-8.2% for international operations). Compared to 2019, it was down 1.6% (both global and international).
- Capacity in 2022, measured in available cargo tonne-kilometers (ACTKs), was 3.0% above 2021 (+4.5% for international operations). Compared to 2019 (pre-Covid) levels, capacity declined by 8.2% (-9.0% for international operations).
- December saw a softening in performance: global demand was 15.3% below 2021 levels (-15.8% for international operations). Monthly cargo demand tracked below 2021

The International Air Transport Association (IATA) released data for global air freight markets showing that 2022 full-year demand for air cargo took a significant step back from 2021 levels but was close to 2019 performance.

levels from March 2022. Global capacity was 2.2% below 2021 levels (0.5% for international operations). This was the tenth consecutive monthly contraction compared to 2021 performance.

- 2022 ended with mixed signals:
 - Global new export orders, a leading indicator of cargo demand, have stayed at the same level since October. For major economies, new export orders are shrinking except in Germany, the US, and Japan, where they grew.
 - Global goods trade decreased by 1.5% in November, down from a 3.4% increase in October.
 - The Consumer Price Index for G7 countries indicated inflation tracking at 6.8% for December. The 0.6 percentage point drop compared to November (7.4%) was the largest over the course of year. Inflation in producer (input) prices reduced to 12.7% in October, its lowest level so far in 2022.

"In the face of significant political and economic uncertainties, air cargo performance declined compared to the extraordinary levels of 2021. That brought air cargo demand to 1.6% below 2019 (pre-pandemic) levels. The continuing measures by key governments to fight inflation by cooling economies are expected to result in a further decline in cargo volumes in 2023 to -5.6% compared to 2019. It will, however, take time for these measures to bite into cargo rates. So, the good news for air cargo is that average yields and total revenue for 2023 should remain well



2022 regional performance

- Asia-Pacific airlines posted an 8.8% decrease in demand in 2022 compared to 2021 (-7.4% for international operations) and a capacity increase of 0.5% (+5.8% for international operations). Compared to 2019 (pre-Covid levels), demand was 7.8% below (-3.9%

for international operations) and capacity was down 17.2% (-12.2% for international operations). In December, Asia-Pacific airlines recorded the worst performance of all regions, posting a 21.2% decrease in demand (-20.4% for international operations) compared to 2021. Capacity fell 3.9% (-1.4%



for international operations) during the same period. Airlines in the region continue to be impacted by lower levels of trade and manufacturing activity and disruptions in supply chains due to China's rising Covid cases.

- North American carriers reported a 5.1% decrease in demand in 2022 compared to 2021 (-6.3% for international operations) and a capacity increase of 4.2% (+4.9% for international operations). Compared to 2019 (pre-Covid levels), demand was 13.7% above (+12.7% for international operations) and capacity was up 8.2% (5.1% for international operations). In December, airlines in the region reported an 8.5% decrease in demand for both global and international operations, compared to 2021. Capacity fell 2.9% (+1.8% for international operations) during the same period.

- European carriers posted the worst

AIR CARGO DEMAND ROSE ABOVE PRE-PANDEMIC LEVELS BUT CTKS CONTINUE TO FELL IN FEBRUARY

► The International Air Transport Association (IATA) released data for February 2023 global air cargo markets showing that air cargo demand rose above pre-pandemic levels.

Global demand, measured in cargo tonne-kilometers (CTKs*), fell 7.5% compared to February 2022 (-8.3% for international operations). This was half the rate of annual decline seen in the previous two months (-14.9% and -15.3% respectively). February demand for air cargo was 2.9% higher than pre-pandemic levels (February 2019)-the first time it has

year-on-year performance of all regions, with an 11.5% decrease in demand in 2022 compared to 2021 (-11.8% for international operations). During the same period, airlines posted a capacity increase of 0.5% for both global and international operations. Compared to 2019 (pre-Covid levels), demand was 8.7% below (-9.1% for international operations) and capacity was down 16.5% (-17.3% for international operations). In December, airlines in the region posted a 17.4% decrease in demand (-17.9% for international operations) compared to 2021. Capacity fell 7.0% (-7.4% for international operations) during the same period. Airlines in the region continue to be most affected by the war in Ukraine.

- Middle Eastern carriers reported a decrease of 10.7% for global and international demand in 2022 compared to 2021 and an increase

in capacity of 4.3% (+4.5% for international operations). Compared to 2019 (pre-Covid levels), demand was 1.6% below for global and international operations and capacity was down 6.3% (-6.1% for international operations). In December airlines in the region posted a 14.4% decrease in demand for both global and international operations compared to 2021. Capacity increased 2.8% (+3.0% for international operations) during the same period.

- Latin American carriers posted the strongest year-on-year performance of all regions, with an 13.1% increase in demand in 2022 compared to 2021 (+15.0% for international operations). During the same period, airlines posted a capacity increase of 27.1% (+27.8% for international operations). Compared to 2019 (pre-Covid levels), demand was 4.3% below (-2.6% for international operations) and

capacity was down 14.3% (-10.8% for international operations). In December airlines in the region posted stagnant growth in demand (+2.3% for international operations) compared to 2021. Capacity grew 27.6% (+32.7% for international operations) during the same period.

- African airlines reported a decrease in demand of 1.4% for global and international demand in 2022 compared to 2021 and an increase in capacity of 0.3% (-0.2% for international operations). Compared to 2019 (pre-Covid levels), demand was 8.3% above (+9.4% for international operations) and capacity was down 15.3% (-14.2% for international operations). In December, airlines in the region posted a 10.0% decrease in demand for both global and international operations compared to 2021. Capacity grew 1.3% (+0.2% for international operations) during the same period. ■

surpassed pre-pandemic levels in eight months.

