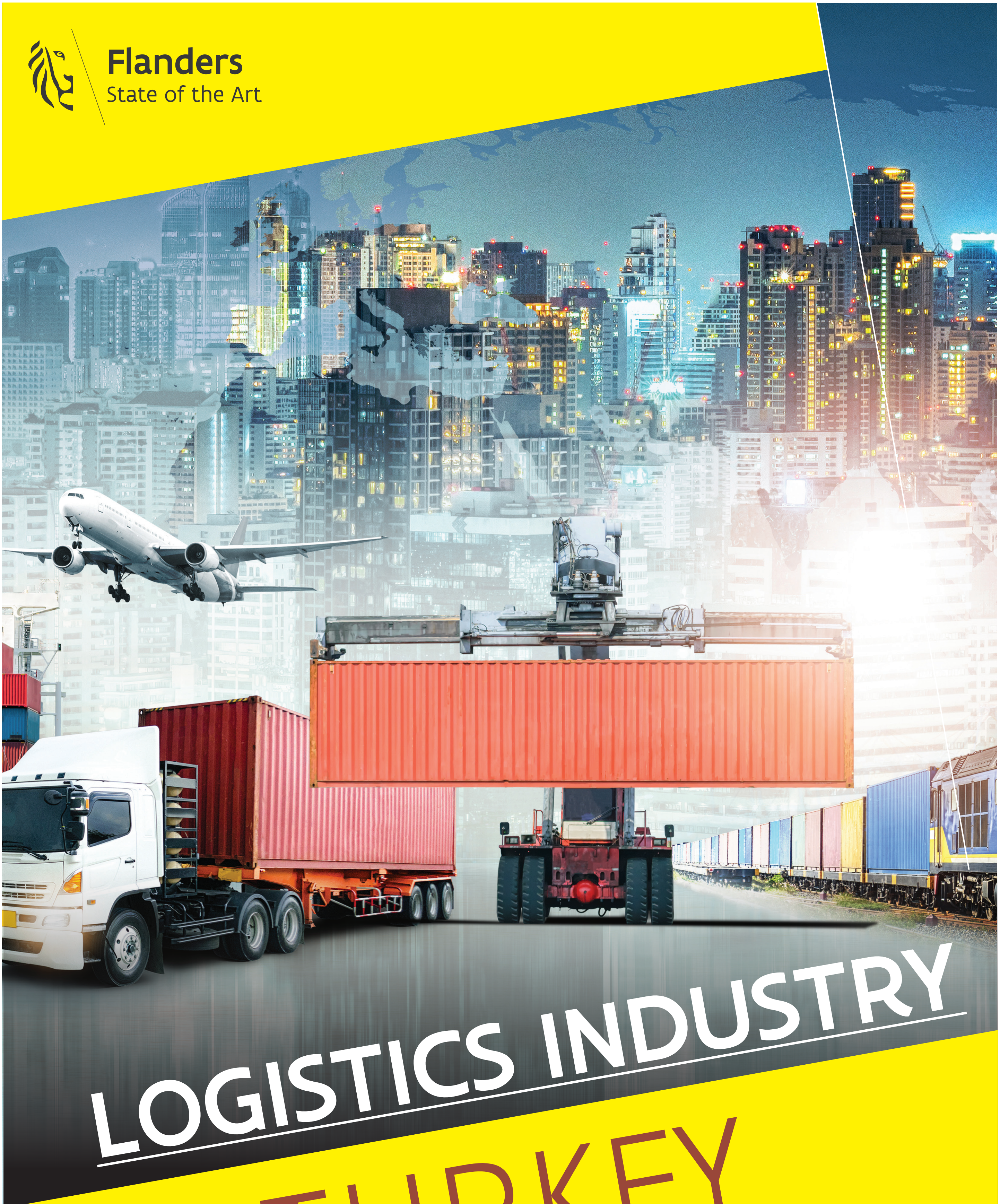
Flanders
State of the Art



LOGISTICS INDUSTRY IN TURKEY

FLANDERS INVESTMENT & TRADE MARKET SURVEY

FLANDERS
INVESTMENT &
TRADE

Market study

//

TURKEY LOGISTICS INDUSTRY

Istanbul / December 2020

//

Ezgi Çeri Fidan
Inward Invest Deputy
Flanders Investment and Trade
c/o Consulate General of Belgium in Istanbul
Siraselviler Caddesi 39
Taksim 34433
Turkey
+90 21 22 93 99 17
istanbul@fitagency.com

TABLE OF CONTENTS

1. FOREWORD

It is a fact that logistics is the second industry that has the most potential following tourism in Turkey. Turkey is located at a strategic location that connects the east and the west. The country provides access to the Balkans, the Black Sea, Caucasian, the Caspian, Central Asian, Middle Eastern and the Northern African countries. This justifies the importance of the Turkish logistics sector and especially the transportation sector.

The main services provided by the logistics companies in Turkey include international and domestic land transportation, warehouse distribution, project transportation, duty-free storage, distribution to the final consumption point and container transportation.

While textile ranks the first in the sectors to which logistics companies provide services, it is followed by the automotive, retail-food, construction materials, and chemistry, iron-steel and machinery sectors, respectively.

Although the logistics industry has a great potential in Turkey, unfortunately it has some fundamental problems.

One of the biggest problems of the industry is the lack of a strategic plan for the future of logistics companies in Turkey, and when it is available, it is very limited and short-term. Companies usually focuses on the next 1 or 2 years. Budgets are limited and competition is enormous.

Another important issue is education. The logistics sector has a feature that requires many competencies and therefore there is a serious shortage of qualified personnel. Many experts state that education will be one of the most critical issues in the logistics sector in the upcoming period in Turkey.

We also need to point out that logistics companies in Turkey believe that they can provide any service to any sector under any circumstances. However, this is not the case in practice. Logistics companies do not say “no” to the demands of any customer. There is no service or sector they cannot provide or serve. This approach suppresses the development and the progress of companies that have achieved success in a certain area in the sector. In this context, the importance of a systematic strategic planning becomes evident.

