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THE EFFECTS OF 2009 ECONOMIC CRISIS ON TURKISH SEAPORTS

Soner Esmer¹, Ersel Zafer Oral²

Abstract — Logistics industry is one of the mostly affected sectors by economic and financial developments. The downward and upward movements of this industry seem to have been dependent upon the developments in the world trade in general and foreign trade in particular. In parallel with such trade developments, logistics industry displays an upward development and expansion as the world trade develops and foreign trade increases, and it records a downward movement together with contraction during the periods of contraction and crisis encountered in economy.

The main purpose of this research is to analyze the effects of the 2009 financial crisis on the Turkish ports. To do this, the relevant data for 2000 to 2009 are evaluated. And also a questionnaire was developed to find the effects of the crises concerning both the individual regions as well as the each cargo type are separately scrutinized.

Keywords — Economic Crises, Economic Contraction, Foreign Trade Expansion, Logistics, Seaport.

INTRODUCTION

There is an increasing interest in the changing role of ports as a result of globalization of production and distribution. Traditionally ports were only providing shelter and berthing space, temporary storage and the provision of superstructure and infrastructure for cargo operation and movement within port. Contemporary ports have a new role to fulfill in the era of globalization [1]. Much of the literature advocating the future of ports as logistics centers highlights their nodal role in the changing patterns of maritime and intermodal transport [2]. Ports which are one of the noticeable rings of the international supply chain can be defined as a terminal and an area within which ships are loaded and/or unloaded with cargo and includes the usual places where ships wait for their turn or are ordered or obliged to wait for their turn no matter the distance from that area. It has interface with other forms of transport and in so doing provides connecting services.

Like other industries, port sector have been affected by 2009 global economic crises. However, the impact of the crisis at the Turkish port cannot be determined clearly. Different port managers have different views on effects of the crises.

2009 GLOBAL ECONOMICS CRISIS AND ITS EFFECT TO TURKISH PORTS

The economic crises, which actually had flashed certain warning signals that unfortunately had been ignored, had a clear and severe effect almost all over the world in 2009. According to the United Nations Economic Commission, the world is facing the worst crisis since the 1930s, which has been characterized by huge losses of both financial and non-financial wealth, most notably in developed countries, but in emerging economies as well [3].

As a reflected consequence of this though economic crises, the transport industry suffered from certain loss of cargoes, which resulted in a highly contracted area of business in this industry, making certain players with no competitive power leave the fighting ground. A clear example of such great loss has been experienced in shipping, the greatest player of the foreign trade play ground, where the number of ships voyages has

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displayed a dramatic fall. Such loss and sharp fall has caused ports to suspend their investments, lower their tariffs, and start taking certain measures to decrease their costs.

The year 2008 marked a major turning point in the history of the world economy and trade. Growth in the world economy slowed abruptly in the last part of 2008, in developing economies and countries with economies in transition has turned out to be less resilient than expected.

The global economic downturn and reduced trade, growth in international seaborne trade decelerated in 2008, expanding by 3.6 per cent as compared with 4.5 per cent in 2007. The volume of international seaborne trade in decline in demand for consumption goods, as well as a fall in industrial production in major economies and reduced energy demand, the deceleration in seaborne volumes affected all shipping sectors [4].

![Figure 1](image.png)

**FIGURE 1**

Highlighting the strong interdependence between industrial production, economic growth, global trade and maritime transport services, Figure 1 illustrates how these variables are moving in tandem, including falling in unison in 2008 and 2009. A contraction in industrial production reduces output and trade, and by extension, reduces demand for maritime transport services and depresses global seaborne trade [4].

Turkey’s foreign trade has direct impact on the crisis. In 2008, exports and import increased 23% and 18% respectively. Compared to the previous year, export decreased by 22% while imports decreased 30.3% in 2009 [5]. These figures were directly effect to cargoes handled at Turkish ports.
Total cargo handled in ports of Turkey between 2007 and 2008 increased at a rate of 11.3%. However, as shown in Figure 2, approximately a -13.6% contraction had been occurred between 2008 and 2009.

**METHODOLOGY**

In the study, a questionnaire designed for assessment the effects of global economic crisis to the Turkish port sector. Nominal and interval scale is used in questions. Questionnaires were sent to 47 private port operators in Turkey and the rate of response was % 66 (30 ports). All survey respondents are senior port managers. To analysis the collected data, central tendency measures are used. In addition, response rate of questionnaire statements and reliability rate of questionnaire are calculated. Calculated reliability is 73.8% and from this perspective, reliable results were obtained from the survey.