Capacity (measured in available cargo tonne-kilometers, ACTK) was up 8.6% compared to February 2022. The strong uptick in ACTKs reflects the addition of belly capacity as the passenger side of the business continues to recover. International belly-capacity grew by 57.0% in February year-over-year, reaching 75.1% of the 2019 (pre-pandemic) capacity.

Several factors in the operating environment should be noted: The global new export orders component of the manufacturing PMI, a leading indicator of cargo demand, continued to increase in February. China's PMI level surpassed the critical 50-mark indicating that demand for manufactured goods from the world's

largest export economy is growing. Global goods trade decreased by 1.5% in January; this was a slower rate of decline than the previous month of -3.3%.

The Consumer Price Index for G7 countries decreased from 6.7% in January to 6.4% in February. Inflation in producer (input) prices reduced by 2.2 percentage points to 9.6% in December (last available data). "The story of air cargo in February is one of slowing declines. Year-on-year demand fell by 7.5%. That's half the rate of decline experienced in January. This shifting of gears was sufficient to boost the overall industry into positive territory (+2.9%) compared to pre-pandemic levels.

An optimistic eye could see the start of an improvement trend that leads to market stabilization and a return to more normal demand patterns after dramatic ups-and-downs in recent years," said Willie Walsh, IATA's Director General. ■





TURKISH PORTS HOSTED 542.6 MILLION TONS OF GOODS

- The General Directorate of Maritime Affairs of the Ministry of Transportation and Infrastructure published the statistics for January 2023. The total amount of goods handled in January 2023 decreased by 5.4 percent to 43 million and 809 thousand and 842 tons. The amount of goods loaded for exports at ports decreased by 14.8 to 10 million and 538 thousand and 471 tons while the amount of goods unloaded for imports increased by 2.4 percent to 21 million and 453 thousand and 390 tons in January 2023 as compared to the same month of the previous year. The total amount of foreign trade transportation decreased by 4.0 percent to 31 million and 991 thousand and 861 tons in January.

542.6 million tons of goods were handled in total at Turkish ports in 2022. The amount of containers handled decreased by 1.8 percent.

Transit goods transportations decreased by 15.5 percent

The transit goods transportations by sea decreased by 15.5 percent to 6 million and 497 thousand and 512 tons in January 2023 as compared to the same month of the previous year.

The amount of goods transported for coastal trade increased by 0.04 percent to 5 million and 320 thousand and 469 tons in January as compared to the same month of the previous year.

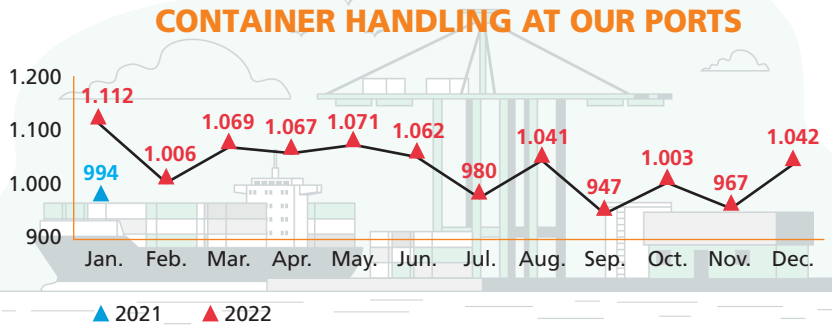
Highest amount of goods handled were handled within the administrative borders of Aliğa Port Authority

6 million and 864 thousand and 227 tons of goods were handled in total at the port authorities operating within the administrative borders of Aliğa Port Authority in January 2023. Out of the goods handled within the administrative borders of Aliğa Regional Port Authority, 5 million and 783 thousand and 937

tons (84.3 percent) were comprised of foreign trade goods, 1 million and 28 thousand and 74 tons (15 percent) of coastal trade goods and 52 thousand and 216 tons (0.8 percent) of transit goods. Aliğa Regional Port Authority was followed by Kocaeli Regional Port Authority with 5 million and 929 thousand and 17 tons and Ceylan Regional Port Authority with 5 million and 598 tons. Goods were handled at port facilities operating on the administrative borders of 36 port authorities in January. 37 million and 318 thousand and 972 tons of goods were handled in total at 10 port authorities where highest tons of goods were handled, constituting 85.2 percent of total amount of goods handled at ports. 6.0% of 31 million and 991 thousand and 861 tons handled at ports for foreign trade in January 2023 were transported with Turkish flagged ships. The amount of goods transported with Turkish flagged ships decreased by 4.0 percent to 1 million and 908 thousand and 95 tons in January as compared to the same month of the previous year. The amount of goods transported for coastal trade decreased by 2.5 percent to 30 million and 83 thousand and 766 tons as compared to the same month of the previous year.

Liquid bulk goods amount increased by 4.4 percent

According to the examination of cargo types for the goods handled at ports, liquid bulk goods were the highest type of goods handled with 14 million and 839 thousand and 596 tons in January 2023. The amount of liquid bulk goods handled increased by 4.4 percent as compared to the same month of the previous year. Liquid bulk goods were followed by dry bulk goods which decreased by 2.9 percent to 13 million 244



thousand and 267 tons and goods transported in containers which decreased by 14.4 percent to 10 million and 493 thousand and 987 tons as compared to the same month of the previous year. The amount of goods transported inside vehicles decreased by 12.5 percent to 850 thousand and 49 tons in January as compared to the same month of the previous year.