Although Turkey has a natural infrastructure that may ensure it become a pioneer in logistics sector thanks to its unique geographic location, it fails to attract sufficient number of investors due to the lack of physical infrastructure and investments as well as the qualified human resources. As a result, this great potential cannot be realized in any way. The protective global trade trends reaching the peak in 2018-2019 period and the financial problems experienced on a local basis also had a negative impact in this general trend.

2. TURKEY LOGISTICS INDUSTRY ECOSYSTEM

➢ Map of potential directions of transportation, using Turkish territory as a logistics hub (Isik, 2012)

2.1 MARKET SIZE

As much as it is curious in the logistics sector, it is actually a difficult issue to measure. Since the Transportation and Storage activity branch classification includes passenger transportation activities, it is not sufficient to present the size of the logistics sector in relation to the direct load. For this reason, it is largely based on assumptions in evaluations regarding the logistics industry. The approach accepted both in the sector and the academy is that the logistics sector has a share of approximately 12 percent in GDP. It is accepted that 50 percent of this size is due to the activities of the companies providing direct logistics services and the other 50 percent is caused by the logistics activities carried out by the companies that trade goods. In this context, GDP in 2018 was 3 trillion 700 billion 989 million TL. In 2018, the size of the logistics sector was accepted as 444 billion TL. GDP data for 2019 has not been released yet, but we have an estimate that we can accept as a guide. According to the New Economy Program published in autumn, GDP in 2019 is estimated at 4 trillion 269 billion TL. In this context, it can be said that the size of the logistics sector has exceeded 2019 billion TL in 500.[1]

According to Turkstat , 2019 total employment in the logistics sector in Turkey is 1,255 thousand.

[1] UTIKAD

2.2 FOREIGN TRADE

Considering to Turkey's foreign trade data by transport modes, the dominance of maritime transport is outstanding. Maritime transportation, which has increased its share in both export and import, is followed by road transportation, the share of which has decreased from 41.5% to 28.5% in the last 10 years. These two transportation modes cover more than 90% of the total volume and 71% of the total import. The difference lies in the import of crude oil and natural gas through pipelines.[2]

Distribution of Exports by Transportation Modes

Source: Turkish Statistical Institute (TurkStat)

Distribution of Imports According to Transportation Modes

Source: Turkish Statistical Institute (TurkStat)

2 KPMG – Taşımacılık Sektörel Bakış 2020

2.3 ROAD LOGISTICS

Road transport is widely used both in domestic and overseas transportation due to its traditional role in Turkey. On-road vehicles are mostly preferred in all transportation operations except for the first and final stages. The underlying reason for this preference is the impairment of supply-demand balance in Turkey due to the excess fleet capacity. For example, in Turkey, the number of trucks, which was 314 thousand in 1994, increased to 845 thousand in 2018 showing an increase more than twofold within 25 years and 673 thousand of them are used for commercial purposes.

According to 2018 data of the Ministry of Transport and Infrastructure, companies carrying international and domestic goods have a fleet of 1,240,767 vehicles in total.[3] In addition, due to the fact that there is a more developed road network in the country compared to other modes of transport, it is possible to carry out all transportation without transit, and there is also a freight advantage compared to the railroad due to the excess fleet of vehicles in the country. Road transportation is the most preferred mode in domestic passenger and cargo transportation. Significant investments made especially in the last 15 years have increased the operational quality in this field.

Between the period of 2002 and 2019, the total road length increased by 6.7%, reaching 67 thousand 333 km from 63 thousand 82 km. In this process, the length of the divided roads increased more than five times. Besides, the length of the highway has increased from 1,714 km in 2002 to 2,159 km in 2019. This growth shows that the share of highways from total main road has gone up to 4% from 2%. In addition to these investments, improvements in the existing infrastructure, bridges, tunnels and similar investments, which shorten the roads, reduce the traffic and lower the risks of accidents, were also implemented.[4]

2.4 MARITIME LOGISTICS

Turkey is surrounded by four seas on three sides and sea links with many countries. Turkey's foreign trade in both exports and imports more than half-axis is carried out by maritime transport.

Maritime transportation is mainly used in local and international trade. It has maintained its undisputed leadership with a share of 62% in the export and 54% in the import as of the end of 2019. These rates were 47% and 46% respectively in 2002.

The amount of cargo handled at the ports continues to increase in general thanks to foreign trade with maritime logistics and coastal shipping and transit transport as well. The total volume of cargo handled, which was 190 million tons in 2003, reached 443 million tons as of November 2019. It is estimated that 2019 is likely to exceed the record year of 2017.

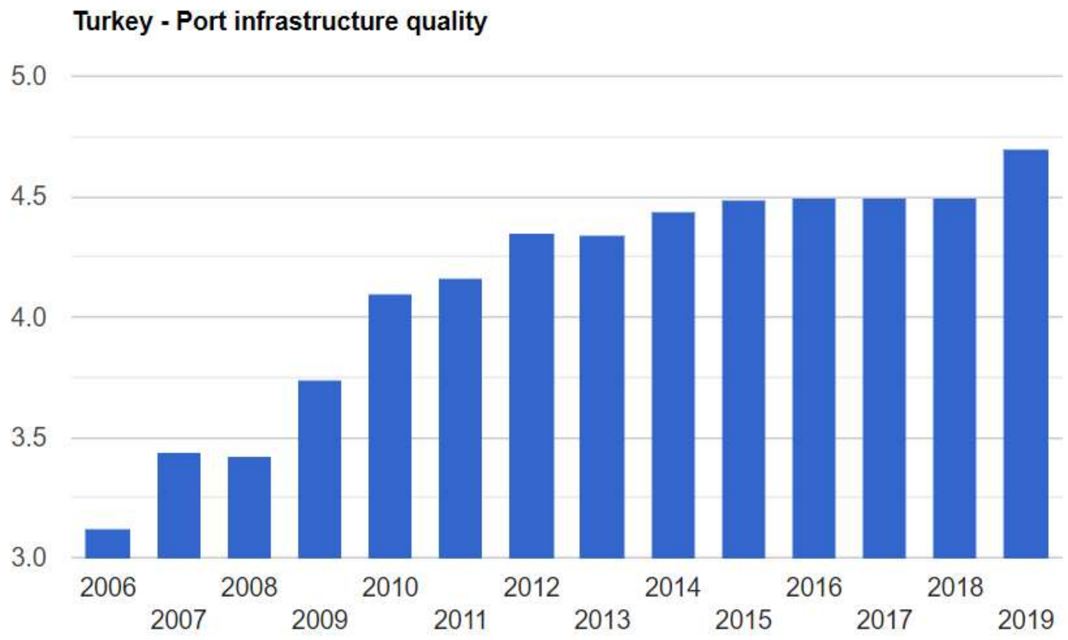
In Turkey, both imports and exports are largely being transported over the seaways; 61,7% of the total exports and 54,5% of total imports are carried over maritime transport.