**SURVEY RESULTS**

- **Predictions Relating to Global Economic Crisis**

  Effects of the global financial crisis had been felt mainly in 2009. However, economic uncertainty continues in the first quarter of 2010. In this point, the idea of “uncertainty” is remarkable. Because the port managers especially emphasizes that economic uncertainty is continues. Perceptions of the crisis had been overcome remained very low rates (Table 1.).

<table>
<thead>
<tr>
<th>Predictions</th>
<th>Response Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic uncertainty continues.</td>
<td>75</td>
</tr>
<tr>
<td>Economic crisis continues.</td>
<td>20</td>
</tr>
<tr>
<td>Economic crisis has been overcome.</td>
<td>5</td>
</tr>
</tbody>
</table>
• **The Most Effected Cargo Type From Global Economic Crises**

The first three load types which have mostly affected by global economic crisis in 2009 are general cargo, container and dry bulk cargo. On the other hand, cargoes the least affected from the economic crisis are domestic car transport, liquid cargo and automotive foreign trade (Table 2.).

<table>
<thead>
<tr>
<th>Affected</th>
<th>Less affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. General cargo</td>
<td>1. Domestic car transport</td>
</tr>
<tr>
<td>2. Container</td>
<td>2. Liquid cargo</td>
</tr>
<tr>
<td>3. Dry bulk cargo</td>
<td>3. Automotive trade</td>
</tr>
</tbody>
</table>

• **When the crisis will end?**

Around 50% of the port directors are considering that the negative impact of the crisis on the ports will be overcome within two years. In addition to this, % 45 of the manager is considering that the effects of the crisis going to end in 3-4 years. And the remaining managers thinking that the negative effects of the crisis will take more than 5 years.

<table>
<thead>
<tr>
<th>Predictions about the global economic crisis</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crisis will be overcome within 0 – 2 years.</td>
<td>50</td>
</tr>
<tr>
<td>Crisis will be overcome within 3 – 4 years.</td>
<td>45</td>
</tr>
<tr>
<td>Crisis will be end in more than 5 years.</td>
<td>5</td>
</tr>
</tbody>
</table>

Evaluate the answers given in relation to the years when the economic crisis will be overcome until the year 2014 constituted 95% of the total responses. Around 50% of the managers are also considered that the effects of the crisis will be overcome until the year 2012 (Table 3.).

• **Effects of Global Economic Crisis to the Turkish Ports**

Statements in the questionnaire directed at managers and expecting to be given a number from 1 to 5 (interval scale). Then the value for each expression of the average (arithmetic mean) was taken. The results obtained are examined particularly for 4 and above average reaching consensus can be noted in the statement.

As shown in Table 4, in time of crisis "the number of ships has decreased" and "profit margins have decreased in the ports" to suggest the answer closest to the average value reached 5. Then the highest average of the “competition has increased” and “Investment has been postponed” for expressions is obtained.

<table>
<thead>
<tr>
<th>TABLE 4</th>
</tr>
</thead>
</table>

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Effects of Global Economic Crisis to the Turkish Ports

<table>
<thead>
<tr>
<th>Statements</th>
<th>Means</th>
<th>Standard Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of ships has decreased</td>
<td>4.5652</td>
<td>0.5897</td>
</tr>
<tr>
<td>Profit margins have decreased in the ports</td>
<td>4.5652</td>
<td>0.6623</td>
</tr>
<tr>
<td>Competition has increased</td>
<td>4.3913</td>
<td>0.8913</td>
</tr>
<tr>
<td>Investment has been postponed.</td>
<td>4.2608</td>
<td>1.0538</td>
</tr>
</tbody>
</table>

The findings for the crisis are in relationship with each other. Such that the decrease in the number of calling ship to the port directly affect port revenues and reduced profitability. And the other hand, with increasing competition, competitors who do not want to lose market share delayed investment in the crisis period.

CONCLUSIONS

The 2009 economic crises had a clear and severe effect almost all over the world. One of the sectors most affected by the economic crisis is the transport sector. Therefore, the sector most affected by global economic crisis has become maritime sectors. The decrease in sea transport also decreased the freight traffic of seaports. In this study, the impact of the crisis of Turkish ports and Turkish port sector are examined and it is understood that they are not very optimistic about the crisis. 95% of ports participating in the study stated that the crisis continues and around 50 % of participating reported the crisis would last longer than two years. However, despite the crisis in Turkey, seaports were able to survive. There has been no change of major bankruptcies and hands. Briefly, Turkish port was able to survive in spite of the affected by the crisis.

On the other hand, because of loss and fall has caused by the crisis, ports to suspend their investments, lower their tariffs, and start taking certain measures to decrease their costs. According to research results the impact of the global crisis will end in 2014

REFERENCES


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