

# Turkey as a Ro-Ro Shipping Hub

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## *Latest Trends and Developments in the Black Sea.*



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*3rd September 2014*

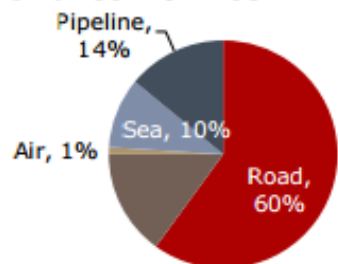


**LAM – Lyonel A. Makzume Shipping Agencies Co.  
GAC – Gulf Agency Shipping Company**

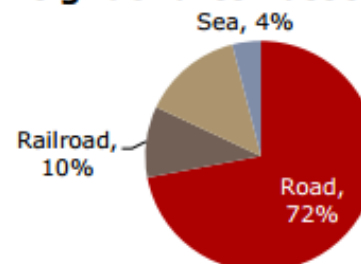
- LAM founded in 1944
- GAC Founded 1956
- LAM is one of the leading Shipping, Agency and Logistic provider in Turkey.
- GAC is the worlds leading shipping service company
- Partnership with GAC 1991
- Group services
- Principles – Operating world-wide. All with exceptional reputation



**Figure 30: Freight Shares Tonnes-Km in Turkey, 2023**



**Figure 31: Freight Shares Passenger-Km in Turkey, 2023**



Road	Rail	Air	Sea
<ul style="list-style-type: none"> <li>The total passenger and freight transportation via the road network are expected to reach 378 billion passenger-km and 422 billion tonnes-km, respectively.</li> <li>In order to keep up with the growing demand for roadways, Turkey will invest a total of TL 166 million by 2023.</li> <li>The government will conduct 15 road project tenders on a BOT basis by 2023. The total length of the projects will be 5,500 km.</li> </ul>	<ul style="list-style-type: none"> <li>The share of railways will increase 15% in freight transportation and 10% in passenger transportation, thus, reducing the transportation share of roadways.</li> <li>To achieve this target Turkey will build 5,000 km of new, conventional railway and 10,000 km of high speed railway by 2023.</li> <li>The public sector will spend TL 70 billion for new rail lines by 2023.</li> <li>The railway sector will be privatized.</li> <li>Istanbul subway line will reach 235 kms by 2023.</li> </ul>	<ul style="list-style-type: none"> <li>At least 10 of the airports located near shorelines will be connected to all other modes of transportation.</li> <li>The civil air transport industry will have a total of 750 aircrafts.</li> <li>The airport of 7 regions will be redesigned to include cargo handling airports.</li> <li>New airports with a total annual capacity of 400 million passengers will be constructed.</li> </ul>	<ul style="list-style-type: none"> <li>Freight transportation via the sea will constitute 10% of total freight transportation and containerization will increase 15% TEU by 2023.</li> <li>There will be different opportunities for stakeholders that range from designing and building vessel traffic management systems to increasing the capacity of ports and/or adding new ports. The Ministry estimates the costs to be USD 34 billion by 2023.</li> <li>World's largest port will be built by 2019.</li> <li>Dry bulk handling capacity will be increased to 500 million tonnes and liquid bulk handling to 350 million tonnes by 2023.</li> <li>The number of yacht ports will reach 100</li> </ul>

Source: Ministry of Transport, Maritime Affairs and Communications



# Geographical Regions of Turkey

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## Turkey as a Hub, Istanbul a Gateway

- ❖ Turkey's strategic location
- ❖ Economical role
- ❖ An international gateway for maritime traffic.
- ❖ Abt 60 Ports (Private/Public)
- ❖ The heart of Eurasian trade
- ❖ 85% international trade carried by sea



# Geographical Regions of Turkey

## ➤ Gateway

- *Canakkale and Bosphorus straits*
- *In other words, a gateway is a pivotal point for the entrance and the exit of merchandise in a region, a country, a continent.*

## ➤ Hub

- Derince / Haydarpasa Ports ?*
- Samsun Port ?*
- Zonguldak ?*
- Trabzon ?*



# BLACK SEA SHORELINE

Bulgaria: 300km - *Varna and Burgaz Ports*

Romania: 225km - *Constanta Port*

Ukraine: 1628km - *Mariupol, Berdyansk, Odessa , Illychevsk,*

Russia: 475km - *Sochi, Novorossiysk , Kavkaz and Rostov Ports*

Georgia: 310km - *Poti, Batumi Ports + Oil Terminals Kulevi and Supsa*

Turkey: 1400km - *Zonguldak, Samsun, Hopa and Trabzon Ports*



## Advantages of Turkey , as a Maritime RORO Gateway

- Turkey ranks 16th in the world production of motor vehicles.
- Turkey is the leading bus manufacturer and 3rd largest commercial vehicle manufacturer in Europe.
- Around 75% of the automotive and auto parts industry exports are delivered to EU countries.

