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Logistics Hub Turkey: “The Massive Investments Are Taking Effect”

3 Questions to Turgut Erkeskin

- Logistics hub of the future between East and West
- Driving forces: China, new airport, infrastructure programs
- Simplified collaborative processes

Turkey's geostrategic location as a hub between East and West is unique, and the investments in logistics infrastructure are massive. On current developments, three questions to Turgut Erkeskin, Senior Vice President FIATA and representative of the Business Council for Logistics as part of the Foreign Economic Relations Board of Turkey (DE#K).

How is Turkey positioning itself as a logistics location?

After the crisis of currency collapse and the inevitable vicious circle of unladen trips and rising transport costs, the tide is turning. We see how the massive investments in our infrastructure are taking effect and that we are getting closer to our goal. In the long term, we are positioning ourselves as a powerful hub in the Mediterranean, a gateway to the North Africa—South East Europe, Middle East and a logistics hub for China as part of the new Silk Road, for which we can play a major role in the central corridor with our close connections to the Caucasus.

What are the important milestones in the expansion of the logistics infrastructure?

Foreign investors are very interested in Turkey, especially China. China's largest logistics service provider Sinotrans has opened a branch through a joint venture in Turkey and is investing in our port infrastructure and is currently looking for areas for logistics and industrial parks. We see our new airport as one of the most important milestones. It will soon go into full operation, and there will be a fully automated warehouse starting from 2020. Despite its gigantic dimensions, we expect the airport to be too small rather than too large in the long term. In addition, we have much more scope for market-oriented solutions on railways in free competition. Our master plan, which we have developed on the German model, has a clear objective for this mode of transport. We want to have a share of at least eight percent of rail in Modal Split.

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A powerful logistics hub needs simple processes. What developments do you see in this area?

Turkey is an exporting country. We want to make business with and in Turkey easier. Consequently, digitalization and simplified procedures are particularly important at border crossings. Initial measures have already reduced lines from 20 to five kilometers. In the future, for example, we want completely unimpeded crossings, in which trucks can “check in” online even before arrival. The simplified procedures in collaboration with Turkey are also an essential aspect as part of the new Silk Road. Against the backdrop of the Belt-and-Road initiative linking economic areas, rail has a high potential in liberalized competition. For example, Istanbul can be the gateway to Europe.