Ports are one of the main actors in maritime logistics. Turkey aims to reach $500 billion in exports by 2023, and one of the requirements to accomplish that goal is to realize mega port projects.

[3] Ministry of Transportation and Infrastructure, 2018, Accessing Turkey. pg. 37.

[4] KPMG – Taşımacılık Sektörel Bakış 2020

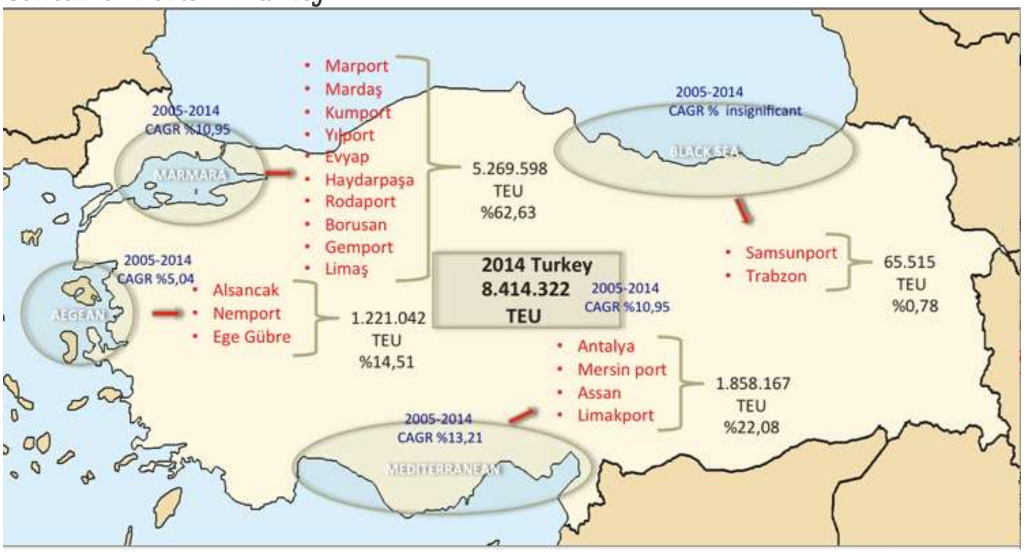
Currently, the country is building three ports in three big seas, including Çandarlı Port in İzmir on the Aegean Sea, Filyos Port in Zonguldak in the Black Sea and the Taşucu Container Port in Mersin on the Mediterranean Sea.



Source: World Economic Forum

Turkey has a total coastline of 8,333 kilometres. Thus, it's no surprise that there are almost 200 ports and piers in total in Turkey which can be classified based on their functions such as container, military, fishing or private yacht harbours, etc. When we talk about major seaports, we don't mean the physical size of the port, but its capacity in terms of sea trade.
Turkey's transhipment cargo in ports is concentrated in Ambarli (cargo handling, general cargo, container, storehouse) region and the ports in the region have the highest volume compared to the other regions of Turkey. 27 of Turkish ports are classified as container ports. Let's take a closer to the top 10 ports in Turkey, based on their cargo handling capacity.

- Container Ports in Turkey



Source: Sonpose Consulting

Port	Description	Web Page
Mersin International Port (MIP)	The Turkey's largest container port, MIP,is connected via railways and highways with Turkey's industrialized cities such as Ankara, Gaziantep, Kayseri, Kahramanmaraş and Konya, and with bordering countries such as Syria, Iraq and CIS countries. It is one of the main container ports in the Mediterranean Region with its transit and hinterland connections with the Middle East and the Black Sea.	https://www.mersinport.com.tr/
Asyaport	Asyaport which is the first Transhipment Container Terminal (Hub Port) of Turkey having a draft up to 18 m, 2000 m total quay length in the position of a world-scale port with its capacity up to 2.5 million TEU. Asyaport, developing as a logistic center, will provide significant contribution to business life of Tekirdağ with 1200 direct employment.	http://www.asyaport.com/
Safiport Derince	Safi Derince International Port is located in the Marmara Region, to the north of the Gulf of Izmit. It is 59km from Sabiha Gokcen Airport, 85km to the Istanbul city center, and 10km from the Izmit city center. In addition to sea transport, it offers easy access to international and domestic destinations, via rail and truck transportation.	http://www.safiport.com.tr/
Marport	Marport commenced its operation in 1996 as a container terminal in Port of Ambarlı under the name of Limar. Marport has continued its expansion projects since its establishment and has reached	http://www.marport.com.tr/

	its current state with and an equipment park of 10 Ship to Shore Gantry, 41 Rubber Tyred Gantry, 102 Terminal Towing Truck and its 7 berths.	
Kumport	In 2011, Kumport was Turkey's third largest terminal and first in import container handling. Since 2002 the rapid increasing trend in turnover was met simultaneously with investment in terminal equipment and technology.	http://www.kumport.com.tr/
Socar Terminal (Petlim)	Outstanding as the first port of Turkey, which will be accessed by the ships with a capacity of 18.000 TEU, and which has the integrated dock structure of 700 meters, SOCAR Aliağa Terminal is the largest integrated terminal in Aegean Region.	http://petlim.com.tr/
Mardaş	One of Turkey's first private ports located in Beylikdüzü, İstanbul, Mardaş started its activities in 1991. In 2002, together with the increasing importance of maritime transport container operations, Mardaş became the container port and took its place among Turkey's top container ports also thanks to the location and its connection to the Mediterranean Sea, Aegean Sea, Marmara Sea, and the Black Sea	http://www.mardas.com.tr/
DP World Yarımca	Located in Yarımca, Kocaeli, DP World Yarımca is a subsidiary of DP World of Dubai, the world's third-largest container terminal operator, operating 70 terminals in 31 countries, including Canada, the UK, France, and Spain. The terminal in Yarımca is equipped with super-post Panamax quay cranes. Electrified Rubber Tyred Gantry Cranes (E-RTG) are being used for yard handling.	http://www.dpworldyarimca.com/

