



### Key figures

#### Latest Economic data 2018-[worldbank.org](http://worldbank.org)

Population: 80.81 Million

GDP/Growth: 766.509 Bn USD / -10%

GDP per Capita: 9,311 USD (Rank: 68)

#### Trade in Goods 2018- [stat.wto.org](http://stat.wto.org)

##### Import Market

- Import Trade Volume: 222.95 Bn USD
- Top Commodities: minerals, mechanical and electrical products, base metals and products
- Top Origin Countries: Russia, China, Germany

##### Export Market

- Export Trade Volume: 167.98 Bn USD-
- Top Commodities: Transport equipment, textiles and raw materials, mechanical and electrical products, minerals
- Top Destination Countries: Germany, UK, Italy

#### Market Size in TEU 2017

- Key Ports: ISTANBUL (Hydarpasa & Ambarli) , MERSIN, IZMIR, approx. 10 Million TEU

Good update on the port situation can be found here:

<https://www.linkedin.com/pulse/top-ten-container-ports-turkey-2018-huseyin-sipahioglu/>

### Market situation

Turkey market continues to suffer from a weaker economy over the past 2 years, following concerns on political stability and currency fluctuation. While Istanbul remains on the move and a buzzing city of almost 20 million people, in particular the import market has been hit and many logistics companies that have been focusing on far east imports previously are shifting focus towards exports. Reduced volumes overall increase competition in a very fragmented market with somewhere between 3000-4000 local forwarders, about 432 of them in the forwarders association, thus a lot of small ones still around. Relationships still matter, however customer loyalty is often limited to first right of refusal of the lower rate that was offered by a competitor.

Main tradeline on import remains China and the Far East, while exports focus on East Med (Israel, Egypt) and Middle East, North Continental Europe and the US. In terms of USA, there seems to be some benefit from the tradewar for Turkish textile companies. Niche carrier Turkon is still around, serving the US east coast directly.

Consolidation volumes from the far east have dropped 20-50% depending on whom you ask. The early players are in a similar situation as in other markets, declining

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margins that have been partly compensated by volumes and where the current economic situation becomes an issue. The authorities start to get involved into some cases of overcharging for prepaid cargo, while collect shipments are sold below cost on several import lanes (1-5 USD/CBM). The sector is facing similar issues as in other markets.

For FCL, the tradelane from the far east seems cornered, with especially CASA/Komet and Unitex being the key sources where most Turkish companies procure their rates at origin.

In terms of IT, Turkish logistics companies seem to work with either SOFT or Siber, while the latter one seems to be the more innovative, with some of the smarter companies combining it with Salesforce as central CRM system to control sales. Online sales is coming mainly from carriers (Hapag & Maersk, MSC remains analogue and is still market leader), forwarding sales so far remains very personal and relationship driven.

Labour cost are at a level, where a customer service rep with a few years experience comes in at around 1500 EUR already, while standardised forwarding or shipping education is still limited and most training happens on the job. In Turkey the companies have to cater for transportation and lunch of the staff, which is an interesting nuance in this particular market.

The government is not making life easier currently, as it is regulating more businesses and also introduces licences for forwarding in different transport modes now, while however only enforcing to a limited degree.

### **SARP Intermodal / OceanX Member**

SARP has been growing very dynamically since its foundation, introducing intermodal transportation in Turkey and beyond. By end of the year their dedicated 45' pallet wide fleet will have reached 1,000 units.

They have recently established their own platform in Munich, complementing their LTL offering into central Europe and are in the process of establish their dedicated rail service between Istanbul and Munich 3 times per week.

Growing their international capabilities, the Oceanfreight and Airfreight team have been established and are scaling fast with own airfreight consol from China already running and first ocean projects on their way, building on the existing direct customer relationships from the intermodal business and the experience of the ocean and air team leaders Deniz and Kayhan.

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The chemical logistics division, has also started employing SARP's own tank container fleet for overseas shipments, beyond the previous intermodal focus, working with some members on matchback solutions already.

SARP is driving sales, using Salesforce as the central CRM tool, supported by the local „Siber“ system on the operational side, that allows flexible integration with customers and partners.

The company has already grown beyond 250 employees and 40 million turnover, is scaling further fast, investing in own trucking assets. They are gradually expanding their own office network in Turkey and Central Europe.

Still impressed by the sales driven focus of Onur Talay (ex DSV) and Senol Tas (ex EKOL) on balanced end to end growth, building on the advantages of own equipment and efficient turn-around. Trying new things and exemplarily leading a great performance culture inside the firm.

The pilot program with their 45' pallet wide containers on MSC vessels from Turkey via Triest is running well and as the fleet grows, shall be expanded to other markets, where cooperation with OceanX members is sought.

**Member key contact for SARP is Deniz: [deniz.memis@sarpintermodal.com](mailto:deniz.memis@sarpintermodal.com)**

### **OneLog / OceanX Member**

Great meeting with our friends Serdar and Sundus, who are still running the best independent consolidator in the country.

The Mersin office is developing very well and they have started to work on developing more LTL solutions into Central Europe.