939 thousand and 808 TEUs of containers were handled

The total amount of containers handled at ports in January 2023 decreased by 10.6 percent to 993 thousand and 808 TEUs. The amount of containers handled at ports for foreign trade purposes decreased by 2.54 percent to 777 thousand and 79 TEUs in January as compared to the same month of the previous year. The amount of containers loaded for exports at ports decreased by 4.9 to 376 thousand and 81 TEUs while the amount of containers unloaded for imports decreased by 0.2 percent to 400 thousand and 997 TEUs in January as compared to the same month of the previous year. 9.5% of 777 thousand and 79 TEUs of containers handled at ports for foreign trade in January 2023 were transported with Turkish flagged ships.

The amount of containers handled for foreign trade and transported

in Turkish flagged ships decreased by 9.3 percent to 73 thousand and 994 TEUs while the amount of containers handled for foreign trade and transported in foreign flagged ships decreased by 1.8 percent to 703 thousand and 135 TEUs in January as compared to the same month of the previous year.

Empty container amount handled increased by 7.1 percent

According to the container handling figures by container types, the amount of empty containers handled at ports in January 2023 increased by 7.1 percent to 254 thousand 767 TEUs. The amount of full containers decreased by 15.5 percent to 739 thousand and 41 TEUs in January as compared to the same month of the previous year. Out of 993 thousand and 808 TEUs of containers handled at ports in January, 25.2 percent (250 thousand and 841 TEUs) was comprised of 20' containers and the remaining 74.6 percent (740 thousand and 906 TEUs) of 40' containers and 0.2 percent (2 thousand and 61 TEUs) of containers larger than 40'. The number of full containers loaded to ships against the issuance of Confirmed Gross Weight (CGW) Documents by the weighting instrument operators authorized by the Authority in January 2023 increased by 0.08 percent to 190 thousand and 524. ■

FRIGHT FEES ON THE DECREASE

The freight fees on the main marine trade roads continue to decrease as high inflation decreased consumer demand and global supply chain problems are minimized.



- ▶ The Baltic Dry Index (BDI) known as the indicator of the transportation fees in the freight market is now on a decreasing trend after seeing the peak of 5 thousand and 650 points in last October after 2008. Being a leading indicators of the global economy, the index was 2200 points at the beginning of the year and decreased to 1213 points as of September 9. The value of Freightos Baltic Global Container Index (40" HC container cost) measuring the container freight ratios on 12 important sea transportation lines of the global trade, on the other hand, was 9 thousand and 293 US dollars at the beginning of the year but decreased under 5 thousand US dollars as of September 9. According to the same index, the container cost for deliveries from China to the Western Coasts of the USA decreased by around 60 percent to 4 thousand US dollars as compared to January 2022. The cost of

a container sent from Asia to Europe decreased by more than 50 percent to less than 8 thousand US dollars. More than 90 of the goods are globally transported by ships and therefore, container transportation is seen as the life blood of the world trade.

Ship congestion at some important ports still continues

According to the Kiel Institute for the World Economy (IfW), one of the leading economy institutes of Germany, around 11 percent of all goods transported globally are jammed at important ports as of September 7.

According to IfW, congestions and high fuel costs prevent freight ratios to decrease to the pre-Covid-19 pandemic levels and high transportation costs restricts more recovery in global trade. Moreover, investment of billions by ship companies to new technologies and fuels that will significantly decrease carbon emissions also prevents the further decrease of the freight prices. The World Trade Organization (WTO), on the other hand, expected a 3 percent growth in the global merchandise trade and the ongoing Russian-Ukrainian war, the increase



in the inflationist pressures and money policy tightening expected at developed economies have increased the uncertainty regarding this estimation.

An "empty container" crisis outbreak in the sea transportation used for around 90 percent of the global trade after the Covid-19 pandemic. The increases in freight prices (cost of ships for transporting goods) which first started in the Far East, USA and European markets then started to be felt at nearly everywhere in the world. The freight prices increased by 10-fold during that period and the containers were scarce. The freight prices on

the Far East - Europe line reached 20 thousand US dollars from 2 thousand US dollars before Covid-19.

Strict restrictions on economic activities to prevent the spread of the pandemic caused a major decrease in retail sales and a sharp economic recovery was achieved with the easing of the restrictions and countries re-outreaching to other countries.

Especially the ships from China to the USA could not return back in a short time as they could not unload their goods and this has deepened the supply problem. Hundreds of container ships waited in queues to

reach the ports especially in the USA and China.

Today large ships can carry 24 thousand containers and the construction of a new ship takes 2 to 3 years. Therefore, the new ship and container orders could not help with the crisis in the short term.

Besides, new carbon emission regulations expected for the sea transportations made some companies to act more conservatively to expand their fleets.

Most of the global maritime companies had a profitable year and are expected to add new ships to their fleets. ■