Gemport	Gemport, Turkey's first private sector port, serves as an import and export gateway for many industrial areas, especially Bursa, where it is located. Its cargo handling capacity is 1,2 million TEU per year.	http://www.gemport.com.tr/
LimakPort İskenderun	Iskenderun port, which continues his activities under the name of Limak İskenderun . is one of the most important container terminals in the Eastern Mediterranean.	http://www.limakports.com.tr/

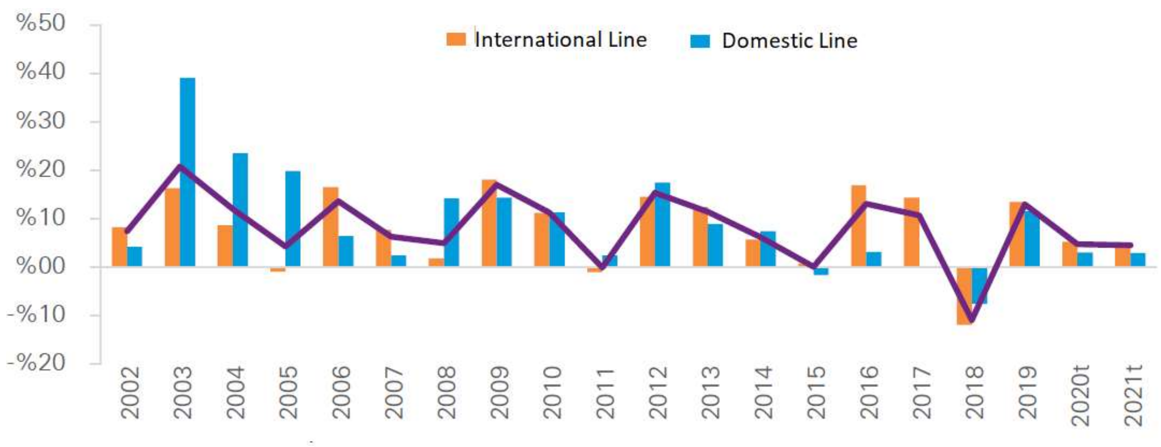
2.5 AIR LOGISTICS

The total quantity of transported cargo increased by 13.1% in 2017 and 10.7% in 2018 and contracted by 10.9% in 2019. The rapid growth in 2017 and 2018 was realized with the acceleration created by international transportation.

As of the end of 2019, the volume of the sector that transports 3.4 million tons of weight is expected to reach 3.9 million tons in 2020, with a growth of 13%. This level is slightly above the level in 2018.

Turkey's air cargo transportation from port to port market reached $ 3 billion. Turkish Cargo has the largest share of the last three years 80 percent growth.

Air Freight Transport (Growth Rates)



Source: General Directorate Of State Airports Authority

2.6 RAILWAYS LOGISTICS

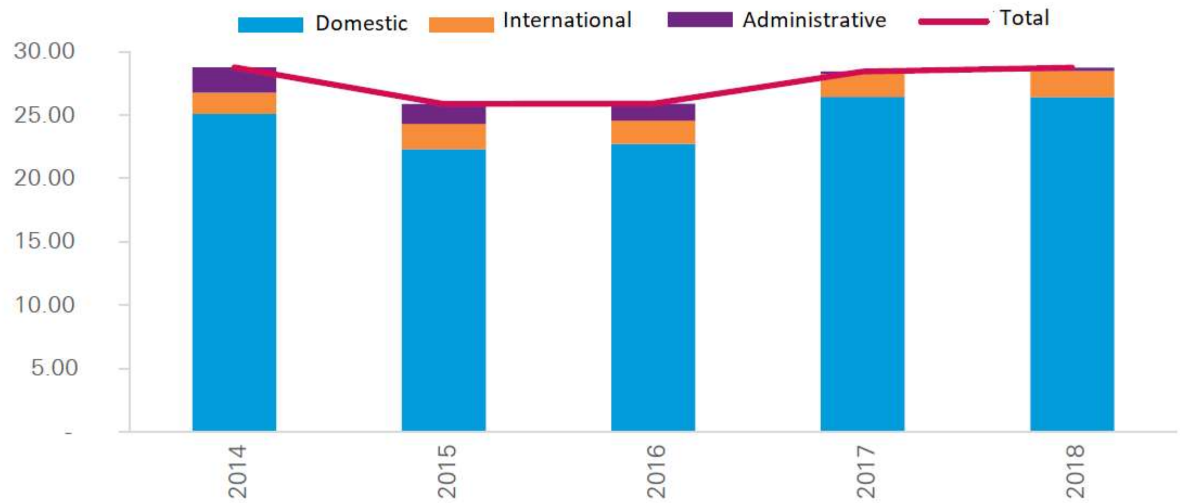
Although rail transportation is of great importance in terms of sustainability, Turkey has not been able to reach a significant volume in cargo transportation. Although the trains carrying 15.9 million tons of cargo in 2002 increased this volume to 28.7 million tons in 2018, still, it should be noted that this figure is at the same level as in 2014.

Investments continue to improve intercity passenger transportation by railway. With the completion of ongoing investments and renewal works, this acceleration is thought to gain even more strength.

The number of passengers, which was 55.4 million in urban transportation in 2014, reached 76.3 million by the end of 2018. This 37.7% increase means a growth of 20.9% compared to the 2017-2018 period.

