

# Logistics giants turn investment routes to Turkey, open new offices

With the shift of the production to Eastern Europe and the opportunities that China's One Belt, One Road project will create, international logistics giants have started to shift their investments toward Turkey, a bridge country between Europe and Asia

» FOREIGN investment has recently strengthened its presence in the Turkish logistics sector. The shift of production to Eastern Europe has changed the investment route of global logistics companies. New opportunities that China's "One Belt, One Road" project will create also attract industry giants. Companies are choosing Turkey, which serves as a bridge between Europe and Asia, for investments. In the meantime, existing foreign companies open new lines on the one hand, while new players enter the market. Following the British logistics company British Trans Global Projects (TGP), which opened its first office in Istanbul in March, a Dubai World-owned P&O Ferrymasters opened its office in Istanbul last week, while Hong Kong-based Kerry Logistics will open a new railway and road line between China and Turkey with a new 50-truck investment.

The TGP was the first logistics company to enter the Turkish market this year. The company, which opened its office in Istanbul, serves in project logistics management, ship chartering, airline logistics, supply chain management, logistics consultancy and procurement. The company aims to establish a logistics network among its customers in Europe, Middle East and Central Asia with its Turkey office. Murat Aksu, the head of the company, stressed that they will position Turkey as a regional transit center especially in project transportation. P&O Ferrymasters, on the other hand, extended its Pan-European logistics network to Turkey with its first office in Istanbul. This investment allows customers in Western and Eastern Europe to access Central Asian and Middle Eastern markets from Turkey on a daily basis.

## PRODUCTION ROUTES CHANGE

"This strategic move will further



Danish shipping and logistics giant DFDS carried out the biggest investment of 2018 in the logistics sector by acquiring U.N. Ro-Ro, one of Turkey's leading roll-on/roll-off (ro-ro) companies, for 950 million euros in April.

strengthen P&O Ferrymasters' capacity to deliver logistics solutions for customers in Europe and Asia by using road, rail and maritime transport," Herman Braam, global manager of P & O Ferrymasters, said. "The world is getting more complex by the minute, and we are doing our best to solve the logistical challenges facing our customers. Many of our customers, by moving their production centers to Eastern Europe, reached the domestic markets in the Balkans, Turkey, Iran, Georgia and Kazakhstan. We will focus on supporting these new trade lanes primarily with road transport solutions as well as offering intermodal-focused solutions in the future." The company's Istanbul office will be run by a team led by Duygu Can, one of the industry's most competent names.

Offering logistics solutions throughout Europe, P&O Ferrymasters serves 20 strategic locations in 12 countries across the continent. It operates road, rail and maritime connections integrated with its 4,000 trailer and container fleets. P&O Ferrymasters also owns a rail terminal in Oradea, Romania, transporting from Asian countries to the United Kingdom via the Silk Road. P&O Ferries, one of the group companies operating on eight main routes between the U.K., France, Northern Ireland, the Republic of Ireland, the Netherlands and Belgium operates more than 20 vessels carrying 8.4 million passengers

and 2.3 million pieces of cargo per year.

Hong Kong-based Kerry Logistics plans to launch new rail and road transport services from China to Kazakhstan and to the Caucasus and Turkey. It will bring cargo to many points in Turkey starting from Lianyungang, the new Eurasian land bridge in China, along the Baku-Tbilisi-Kars railway, Kazakhstan and the Caspian Sea. In addition to rail transport services, a road transport service was launched by adding 50 more trucks to the company's existing fleet along the same trade route from China to the Caucasus and from Turkey. "We will strengthen our position in the region with rail transport and road service reaching the strategic regions of Turkey and the Caucasus," Edwardo Erni, managing director of China and North Asia at Kerry Logistics, said.

Emre Eldener, the chairman of the Association of International Forwarding and Logistics Service Providers (UTİKAD), said they do not foresee any radical changes in the sector in the post-election period but expect significant innovations and changes in terms of legislation and investment climate improvement.

"Along with the opening of the Third Airport in October, there are also important moves in railway infrastructure investments. Especially the integration of our large industrial areas and organized industrial zones into railway networks and their connection to ports are of great

importance for our country and our industry," Eldener continued. "We also expect significant innovations and changes in terms of legislation and investment climate improvement. As always, the establishment and implementation of simplified systems and the operation of free competition dynamics are our most important expectations as UTİKAD."

## BIGGEST INVESTMENT FROM DFDS

The biggest investment of 2018 in the logistics sector was made by Danish shipping and logistics giant DFDS. Having acquired U.N. Ro-Ro, one of Turkey's leading roll-on/roll-off (ro-ro) companies, for 950 million euros in April, and the company also appended the latest signatures in recent weeks after receiving the approval of the competition board. U.N. Ro-Ro, a leading logistics company headquartered in Turkey, has 12 ro-ro vessels. The company runs five ro-ro lines between Italy and Turkey and between Turkey and France through its Pendik and Trieste ports. Meanwhile, investments have also accelerated in existing foreign logistics companies in Turkey. According to Turkish daily Dünya, the German logistics giant DHL Supply Chain's Turkey General Manager Orkun Saruhanoğlu said they plan to open seven centers within a year in northern and eastern provinces where investments have accelerated. **ISTANBUL / DAILY SABAH**