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EFFECTS OF 2008 GLOBAL CRISIS ON LOGISTICS SECTOR IN THE WORLD AND IN TURKEY

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Abstract: The latest world economic crisis impacted all economic sectors across the globe. One of the sectors highly influenced by it was the logistics sector. The aim of the current paper is to review in analytical perspective certain key effects of the crisis on the logistics sector in Turkey in the limelight of world data. In the focus of the analysis is the nine years period - from 2005 to 2013, as it shows what the trends were prior to the crisis, how they evolved during the crisis and then how they started changing immediately when the recovery started. This research is a part of a larger scientific project aiming at providing a broad perspective on the place of the Turkish logistics sector in world trade.

Key words: logistics, import transportation, export transportation, global trade

INTRODUCTION

The past economic crisis led to serious global consequences. Volume of trade shrunk globally and global economy shrunk. Even though the crisis erupted in 2007, significant global effects were experienced during 2008 and 2009.

MATERIALS AND METHODS

For the purpose of the current research paper, qualitative and quantitative analysis were applied. Quantitative analysis was based on official sources such as the World Trade Organization (WTO) and the Turkish Statistical Institute (TÜİK).

RESULTS AND DISCUSSION

Foreign Trade Developments (2005-2013)

Total volume of trade suffered a significant loss due to the crisis environment. In 2008, global trade volume of 16,159,000 million dollars shrunk by 22% in 2009 and decreased to 12,554,000 million dollars. In addition, the import data shows that nearly the same amount of recession is also experienced in this area. In 2008, the global import volume of 16,572,000 million dollars regressed by 30% in 2009 and dropped to 12,781,000 million dollars. As seen in Fig. 1 both global import and export suffered recession between 2008-2009.

Table 1. Total global trade by years (million dollars)

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013
World Total Export	10508000	12130000	14022000	16159000	12554000	15300000	18328000	18404000	18816000
Change Ratio		15%	16%	15%	22%	22%	20%	0,4%	2%
World Total Import	10870000	12461000	14330000	16572000	12781000	15510000	18504000	18611000	18890000
Change Ratio		20%	22%	19%	30%	32%	30%	18%	7%

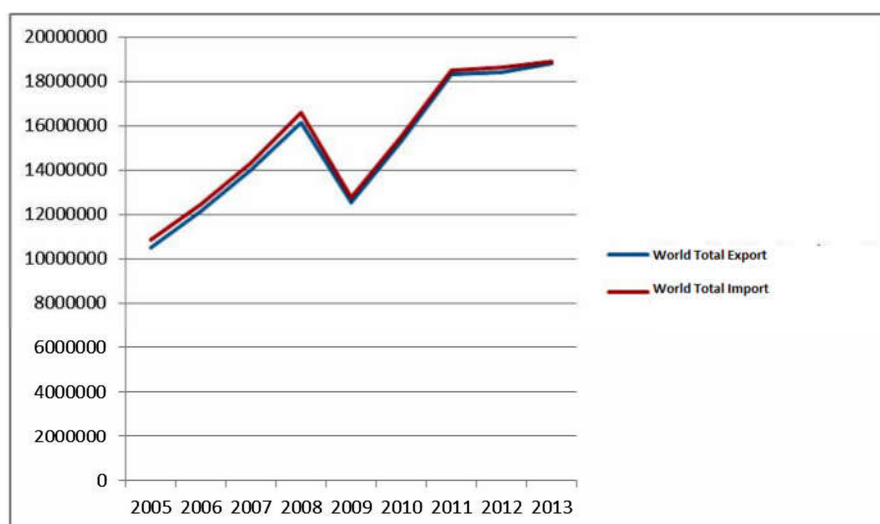


Fig. 1. Global Import and Export By Years (Million Dollars)

Source: WTO

Global Financial Crisis of 2008 had a deep impact on Turkey as well as the other countries in the world. As seen in Fig. 1 and in Fig. 2, the import export rates which began to drop in 2008 reached a point of significant recession in 2009 and began to show upward tendencies after the second quarter of 2009. 132.027 million dollars export volume of 2008 dropped by 22.6% by 2009, and declined to 102.143 million dollars. When analysed, the import data shows that Turkey's 201,964 million dollar total import volume of 2008 declined by 30.2% in 2009 and dropped to 140,928 million dollars.