On the other hand, passenger transportation with High Speed Train (HST) has not reached the targeted levels yet, but it shows significant growth. The number of passengers carried by HST in 2009, when it started was less than 1 million. At the end of 2018, this number reached 8.1 million people..[5]

Railway Freight Transport (Million Tons)

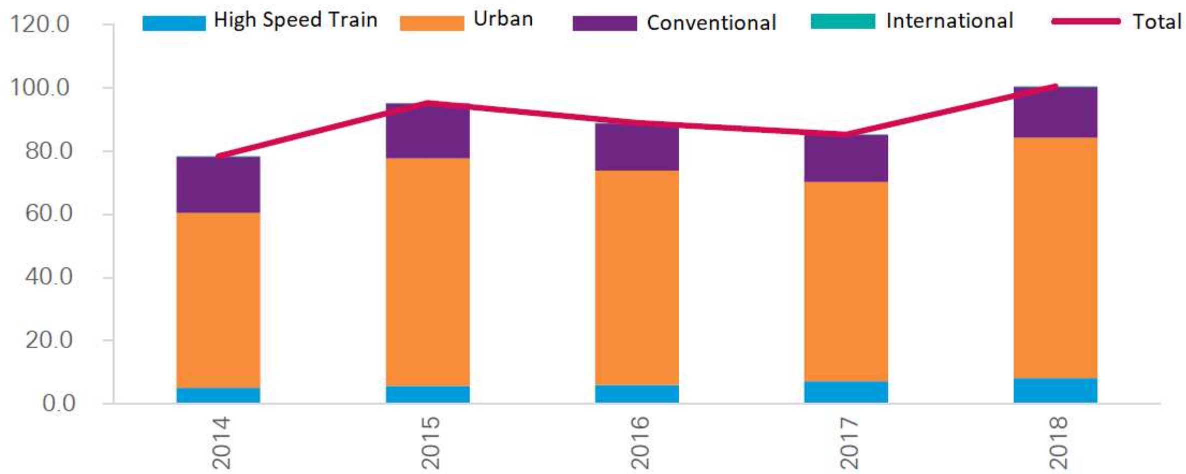


Source: TCDD- General Directorate of State Railways

---

[5] TCDD- General Directorate of State Railways

Railway Passenger Transportation (Million People)



Source: TCDD- General Directorate of Turkish State Railways

2.7 BIG MARKETS PLAYERS

	Company Name	Web Site	Total Turnover (Income) ($)	Service Export ($)
1	Ekol Lojistik A.Ş	www.ekol.com	717.174.301	565.398.804
2	Netlog Lojistik Hizmetleri A.Ş.	https://www.netlog.com.tr/	647.130.708	414.879.518
3	Arkas Konteyner Taşımacılık A.Ş.	http://www.arkasline.com.tr/	486.197.050	359.268.806
4	U.N. Ro-Ro İşletmeleri A.Ş	http://www.dfds.com.tr/	271.019.002	271.019.002
5	Msc Gemi Acenteliği A.Ş.	https://www.msc.com/	535.958.873	224.611.336
6	Borusan Lojistik Dağıtım Depolama Taşımacılık ve Ticaret A.Ş.	https://www.borusanlojistik.com/	545.611.972	219.410.210
7	Dsv Hava ve Deniz Taşımacılığı ve Uluslararası Kara Taşıma İşleri Org. A.Ş	https://www.tr.dsv.com/tr-tr	146.293.716	136.380.800
8	Bolte Lojistik Hizmetleri Ltd. Şti	https://www.bdpinternational.com/	132.560.000	119.930.000
9	Mars Lojistik Uluslararası Taşımacılık Depolama Dağıtım ve Ticaret A.Ş	https://www.marslogistics.com/	253.741.334	110.201.663
10	Tur-Kon Konteyner Taşımacılık ve Denizcilik A.Ş.	https://turkon.com/	180.073.291	102.578.367
11	Aktur Taşımacılık İthalat İhracat Ticaret Ltd. Şti.	http://www.aktur.com/	83.125.685	81.274.865
12	ACT Havayolları A.Ş.	http://www.actairlines.com/	71.587.932	71.587.932
13	Komet Turizm ve Denizcilik Ticaret Ve Sanayi A.Ş.	https://www.komet.com.tr/tr/	72.568.947	71.552.021
14	Schenker Arkas Nakliyat ve Ticaret A.Ş.	https://www.dbschenkerarkas.com.tr/tr-tr	198.088.239	63.735.693
15	Alternative Taşımacılık A.Ş.	https://www.alternative.com.tr/	118.964.695	62.247.546
16	Hilal Trans Uluslararası Nakliyat Ve Ticaret A.Ş.	http://www.hilaltrans.com/	55.108.528	55.108.527
17	Asav Uluslararası Nakliyat ve Ticaret A.Ş.	http://www.asavtrans.com/	59.819.463	54.568.573
18	Orkun Uluslararası Nakliyat İhracat ve Ticaret Ltd. Şti	https://www.orkun.com/	193.630.147	48.840.276
19	Omsan Lojistik A.Ş.	http://www.omsan.com/	274.480.672	45.974.547
20	Evolog Nakliyat ve Lojistik Hizmetleri Ticaret Ltd. Şti	https://evolog.com.tr/	46.378.950	45.333.768

Source: TIM (Turkish Exporters Assembly) - Turkey's 500 biggest service exporters survey

2.8 THE MAIN PROBLEM OF THE SECTOR

Although its unique geographic location, Turkey fails to attract sufficient number of investors due to the lack of physical infrastructure and investments as well as the qualified human resources. As a result, this great potential cannot be realized.. The protective global trade trends reaching the peak in 2018-2019 period and the financial problems experienced on a local basis also had a negative impact in this general trend.

Information in this section was compiled from the views of Prof. Dr. Mehmet Tanyaș, expert Logistics & Supply Chain Management, and Yavuz Öner, Transport Sector Leader, KPMG Turkey.