ALL THE MAPS YOU ARE LOOKING FOR ARE HERE

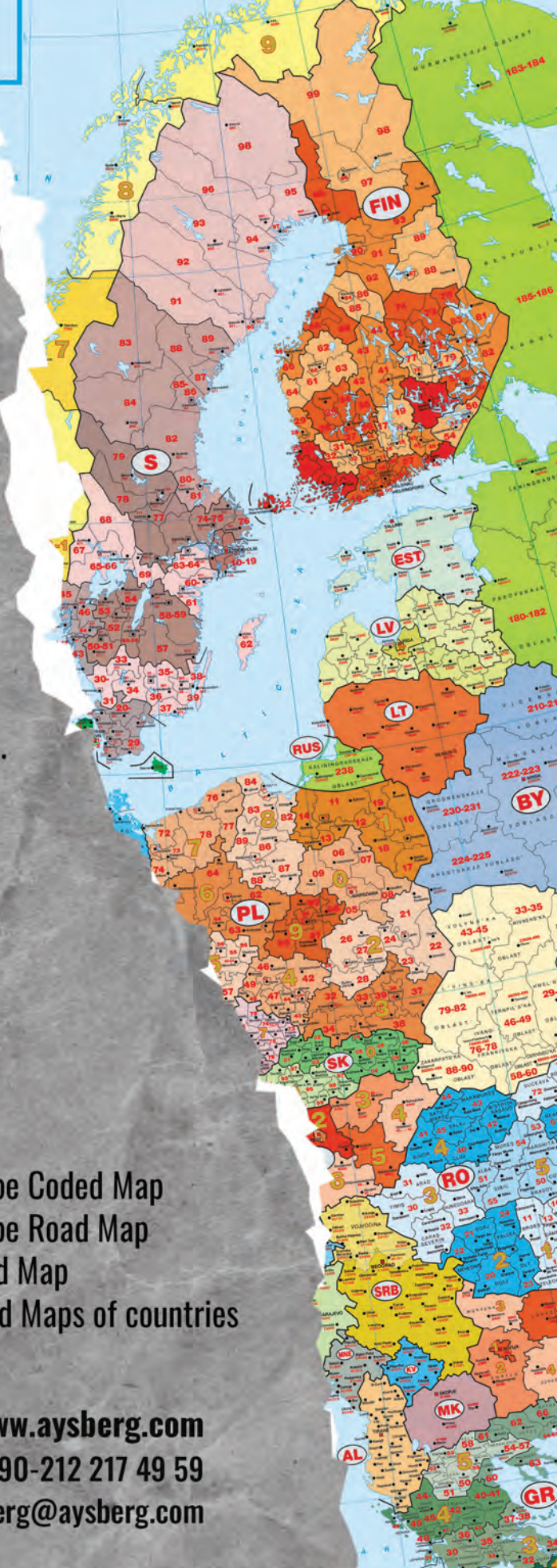
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- › Europe Coded Map
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- › World Map
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RAILWAY INVESTMENTS TO BE PRIORITIZED IN TRANSPORTATION FIELD



REPUBLIC OF TÜRKİYE
MINISTRY OF TRANSPORT
AND INFRASTRUCTURE

Second line constructions will be prioritized with Konya - Karaman - Niğde - Mersin - Adana - Osmaniye - Gaziantep, Ankara - Sivas, Ankara - Afyonkarahisar - İzmir, Bandırma - Bursa - Yenişehir - Osmaneli and Halkalı - Kapıkule railway projects within the scope of the public investments in the transportation field in the next 3 years.

► According to the information obtained from the Investment Programme Calculation Guideline for 2023-2025, railway investments will be prioritized in the next 3 years in the field of transportation. Second line constructions, signalization and electrification investments will be made as prioritized investments with Konya - Karaman - Niğde - Mersin - Adana - Osmaniye - Gaziantep, Ankara - Sivas, Ankara - Afyonkarahisar - İzmir, Bandırma - Bursa - Yenişehir - Osmaneli, Halkalı - Kapıkule projects. Moreover, hot bituminous mixture projects will be prioritized for the routes where the average daily heavy vehicle traffic is over 1000 vehicles. For public transportation, bus,

metrobus and similar systems will be constructed by taking into consideration the traffic congestion and travel demands. Rail system alternatives will be utilized for the routes where such systems are insufficient. Moreover, rail systems will be required to be planned for the corridors where the peak hour - one-way travel demand is minimum 7 thousand passengers/hours for tram systems, minimum 10 thousand passengers/hours for light rail systems and minimum 15 thousand passengers/hours for subway systems for the year they are planned to be opened. With regard to highway investments, highway and link roads projects and superstructure improvement, traffic safety and bridge and viaduct

repair projects that will ensure the protection and effective use of the existing highway system will be prioritized. Stating that "the railways play an important role in the green transformation vision we set for Turkey", the Minister of Transportation and Infrastructure Adil Karaismailoğlu told that national railway investments, significant railway, airline and communication projects make great contributions to holistic development and transportation sustainability. Underlining that they have invested 346.6 billion liras to railways since 2003, Karaismailoğlu told that they continue to make rail system investments in the intracity transportation. ■

FIRST-HAND INFORMATION ON TÜRKIYE SUPPLY CHAIN MARKET SITUATION



supplychainmachine.com Presents 'Türkiye - Europe's Next Nearshoring Boom!' Online Live Briefing

► The innovative supply chain business TV club and video-based consulting platform supplychainmachine.com organized a dynamic online Türkiye briefing on March 28th, 2023 on global reconfiguration and Türkiye's geostrategic position as the nearshoring market of Europe. The C-level speakers from the logistics and manufacturing industry met the international participants from consulting firms, international logistics service providers, freight forwarders, chemical industry and automotive suppliers. Number of German and EU manufacturing companies have already decided to nearshore and increase their production capacities in Türkiye and to intensify sourcing from Turkish suppliers. Recent market developments show that procurement networks between Germany, Czechia, Russia, Romania and the Balkans will be intensified with Türkiye. In this game, Türkiye is supposed to become

the production and logistics hub towards the future Mediterranean production locations in Morocco, Tunisia, Algeria, Egypt, Africa and the Middle East, e.g. Lebanon. Türkiye plays a key role in China's One Belt One Road initiative and has emerged as significant logistics hub

Prof. Dr. Stefan Iskan



towards the Black Sea region and CIS markets since the Russia-Ukraine conflict. In addition, Türkiye has become a major nearshoring shared service center location for German and international companies as well as a geo-strategic pipeline hub crossing the Black Sea and Caspian Sea region. Following almost three years of supply chain disruptions, bottlenecks in production-transport-logistics networks, international and domestic logistics service providers see an increased demand on the German-Türkiye and EU-Türkiye trade lane. Ongoing geopolitical tensions on global level and increased energy costs in Germany are supposed to strengthen this nearshoring trend for the upcoming years. 'Türkiye – Europe's Next Nearshoring Boom!' online live briefing, organized on March 28th, 2023 by the innovative supply chain business TV club and video-based consulting platform supplychainmachine.com focused on these topics by bringing together senior experts from logistics and manufacturing industry. The international briefing was held in

English language.