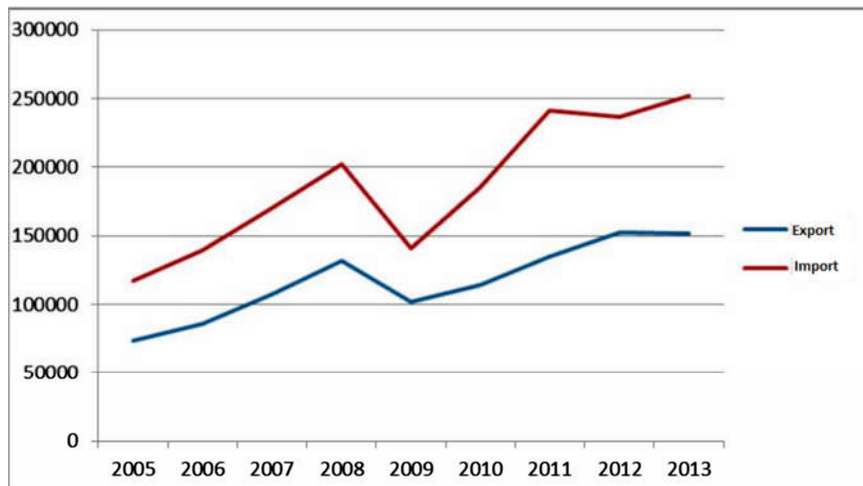


Fig. 2. Turkey's Export and Import by Years (Million Dollars)

In line with this data, it can be said that Turkey's role in Global Trade in regards of export stayed almost the same (Worldwide 22.3%, Turkey 22.6%) whereas its import in proportion to Global average suffered a 7% more severe recession (Worldwide 22.9%, Turkey 30.2%). When viewed from this aspect it can be said that Turkey suffered equally to the rest of the world in regards of export whereas import in the country suffered a more significant (7%) recession.

Table 2. Foreign trade in Turkey by years and rates (dollars)

Year	Export		Import		Foreign Trade Balance		Foreign Trade Volume		Thousand dollars
	Value	Change (%)	Value	Change (%)	Value	Change (%)	Value	Change (%)	Coverage Ratio
2005	73,476,408	16,3	116 774 151	19,7	- 43 297 743	26,0	190 250 559	18,4	62,9
2006	85,534,676	16,4	139 576 174	19,5	- 54 041 498	24,8	225 110 850	18,3	61,3
2007	107,271,750	25,4	170 062 715	21,8	- 62 790 965	16,2	277 334 464	23,2	63,1
2008	132,027,196	23,1	201 963 574	18,8	- 69 936 378	11,4	333 990 770	20,4	65,4
2009	102,142,613	-22,6	140 928 421	-30,2	- 38 785 809	-44,5	243 071 034	-27,2	72,5
2010	113,883,219	11,5	185 544 332	31,7	- 71 661 113	84,8	299 427 551	23,2	61,4
2011	134,906,869	18,5	240 841 676	29,8	- 105 934 807	47,8	375 748 545	25,5	56,0
2012	152,461,737	13,0	236 545 141	-1,8	- 84 083 404	-20,6	389 006 877	3,5	64,5
2013	151,868,551	-0,4	251 650 560	6,4	- 99 782 010	18,7	403 519 111	3,7	60,3

Source: TÜİK, Foreign Trade, December 2013

When analyzed, upward tendencies in Turkish economy show that export reached pre-crisis rates in 2011. In this case it can be said that it took a year longer for Turkey to increase its export rates up to pre-crisis levels than the rest of the World. As for import rates, Turkey along with the rest of the world improved its import with the base effect in 2010 and reached pre-crisis levels.