We can list the main problems of the sector under the following headings:

- The main problems faced by the logistics sector are lack of strategic plans and price-oriented competition
- There are no free market economy rules in most locations.
- There are deficiencies in the port and railway infrastructure. Scale economy cannot be achieved. Port scales are not big enough.
- World class logistics villages / centers could not be created
- There is a lack of training, research, standardization and certification. Logistics education and professional standards should be established. It is absolutely necessary to establish logistics service system standards.
- Foreign trade and logistics should be planned together.
- National coordination in logistics was not fully achieved.
- Companies in the sector do not have professional management.
- Despite positive developments in customs practices, logistics costs are increasing (the use of Custom-Customs Customs, no single door system at the borders, etc.). Clearance service should be achieved without stopping the product movement.
- Compliance with international conventions (ATP, etc.) could not be fully achieved.

One of the biggest problems of the industry is the lack of a strategic plan for the future of logistics companies in Turkey, and when it is available, it is very limited and short-term. Companies usually focuses on the next 1 or 2 years. Budgets are limited and competition is enormous.
Another important issue in the logistics industry in Turkey is education. The logistics sector has a feature that requires many competencies and therefore there is a serious shortage of qualified personnel.

Many experts state that education will be one of the most critical issues in the logistics sector in the upcoming period.

We also need to point out that logistics companies in Turkey believe that they can provide any service to any sector under any circumstances. However, this is not the case in practice. Logistics companies do not say “no” to the demands of any customer. There is no service or sector they cannot provide or serve. This approach suppresses the development, progress of companies that have achieved success in a certain area in the sector, making differences when compared to the competitors abroad and producing solutions that add value to their customers. In this context, the importance of a systematic strategic planning becomes evident.

2.9 HIGHLIGHTS

Source: Ken Research: Turkey Logistics and Warehousing Market Analysis, 2019

- Seeing a remarkable increase in bilateral trade with African countries, Turkey has ramped up efforts to expand commercial operations on the continent by establishing trade and logistics centers. Turkey has free trade agreements (FTA) with five African countries, deals for reciprocal protection of investment with 30 countries, and agreements with 13 countries to prevent double taxation and Turkish officials will pay visits to Morocco, Nigeria, Tanzania, Kenya, Rwanda and Mozambique to increase the number of agreements.

- Turkey in line with its geographical location between continents and regions, supports the development of regional transportation projects. Trans-Caspian East-West-Middle Corridor Initiative, shortly named as "The Middle Corridor", which begins in Turkey and passes through the Caucasus region Georgia, Azerbaijan, crosses the Caspian Sea, traverses Central Asia and reaches China, is one of the most important component of the efforts to revive the ancient Silk Road. This initiative would create new transport routes to connect East Asia to Europe. This Corridor would effectively create high-speed rail lines that could ship cargo from the eastern parts of Asia to Europe within two weeks, connecting China through Central Asia, the Caspian Sea and all the way to the Caucasus region.[6]

  - In export transportation, the share of the sea is 62%, the share of the road is 29%, the share of the airline is 8% and the share of the railway is 0,58%.

  - On the basis of weight, at the end of the third quarter of 2019, the seaway has a rate of 95%, highway 4% and railway 0,53%. The weight of the import cargo transported by air is very small and corresponds to a 0,05% ratio.

  - In export transportation, seaway has a share of 80%, the highway is 19%, rail and airline have a share of less than 1%.

Turkey Logistics Master Plan (TLMP) : " Turkey Logistics Master Plan" for the purpose of making, strengthening the international position of Turkey, the total cost reduction of logistics cost burden in the industrial products, promotion of intermodal transport compared to road increasing the share of railway transportation, which is more economical, and reducing the time of transportation of the final products to the consumption markets. As a part of the master plan, the government focuses on investing in transport infrastructure to achieve remarkable growth in the logistics sector in Turkey.

Turkey Exports Master Plan: Ministry of Trade and Turkish Exporters Assembly announced the Export Master Plan. For the plan which will lead Turkey to a breakthrough, 17 target countries and 5 target sectors were determined. These countries are, respectively, USA, Brazil, China, Ethiopia, Morocco, South Africa, South Korea, India, Iraq, England, Japan, Kenya, Malaysia, Mexico, Uzbekistan, Russia, and Chile. Besides, the plan named the machinery, automotive, electric and electronics, chemical and food industries

[6] Ministry of Transport and Infrastructure

as priority sectors. The government aims to raise the share of high-tech export on total exports to 5% from its current level of 3.5% through setting up specialized free-trade zones.[7]

Turkey Warehousing Market: The warehousing market of Turkey displayed a slow growth during the period 2013-2018. The growth in the warehousing market was primarily due to expanding manufacturing sector, increase in imported goods and increasing government expenditure on improving infrastructure. The demand for cold storage warehouses has picked up in the past few years. Turkey is also emerging as one of the major transhipment hub, thus driving the growth in the warehousing sector. Warehousing has become increasingly sophisticated with the use of new technologies such as WMS and automation which also helps in reducing operating costs.[8]

Turkey Courier and Parcel Market: Starting to grow with the transition to a free market economy, cargo, courier delivery services gained an important momentum with the increasing trend of e-commerce. According to industry experts, the employment potential of the sector, which employs 100 thousand people today, is actually 3 times higher. In Turkey, the CEP(Courier, Express and Parcel) segment is showing rapid growth. Due to changing consumer behaviour, growing e-commerce, urbanization and a young population, CEP services seem to be a promising market segment. One robust segment is driven by the Turkish textile and clothing industry, which relies heavily on international CEP services. As a result of these services, samples of ready-to-wear items and new designs can be delivered quickly to potential customers in Europe, avoiding delays in the race against competitors.[9] The leading companies in this market include the national postal service – PTT as well as others such as Yurtici Cargo, Turkish Cargo, DHL Express, Surat Kargo and MNG Express.