The keynote of this briefing was delivered by the founder of supplychainmachine.com, Prof. Dr. Stefan Iskan. Prof. Iskan dealt with the big picture focusing on the current geo-strategic forces and global supply chain reconfiguration. He drew attention to the One Belt One Road Initiative and focused on the battle on Eurasia and Türkiye's geo-strategic importance. The half-day event was moderated by Ms. Altınay Bekar, the International Club Managing Partner and Independent Editor in Chief of supplychainmachine.com. Each session had been designed as dynamic interview with interactive questions and answers. In the first session of the event titled 'Supply Chain, Risk Management, Air Freight and Intermodal', Mr. Murat Kılıç, the Senior Director of Supply Chain Center of Excellence of Şişecam; Mr. Turhan Özen, the Chief Cargo Officer of Turkish Cargo and Mr. Onur Talay, the CEO & Founder of Sarp Intermodal took the stage. The second session was on 'Transport,

Logistics, Ocean Freight and Supply Chain Capacities'. The guests of that part were Mr. Emre Eldener, the Managing Director of Kita Logistics, Mr. Turgut Erkeskin, the President & CEO of Genel Transport, Mr. Fuat Pamukçu, the Vice President of DFDS and Mr. Serdar Ayırtman the CEO of Catoni Group.

The Türkiye briefing was sponsored by DFDS. All sponsorship and external ticket sales are to be donated to the earthquake victims of Türkiye, who were affected severely by the earthquakes that struck the southern part of Türkiye on February 6th and affected a population of nearly 13 million people across 10 provinces. supplychainmachine.com is a dynamic and involving new-generation club truly in TV quality on global level with English and German language preferences. It offers 24/7 video streaming, live online seminars through a lifelong learning character as well as the opportunity to co-create interviews and expert videos to get ongoing fresh insights and impulses on an all-in-one platform incl. App. Prof. Dr. Stefan Iskan



Moderated Altınay Bekar

as virtual resource for freight forwarders and manufacturing industry brings in his experience as trusted advisor to leading firms in automotive and international freight forwarding next to his ability not only to deliver keynotes with power, dynamic, clear and straight, but also to energize managers and their employees. The inspiring insights on supplychainmachine.com help keeping up the club members from freight forwarding and manufacturing with the ins and outs of the supply chain world across industry segments and to staying tuned. ■

Murat Kılıç

Şişecam, Senior Director Supply Chain Center of Excellence

- As further potential for glass manufacturers, geostrategic market trends are Western Europe, United States and China's One Belt One Road.
- Şişecam's strategic approach is to become more resilient in transport routes out of Türkiye while another strategic approach is to sit close to its own suppliers in future in order to keep transport and logistics costs at an optimum.

- Although earthquake had no direct negative effect on Şişecam's own production facilities, it affected the suppliers located in the earthquake region. Furthermore, Mersin port serves Şişecam as one of the export hubs to European customers and there is need for new logistics supply chain routes out of Mersin region as supply chain operations slowed down there due to earthquake.
- Türkiye has young population. However, young people are not willing to work in industrial manufacturing areas. Therefore, skilled labor force shortage is comparable to German case. However, Turkish population

structure is still very attractive for foreign investors.

- Labor costs are still attractive in Türkiye. Therefore, automation across the entire manufacturing industry compared to real high-cost production markets like in Central or Western Europe are at slow pace. However, Türkiye is not a low cost market anymore and this trend will come to the country soon.
- Geopolitics affects energy costs also in Türkiye. From Şişecam perspective, energy is considered as being a global crisis.
- In future, geopolitical location will be decisive in supply chains. Türkiye is perfectly positioned to serve Europe and the future markets in Africa.

Turhan Özen
Turkish Cargo,
Chief Cargo Officer

- According to IATA, Turkish Cargo is ranked number 4 among worldwide carriers in aviation sector
- Cargo handling at Atatürk Airport was too busy with no further opportunity for Turkish Cargo to grow, which was also a big bottleneck for Turkish and the world economy. Atatürk Airport had around 1.2 million-ton handling capacity. Just in Phase 1, Istanbul Airport offers already more than

2.2 million-ton capacity and Phase 2 under construction shows a capacity of about 4.5 million tons. For this cargo handling volume Istanbul Airport offers cutting edge technology in cargo ground handling.

- When pandemic started in early 2020, 60 percent freight capacity were lost. Within 3-4 weeks, across countries worldwide, passenger airplanes stopped in parallel and global supply chains seemed to stop for a while. However, soon air cargo became the only long distance transport mode for medical equipment, protective clothes, vaccines etc. Turkish Cargo managed

to adapt passenger aircrafts 100 percent for cargo shipments within 4 weeks. This was very innovative and fast despite strict regulations on cargo safety requirements in aviation industry. Turkish Cargo gained 5.5 percent market share and has reached top 3-5 ranking in worldwide air cargo delivery.

- Africa is a hotspot for Türkiye. Turkish Cargo serves 62 African destinations in 41 African countries. Türkiye strategically fits with African market due to political relations and cultural dimensions. While the rest of the world is currently instable in volumes, growth rates in Africa are high and stable.

Onur Talay
Sarp Intermodal,
CEO and Founder

- Sarp Intermodal's future plans involve further growth through organic growth and M&A deals. Investments have been made in E-trucks and cold-chain container equipment as well as Ro-Ro infrastructure assets. There are plans for new agriculture business with a new and open infrastructure

partnering model.