**Member key contact for OneLog is Serdar: [serdar.kural@onelogtr.com](mailto:serdar.kural@onelogtr.com)**

### **John Good Turkey / OceanX Member**

Our UK member John Good Group, since 2005 has their own offices in Turkey with branches in Izmir and Istanbul, in a partnership with Levent Aydinc. Levent previously was working with Turkish ARKAS group and several of their shipping agencies, thus based on his carrier relations, still is involved in the procurement for the group.

John Good Turkey is focusing on several specific tradelanes, with the major one still being UK, where they also operating the leading ocean consolidation service, used by most Turkish forwarders. They are currently expanding their Asia sector.

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**Member key contact for John Good Turkey is Levent Aydinç:  
laydinc@johngood.com.tr**

### **Fevzi Gandur / Industry Friends & Project Cargo Member Candidate**

Visit to Fevzi Gandur, as Hasan Safak, who I knew from EKOL, had joined them almost 2 years ago and thus having a meeting with him and Ralph Hemmerling (German) who is heading their project cargo activities.

Fevzi Gandur is still a family business and was established in Lebanon in 1948 as a shipping agency and is in Turkey since 1986, where its main activities was shipping agency business initially, representing Wan Hai and several other lines, which of course gradually opened own offices. In recent years they have thus invested a lot in specialisation and niche businesses, acquiring Ralph Hemmerling's Smart Logistics project cargo business unit formally in 2016, which has been a cooperation since 2005, as well as investing in cold chain solutions, refrigerated warehouses, marine spare parts logistics and pharmaceutical solutions. Under OriginLogistics, the group is also running an NVOCC business and has a country wide FTL/LTL network, with several distribution centres providing supply services for several local supermarket chains. They also serve 13 European Countries with own LTL services several times per week.

Was quite impressed by the innovation driven organisation, that seems to be looking for new opportunities constantly. In terms of technology they are working with a similar setup as SARP, combining Siber with Salesforce and Oracle.

Their project cargo capabilities within the Smart Logistics subsidiary are of particular interest, where they are cooperating with Swiss based Fracht group for many markets, but also with several of OceanX' project cargo members.

### **Globelink Unimar / Industry Friends**

Quick meeting with the team of Globelink Unimar, who are one of the larger consolidation players in Turkey, that have expanded into Air, FCL and road transportation early on.

They were founded in 1994, celebrating their 25th anniversary this year and since 2011 are part of Globelink with 200 employees across 9 offices in Turkey. The Globelink name of course has suffered recently due to the financial issues of the owner HNA, but things seem to be sorted now and back to normal. This years Globelink conference will be held in Istanbul. On the consolidation side, there is a strong focus to work within the network exclusively now, limiting outside cooperations.

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They have a nice office in the building where Maersk is located and we had an opportunity to exchange some industry views and learn a bit about the Turkish market.

They are engaged in several networks, we know each other from NAP, where they are very happy, however they are also part of Centrolene where they followed old friends but only see limited value so far.

Globelink Unimar is since longer interested to join the network and we shall review whether a cooperation is possible in the future.

#### **East Trans / Industry Friends**

Easttrans is a veteran in the consolidation game, having been one of the first ones to start in Turkey, almost 30 years ago and it was nice to catch up with old friends and meeting the team of smart ladies that is running the shop when Tim is on vacation.

Their focus remains consolidation and the longterm established services with some old players in the industry give them a very reliable product and service portfolio.

In China cooperation is mainly with Portever and Charterlink, the latter also in the US, while India they rest with EMU and middle east with MFL. They are still cooperation partner of some of our OceanX members.

As it turned out later during the trip, the reputation of the company in the market seems to really suffer from the far east import LCL business, as other forwarders seem to link high destination charges to their company name today.

They face the same challenges as everyone in the industry, but have gradually expanded direct customer share over the past years and focused on building more export services, as well as FCL in order to support margins.

#### **Komet Noatum Logistics / Industry Friends**

We have been in touch with Noatum Logistics and their Ramon Gallen since the beginning of OceanX, trying to find a way to do something together, thus took the opportunity to meet with Komet Noatum Logistics during my stay and learn more about the group's activities in Turkey.

Komet has been around since 30 years, still claiming the market lead on Asia/China to Turkey trade in terms of FCL, handling around 40,000 TEU. It was acquired in 2015 by Noatum Logistics (formerly Marmedsa Group), that has recently amalgamated MIQ Logistics, which has an own setup in Asia, that might impact the future of Komet, which has also benefited from some independent strong Chinese partners (e.g. CASA).

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## Market Report

Country: Turkey

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Komet has 123 employees in 3 offices.

The strategy at Komet is thus to maintain Asia with current partners and build with MIQ network and in terms of overseas further grow Exports which has started after 2015, and for which they claim it already being 40% of their total business today.

Main export trade lanes are Egypt (partly Mesco), Israel (AbeTrans) and Middle East. They also have some cooperation with other members like Dynamic in Pakistan and FM Global in Malaysia.

LCL is mainly co-loaded with Shipco and Vanguard, following Noatum's group approach, as long as rates are competitive.

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