Turkey 3PL Logistics Market: While the logistics market has expanded threefold since 2002, the share of third party logistics service providers has increased only marginally. Large players providing value added services are leading the market, with revenue gains of more than US$100 m. There is still room for growth, though, for 3PLs which are able to market their extended services more effectively. According to forecasts about the sector, 3PLs will focus their efforts on structuring and public relations activities in the near-term. Outsourcing is expected to continue.[10]

---

[7] Trade Ministry
[8] Ken Research: Turkey Logistics and Warehousing Market Analysis, 2019
[9] PWC, Taşımacılık ve Lojistik 2030 Raporu
[10] PWC, Taşımacılık ve Lojistik 2030 Raporu

3. LOGISTICS CENTERS / VILLAGES

Public and private infrastructure investments in the last ten years have significantly improved the logistics services provided in Turkey. Many new airports have been built, and highways have spread across the country. In addition, the thriving high-speed train network has begun connecting major cities and the capacity of Turkish ports has been increased. Turkey is also building 21 logistics centers/villages, of which 10 have been completed, that will serve to lower the costs of transportation by offering various modes of transportation within these centers /villages.

10 logistics centers were opened by TCDD, except the logistics centers such as Ankara Logistics Base, Samsun Logistics Center, Mersin Logistics Specialized Organized Industrial Zone, which are operated by the private sector: Samsun (Gelemen), Izmit (Köseköy), Uşak, Istanbul (Halkalı), Eskişehir (Hasanbey), Balıkesir (Gökköy), Denizli (Kaklık), Kahramanmaraş (Türkoğlu), Mersin (Yenice) and Erzurum (Palandöken) Logistics Centers. The construction of Konya (Kayacık) Logistics Center has been completed and is ready for opening. The construction of Kars, İzmir (Kemalpaşa), Sivas, Bilecik (Bozüyük), Karaman, Kayseri (Boğazköprü), Bitlis (Tatvan), Mardin, Şırnak (Habur) and Istanbul (European Side) Logistics Centers continue..[11]

[11] Utikad , Lojistik Sektör Raporu 2019

Logistics Center	Information
Samsun (Gelemen)	This logistic center was Turkey's first logistics center. The total yearly freight capacity is over 1.1 million tonnes.
İzmit (Köseköy)	It was opened on 2013, established on an area of 750 m2. This terminal was famous with Ford trains. It's the closest-to-Istanbul rail freight terminal in Asian side. Bounded area and container storage area are added to terminal. Car and Kars-Tblisi-Baku trains to East are using this center. When connection to Europe was interrupted, traffic had dropped dramatically. Ferry has not been enough to compensate westbound traffic.
Uşak	It was opened in 2013 and its established on an area of 140 thousand m2 , the amount of handled cargo is 113 thousand tons per year.
İstanbul (Halkalı)	Approximately 860 thousand tons of cargo are handled in Halkali per year. Halkal has an average of 4 container trains per week. Halkali had been the main terminal for Turkey-Europe freight trains. Nothing changed in terms of services and amounts, after being a logistic center.
Eskişehir (Hasanbey)	It is one of the most extensive terminals in Turkey with a size of 540 thousand m2. The amount of handled cargo in the region is 215 thousand tons per year.
Balıkesir (Gökköy)	The railway logistics activities have been transferred from Balikesir Train Station to Gökköy Logistics Center, which has added 1 million tons of additional transportation capacity per year. Gokkoy Logistic Center is built next to industrial zone and has been hosting freight trains to Aegean ports.
Denizli (Kaklık)	It was opened in 2014, established on an area of 120 thousand m2, and is located 40 km north east of Denizli. It was founded with the aim of raising the load from 150 thousand tons to 500 thousand tons per year.
Kahramanmaraş (Türkoğlu)	The center has 1.9 million tonnes of freight capacity in a 805,000 square meters space.
Mersin (Yenice)	Mersin Port has been using railway to extend its coverage area successfully. Yenice is acting as back storage area of the port, as well as hosting Iran, Kazakhstan and Izmit trains. Development of center is promising.
Erzurum (Palandöken)	It was opened in 2018. The total freight handling capacity is 437,000 tonnes/year. Total investment amount was over TL 33 million.

4. DOES THE CORONA VIRUS THREATEN THE LOGISTICS SECTOR?

The new type of Corona virus,COVID-19, has spread uncontrollably to many countries around the globe since it's the first appearance in Wuhan, China in December 2019. On 11 March 2020, the World Health Organization (WHO) described the epidemic as a "pandemic" and increased the global risk level form "high" to "very high" and declared a "Public Health Emergency of International Concern". And coronavirus pandemic was officially confirmed to have spread to Turkey on 11 March 2020, too.

As of writing this report (12/2020), the number of cases worldwide has reached more than 77 million and the number of deaths has reached almost 2 million.

The effect of the epidemic continues to damage almost all industries. It is estimated that 5 million companies are at risk due to coronavirus and their economic damage will exceed $ 1 trillion. It is predicted that the global economy will shrink by 4 percent and the damage caused by Corona to the world economy will be over $ 113 billion by the end of 2020.

The epidemic affects all industries and is extremely effective in the logistics industry. It is too early to assess the actual effect of the coronavirus in short and long terms on the Turkish logistics industry, however , even the results so far do not draw a good picture.

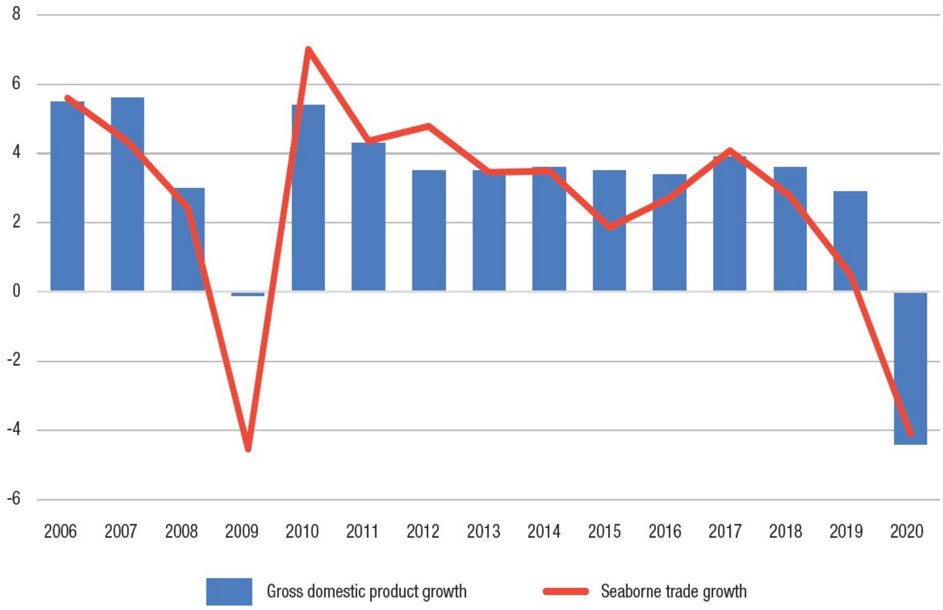
IATA: "INDUSTRY IN CRISIS - TOTAL LOSSES IN 2020: $118 BILLION – DEMAND: DOWN 61% vs 2019"