- Earthquake will have negative effect on total Turkish GDP in 2023. Less export is expected from that region.
- Nearshoring tendencies on trade lanes to Türkiye indicate interest from Central Europe, Western Europe and nowadays also from Lithuania as a new trade lane request.
- On transport corridors IV and X, schedule reliability across the borders plus tracking lacks are still severe issues.

- Best places for the foreign investors to invest in Türkiye are; (1) Istanbul for domestic and intermodal advantages, (2) Bursa for automotive, textile and food industries, (3) Izmir for manufacturing and technology possibilities and (4) Mersin for its good access lines to Middle East, Asia and Europe
- Vertical Markets with growth potential are, e-commerce, automotive, textile and renewable energy with solar and wind park manufacturing and agriculture with cold-chain solutions.

Emre Eldener
Kıta Logistics,
Managing Director and UTIKAD Vice President

- Covid-19 changed the way of doing business in transport and logistics sectors. Transport and logistics sectors need further push for digitalization in operations.
- Railways need to be improved in infrastructure across borders in Europe and towards the One

Belt One Road corridors. Post-Soviet markets have high shares in railways in their modal split. More intermodal business is needed but for that, transit times need to be optimized.

- By showing the necessity of e.g. having data centers in cloud, earthquake once again demonstrated that future is digital.
- Türkiye is an ideal nearshoring location with short transit times to Europe. Türkiye offers very competitive sea freight rates to

Morocco and Africa for raw material shipments. It also acts as nickel and aluminium hub for volumes coming from CIS region and routed through Mersin Port with again very competitive sea freight rates. On top it has transit time and productivity advantage in supply chains.

- Business Model of Türkiye in future might be to import raw materials from China and Far East and to do process manufacturing - e.g. automobile spare parts might gain importance.

Turgut Erkeskin Genel Transport,

President and CEO

- Promising markets to be served by Türkiye are Black Sea Region, Russia, CIS, Ukraine, Georgia, Romania and Bulgaria, all of which are growing markets.
- Turkish-Russian relationship has relaxed since 2016 after the failed coup. The volume development between the two countries is high. Recently, Russian companies come to Türkiye to set up new offices.
- Türkiye has traditionally served as

energy hub and now is the case also for Russia.

- Türkiye is a very important part of China's One Belt One Road initiative. İskenderun and Mersin are very well linked to North Africa. Türkiye has a lot of opportunities to combine transport modes including port infrastructures and railways.
- Route from China via Russia to Europe seems to be the best one with less border crossing processes. However, currently there are problems on high diplomatic level including sanctions on that route. So this offers new opportunities for Türkiye also for processed manufacturing.

- Nearshoring advantages of Türkiye are; its strategic location as well as good ties to Middle East, Asia, Africa and Europe and the large scale of the local market. Turkish government is supporting foreign investors with tax advantages. Skilled labor force is needed for industrial manufacturing. High-tech production models are to be seen in future in automotive and defence industries.
- By decreasing transit times, there is potential in intermodal railway from Türkiye to Europe. Border crossing process is one third of the entire transit time on that trade lane and it can be cut down by 50 percent.

Fuat Pamukçu DFDS,

VP

- DFDS' agenda focuses on digitalization, biofuels, e-trucks and green shipping. Zero emission ships are expected by 2025-2030
- "Türkiye is little China". Although in Türkiye, negative development is expected in the next 2 years, nearshoring boom to come in the entire region overall in 5 years.

- Earthquake has negatively affected 10-15 percent of Turkish export volume. More than 100bn USD is expected to be needed for the recovery in the affected region. However, after the 1999 earthquake, Bursa and Gebze industrial zones were first negatively affected but then became even stronger in industrial development. As a summary; there might be negative effects in the short-term most likely followed by positive development in the long run.
- DFDS comes with new connections

- to Romania from Marmara Region. It is also expanding infrastructure in Egypt, Tunisia, Morocco and France including rail intermodal solution services. DFDS also offers new services in Italy.
- More warehouse inventory with diversified back-up plans is a tip for foreign investors. Türkiye is an agile manufacturing location and has demonstrated capabilities as a nation to quickly adapt and respond to any kind of events. And it is also a very competitive market with green logistics solutions.

Serdar Ayırtman Catoni Group,

CEO

- Promising markets to be served by Türkiye are Black Sea Region, Russia, CIS, Ukraine, Georgia, Romania and Bulgaria, all of which are growing markets.
- In five-year plan, Catoni Group focuses on West Africa, Far East, Middle East, India and South East

Asia – besides its strong footprint in the Black Sea and Caspian Sea regions.

- Promising vertical markets from Catoni perspective are pharmaceutical and humanitarian aids logistics. Therefore, Catoni Group has plans to invest in own assets in Southern part of Türkiye.
- In addition, bulk solutions to e.g. Germany, France, Spain and new connections out of Marmara and Mediterranean region to India will

- be intensified via cooperation in future.
- Restructuring Syria and stabilizing neighbour countries will bring in additional business chances for Türkiye and the entire region.
- Top 4 characteristics of Türkiye for foreign nearshoring investors are that, Türkiye has proximity to resources; there is skilled and service oriented work force; there exists stable banking system with future market orientation and it is a strong domestic market.

GEOSTRATEGIC SUPPLY CHAINS - THE CENTER OF GRAVITY OF THE WORLD ECONOMY IS MOVING TOWARDS ASIA

► Inflation, energy crisis, the battle on Eurasia, capacity shortage, extra costs in supply chains and Europe's geopolitical supply chain reconfiguration. We are facing the biggest change in global supply chains in recent decades. In parallel, industry 4.0 breaks through across industry segments. Cash needs to be secured once again and keeping workforce lifelong up-to-date has

Prof. Dr. Stefan Iskan
*Professorship for Logistics and Business Informatics, especially Automotive SCM and Digitization / Founder
www.supplychainmachine.com*



become a key in today's supply chain management arena.