Top 4 cities hosting international companies in Turkey:

- *Istanbul* (14810)
- *Antalya* (3258)
- *Ankara* (1748)
- *Izmir* (1560)



# TURKEY – *Logistic Hub for 3 Continents*





# How RORO Vessels Service the Black Sea and Their Main Routes

ROPAX

PCC

RORO

SERVICE THE BLACK SEA / ROUTES



# TRENDS – *Present and Future*

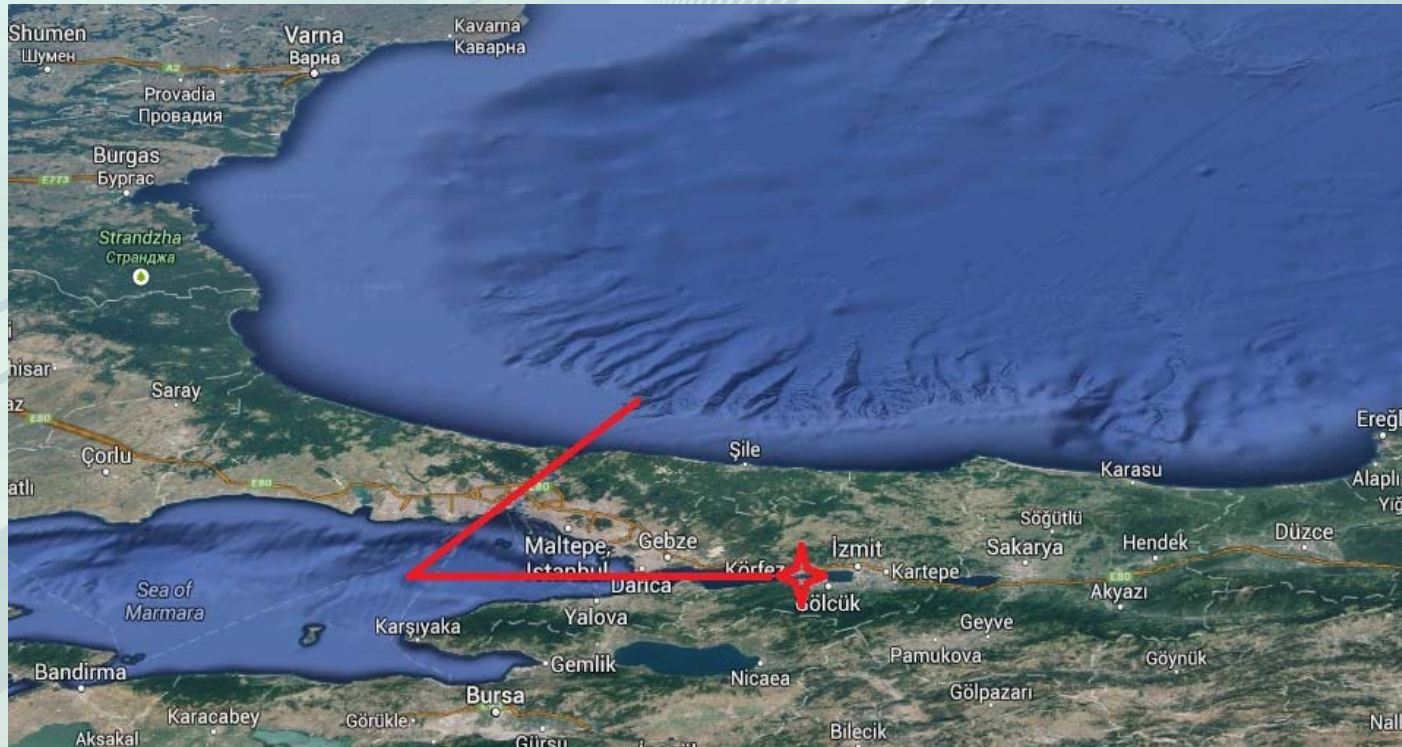
- Turkish Rolling exports to Russia and CIS (New Cars, Trailers)
- Transit cargoes to Russia and CIS (New Cars, EME, 2nd hand cars)
- Development of trailer transport - currently operated between Turkey and Europe
- Constanza - Poti (link from Europe to Caucasus / Caspian Region)
- Liner services from Europe-Med to Black Sea - vice versa
- Rising fuel and management costs , pushing trucking companies to find optimal solutions – therefore RORO or ROPAX



# DEVELOPMENTS

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## EFFECTIVENESS OF HUB DERINCE- MAIN PLAYER



# WHY DERINCE

- ✓ 80% of all Automotive industry is located within 50 km radius from Derince
- ✓ Being a Government managed port until June 2014, the port was used to support rolling cargo import and export as all other neighboring ports gave priority to container traffic.
- ✓ Port management was very focused on providing solutions for Rolling and Rail cargoes and pushed for investment despite the fact that the port was nominated for privatisation.
- ✓ Import volume of Turkey allowed large PCC's and RORO's to justify economical port calls in Derince.
- ✓ Vicinity of the Black Sea country markets made Derince the natural choice for becoming the rolling hub of the Black Sea.
- ✓ Large vessels did not need to cross the Bosphorus Straits and saved time and money.



# BLACK SEA