The latest *IATA* (The *International Air Transport Association*) scenario for potential revenue loss by European carriers is US$118 bn and passenger demand (measured in Revenue Passenger Kilometres) is projected to be 61% below 2019 levels. A decline of this magnitude puts at risk about 5.6 million jobs and $378bn in GDP supported by air transport. And in this scenario , it is estimated that Turkey's potential revenue loss is US$5.5 bn and passenger demand (measured in Revenue Passenger Kilometres) is projected to be 44.7% below 2019 levels. Potential job impact is estimated to be about 427,000 and $19bn in GDP supported by air transport.

Shipping industry is also very important for global trade, accounts for 90% of the global trade ensuring steady supply of food, fuel and medicines to consumers across the world. According to the *International Chamber of Shipping (ICS)*, the impact of the outbreak of the coronavirus is estimated to be costing the shipping industry USD 350 million a week in lost revenues and could cost the shipping industry 40K jobs. ICS estimates that more than 350,000 boxes have been removed from global trade as a result of the outbreak.

UNCTAD expects maritime trade growth to return to a positive territory and expand by 4.8% in 2021, assuming world economic output recovers. But it highlights the need for the maritime transport industry to brace for change and be well prepared for a transformed post-COVID-19 world.

Development of international maritime trade and global output, 2006–2020



Source: UNCTAD calculations based on data from UNCTADstat.

IRU (International Road Transport Union):

- Road freight transport losses globally in 2020 will exceed € 550 billion, down 18%
- Passenger transport impact three times greater; in Europe alone losses will exceed € 80 billion, down 57%

New IRU research shows that more than 3.5 million road transport operators globally are facing unprecedented financial losses this year, as a result of transport restrictions and the overall economic downturn caused by the pandemic.

Goods transport companies globally expect an average 18% decline in turnover in 2020, totalling EUR 551 billion.

5. MAJOR INDUSTRY ASSOCIATIONS & EVENTS

5.1 MAJOR ASSOCIATIONS

UTIKAD www.utikad.org.tr	Founded in 1986, the **Association of International Forwarding and Logistics Service Providers** (UTIKAD) is the most extensive non-governmental organization of Turkish transportation and logistics industry.	
UND www.und.org.tr	UND, **International Transporters' Association**, was founded in 1974 as a professional organisation for the purpose of seeking solutions to problems experienced by international road transport sector at national and international levels.	
LODER www.loder.org.tr	LODER, the **Logistics Association of Turkey**, has 750 members including academicians and professionals in the industry and aims to increase effectiveness and efficiency of all aspects of operation.	
RAYDER http://rayder.org.tr	Rayder , **Railway Transportation Systems and Industrial Association** , supports the expansion of railway systems so that they are in line with EU legislations, and are both modern and technologically competitive.	
TURKLIM www.turklim.org	TURKLIM, **Port Operators Association of Turkey**, was found in 1996 in order to solve sectorial problems of private port operators on a common platform. The association ensures the flow of information between their member operators and relevant state units	

DTO www.denizticaretodasi.org.tr	DTO, **Istanbul and Marmara, Aegean, Mediterranean and Black Sea Regions Chamber of Shipping**, briefly called the Turkish Chamber of Shipping (TCS), is an important professional organization of the Turkish maritime sector. The most important aim of the Turkish Chamber of Shipping is to try to develop shipping in accordance with the national transportation and shipping policy and the public interest.	

5.2 MAJOR EVENTS

Event	Dates	Web Page
Rail Industry Show	June 02-04, 2020 Eskisehir	https://railindustryshow.com/
WIN Cemat Eurasia 2020	June 18-21, 2020 Istanbul	http://www.win-eurasia.com/en/exhibition/main-topics/cemat-eurasia
LogiTrans Turkey	November 11-13, 2020 Istanbul	https://www.logitrans.istanbul/
Black Sea Ports and Shipping Exhibition	June 23-25, 2020 Istanbul	http://www.transportevents.com/
Eurasia Rail	March 03-05,2021 Konya	https://www.eurasiarail.eu/Home
International Maritime Exhibition & Conference	April 06-09, 2021 Istanbul	https://www.expomaritt.com/tr
BusWorld	2022 / TBC	https://www.busworldturkey.org/en/

6. SOURCES

- Turkish Statistical Institute (TurkStat)
- KPMG – Taşımacılık Sektörel Bakış 2020
- Ministry of Transportation and Infrastructure, 2018, Accessing Turkey. pg. 37.
- World Economic Forum
- Sonpose Consulting
- General Directorate of State Airports Authority of Turkey
- TCDD- General Directorate of State Railways of Turkey
- TIM (Turkish Exporters Assembly) - Turkey's 500 biggest service exporters survey
- Ken Research: Turkey Logistics and Warehousing Market Analysis, 2019
- Trade Ministry
- PWC, Taşımacılık ve Lojistik 2030 Raporu
- Utikad , Lojistik Sektör Raporu 2019
- IRU (International Road Transport Union)
- International Chamber of Shipping (ICS)
- IATA (The International Air Transport Association)

Date of publication: 12/2020