The upcoming years are driven totally by geo-strategic forces and global reconfiguration. Number of German and EU manufacturing companies have already decided to nearshore and increase production capacity in Türkiye and to intensify sourcing from Turkish suppliers. New cross-dock projects in Türkiye, for example from the German automotive industry, are on their way. This strategic move has been already anticipated in March 2020 - at a very early stage of the Covid-19 pandemic. Recent market developments show that production networks between Germany, Czechia, Russia, Romania and the Balkan will be intensified with Türkiye. In this game, Türkiye will become the production and logistics hub towards the future Mediterranean production locations in Maghreb, Egypt, the Middle East and of course, the entire Black sea region up to Africa. Türkiye plays a key role in China's One Belt One Road initiative and has emerged as significant logistics hub towards the Black Sea region and CIS markets since the Russian-Ukraine conflict in 2014 already. At the same time, it is worth mentioning that The Republic of Türkiye, as one of the successor states of the former Ottoman Empire, itself is in the spotlight of many conflicting global interests in its history. Between Europe, the Middle East, the U.S., Russia and the Caucasus to Central Asia. Thanks to its unique

location, Türkiye also plays a prominent geostrategic role. The strategic orientation of the New Istanbul Airport is to be seen in the context of changes in the center of gravity of global economy and geopolitics.

In addition, Türkiye has become a major nearshoring shared service center location for German and international companies as well as a geo-strategic pipeline hubs crossing the Black Sea and Caspian Sea region. Following almost three years of supply chain disruptions, bottlenecks in production-transport-logistics networks, international and domestic logistics service providers see an increased demand on the German-Türkiye and EU-Türkiye tradelane. Ongoing geopolitical tensions on global level and increased energy costs in the European Union will strengthen this nearshoring trend for the upcoming years. Türkiye is Europe's Next Nearshoring Boom!

While Europe seems to become a kind of consumer market, more and more producer and supplier markets are emerging in the markets along the "One Belt One Road" initiative. Therefore, it sounds more than reasonable to review the geostrategic initiative of China's One Belt One Road from a geostrategic supply chain perspective. This initiative dominates many of the current geostrategic issues we are struggling on global level up to the transformation process in Europe and its supply chain reconfiguration.



In 2022, the term Cold War 2.0 has come up once again. From a supply chain perspective, it is less about the cold war blocks and more about the geopolitical alignment in our supply chains that have been emerging for some time. The focus here is on markets along China's One Belt One Road initiative. In other words, Central Asia with CIS states, Türkiye, Southeast Asia, Africa and Latin America. If we now add India and other markets, we get a map of markets that are not participating or not fully participating in the economic sanctions against Russia. The difference with Cold War 1.0 is not purely East versus West. Cold War 2.0 is multipolar and revolves around the battle for Eurasia and thus for its geopolitically relevant future markets. In other words, markets that the U.S. and China are fighting over as a territory of influence.

Let's take for example the New Istanbul Airport. This is an essential part of the Eurasian chessboard in the game for physical and digital control of Eurasia. Over 65 percent of the world's air routes pass through Istanbul. 40 markets can be reached in 3 hours by plane. 66 countries in 5 hours of flight. What is the overall goal of this logistics mega-hub? Exactly. It is the tactical supply chain connection from short- and medium-haul aircraft with

the long-haul fleet. Accordingly, the airlines and carriers there are growing with the direction of China's One Belt One Road strategy. These trade lanes to the African continent might have seen permanent expansion in recent years. With the result of double-digit growth rates.

The focus is being redirected on global level, thus, the European Union is in the middle of the battle for Eurasia between the two superpowers USA and China. And since the beginning of trade wars, the European Union have had to be careful that it is not worn down in that geostrategic game. Overall, a closer transatlantic network of relations between the European Union and the USA can be expected. A close tie that will stretch along national security, economics, climate policy, and technology sharing. Using the current NATO accession discussions as an example, it can also be assumed that efforts to expand the European Union are likely to move forward on the Western Balkan. A region with a traditional strong influence from Russia, Türkiye (former Ottoman Empire) and nowadays China within the One Belt One Road Initiative.

And one thing is clear: The One Belt One Road initiative is seen as a smart approach to design China's international trade and supply

chain network while at the same time limiting the US and its partner options for taking budget sensitive countermeasures. And a core part of that supply chain game is Türkiye with its domestic and international tradelanes. It might be also obvious, that China's increasing partner network on both, the Silk Road Economic Belt and the 21st Century Maritime Silk Road, will increase the US' and its partners' costs to block China's logistics and geostrategic initiatives. However, the OBOR initiative needs also to include a sustainable approach when it comes to industrialization and ecological and social impacts.

To sum it up: All indications are that both domestic and border crossing demands for logistics services in Türkiye will continue to develop at a faster and more sustainable pace than in most other economies of the world in the upcoming years of geostrategic supply chain reconfiguration. This is especially true for the trade relationships between Türkiye and the markets along China's One Belt One Road Initiative up to the future markets in Africa. At the same time political, ecological, and economical risks and turbulences for the logistics industry are increasing and becoming more and more 'less predictable' on global level. ■

IMPORTS BY MODE OF TRANSPORT, 2022-2023 (GENERAL TRADE SYSTEM)

YEAR	MONTH	TOTAL	SEA	RAIL	ROAD	AIR	OTHER
2023	JANUARY	33.606.365	14.788.563	153.842	5.560.866	6.480.861	6.622.233
TOTAL		33.606.365	14.788.563	153.842	5.560.866	6.480.861	6.622.233

YEAR	MONTH	TOTAL	SEA	RAIL	ROAD	AIR	OTHER
2022	JANUARY	27.843.706	14.479.910	233.684	3.714.905	1.921.957	7.493.250
	FEBRUARY	27.884.535	15.168.792	248.859	4.324.935	1.874.204	6.267.745
	MARCH	30.876.643	16.214.666	259.327	5.011.005	2.858.961	6.532.684
	APRIL	29.478.641	16.444.546	241.287	4.730.372	2.190.959	5.871.477
	MAY	29.588.434	17.205.386	218.319	4.794.226	2.830.888	4.539.616
	JUNE	31.595.056	17.930.128	274.256	5.347.165	2.680.306	5.363.200
	JULY	29.238.597	16.449.851	233.510	4.589.102	2.851.807	5.114.327
	AUGUST	32.531.362	17.090.490	213.675	5.059.878	3.779.254	6.388.064
	SEPTEMBER	32.204.099	16.398.507	271.694	5.366.599	4.265.648	5.901.651
	OCTOBER	29.202.459	14.507.552	234.416	5.001.109	4.579.726	4.879.657
	NOVEMBER	30.655.177	15.597.655	295.395	5.604.049	4.160.908	4.997.170
	DECEMBER	32.610.207	16.309.520	243.487	5.902.905	4.586.223	5.568.072
TOTAL		363.708.915	193.797.002	2.967.908	59.446.249	38.580.840	68.916.915

Value: Thousand US \$

EXPORTS BY MODE OF TRANSPORT, 2022-2023 (GENERAL TRADE SYSTEM)

YEAR	MONTH	TOTAL	SEA	RAIL	ROAD	AIR	OTHER
2023	JANUARY	19.369.138	11.080.874	153.360	6.548.907	1.537.348	48.649
TOTAL		19.369.138	11.080.874	153.360	6.548.907	1.537.348	48.649

YEAR	MONTH	TOTAL	SEA	RAIL	ROAD	AIR	OTHER
2022	JANUARY	17.553.864	10.571.424	136.890	5.461.014	1.307.885	76.652
	FEBRUARY	19.904.521	11.854.658	184.471	6.235.229	1.543.317	86.847
	MARCH	22.609.673	13.900.745	208.554	6.772.049	1.627.602	100.723
	APRIL	23.331.565	13.964.113	215.645	6.998.959	1.828.485	324.364
	MAY	18.932.356	11.527.380	180.847	5.706.935	1.383.308	133.887
	JUNE	23.360.242	14.134.626	248.910	6.987.634	1.867.692	121.379
	JULY	18.536.682	10.930.530	181.688	5.813.957	1.387.731	222.776
	AUGUST	21.276.414	12.460.746	195.196	6.587.921	1.878.843	153.707
	SEPTEMBER	22.597.908	13.138.904	200.576	7.205.112	1.860.792	192.524
	OCTOBER	21.310.685	12.029.736	270.828	6.709.144	2.065.507	235.469
	NOVEMBER	21.876.497	12.355.366	180.503	7.180.491	2.097.592	62.546
	DECEMBER	22.910.602	13.444.548	253.921	7.193.894	1.836.626	181.612
TOTAL		254.201.009	150.312.775	2.458.027	78.852.340	20.685.379	1.892.487

Value: Thousand US \$

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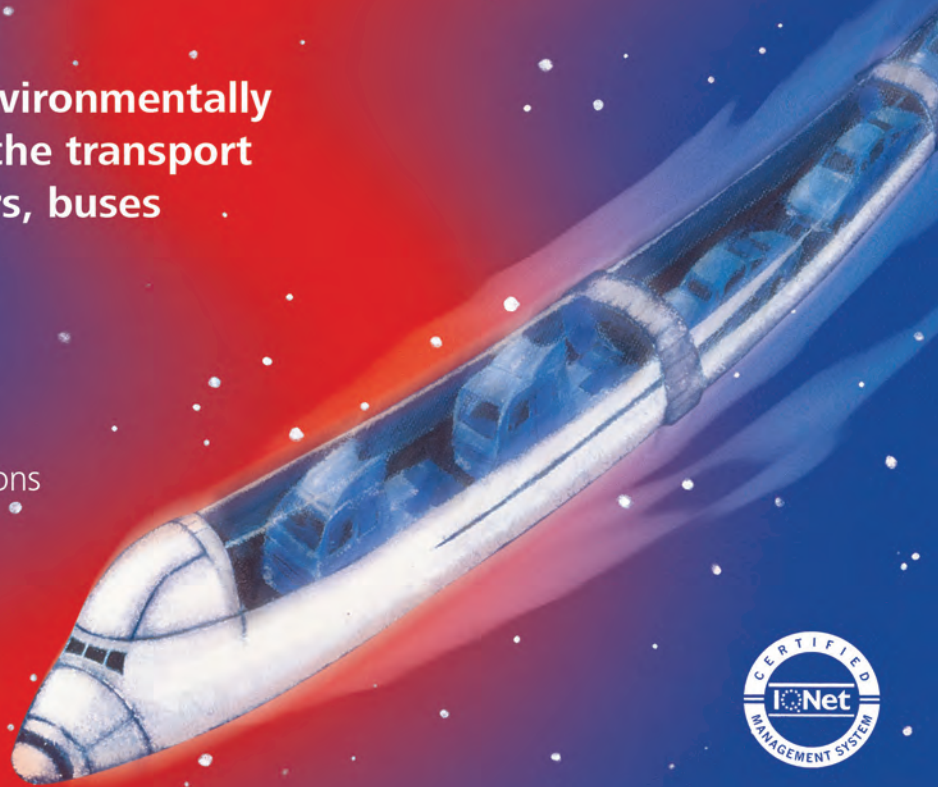
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