Transportation Services Developments (2005-2013)

During the crisis period, trade volume shrank both domestically and internationally. In addition to this, the crisis caused market stagnation, shrinkage of economies, decline in commercial merchandise movements, decline of import and export, decrease in logistic

activities and market shrinkage of logistic companies providing services to real sector (Bayraktutan and Özbilgin, 2014: 37-50).

Table 3. Total Global Import-Export and Transportation Service Import-Export

	2005	2006	2007	2008	2009	2010	2011	2012	2013
World Total Export	10,508,000	12,130,000	14,022,000	16,153,000	12,554,000	15,300,000	18,328,000	18,404,000	18,816,000
World Transportation Services Export	569,280	635,740	766,130	890,670	692,820	807,470	880,140	888,450	905,940
World Transportation Services Import ratio to Total Export	5.4%	5.2%	5.5%	5.5%	5.5%	5.3%	4.8%	4.8%	4.8%
World Total Import	10,870,000	12,461,000	14,330,000	16,572,000	12,781,000	15,510,000	18,504,000	18,611,000	18,890,000
World Transportation Service Import	681,780	758,310	900,380	1,052,200	828,490	973,310	1,110,290	1,141,510	1,165,330
World Transportation Services Import ratio to Total Import	6.3%	6.1%	6.3%	6.3%	6.5%	6.3%	6.0%	6.1%	6.2%

In Table 3 global import transportation and export rates as well as their comparison to total global import and export rates are presented. As it is seen, rate of export transportation services within the scope of total export has not changed and remained the same in 2008 and 2009. When analyzed, it can be said that the data reflects the same results for 2009 as well.

As seen from Table 10 below, in 2008 the 1 052 200 million dollar import rate of total global transportation services declined to a rate of 828.490 million dollars in 2009. Export rates do not seem to reflect different results either. The 890.670 million dollar global export transportation service rate of 2008 dropped to 692.820 million dollars in 2009. The decline in logistics sector's activities had an inevitable effect on all parties providing transportation services such as transportation operators, logistics terminals, vessel operators, warehouse-storehouse management enterprises throughout the sector as well as indirect service providers of the sector (Bayraktutan and Özbilgin, 2014: 37-50).

The results seen in Turkey are also similar. In 2008 overall Turkish import transportation service rate of 8.070 million dollars declined to 6.449 million dollars by 2009. However, when the export transportation service rates are analyzed, Turkey's overall export transportation service rate of 8.247 million dollars in 2008 stayed within the same levels in 2009 moreover even experienced a minor increase in export rates and reached 8.264 million dollars. When analyzes as overall transportation services, this level of export transportation service, in comparison to the global data, shows that Turkey suffered a less significant results in regards of overall transportation services.

Table 4. Global and Turkish transportation service trade by years (million dollars)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
World Transportation Services Import	681,780	758,310	900,380	1,052,200	828,490	973,310	1,110,290	1,141,510	1,165,330
Change Ratio		11%	19%	17%	21%	17%	14%	3%	2%
Transportation Services Import in Turkey	5,101	4,666	6,961	8,070	6,449	8,034	8,516	8,813	9,656
Change Ratio		9%	49%	16%	20%	25%	6%	3%	10%
Transportation Services Export in the World	569,280	635,740	766,130	890,670	692,820	807,470	880,140	888,450	905,940
Change Ratio		12%	21%	16%	22%	17%	9%	1%	2%
Transportation Services Export in Turkey	5,076	5,014	6,541	8,247	8,264	9,342	10,795	12,467	13,066
Change Ratio		1%	30%	26%	0.2%	13%	16%	15%	5%

When the recovery ratio is analyzed, even though the global import transportation service has increased by 17% in 2010 and came close to its pre-crisis level, it was in 2011 when it truly reached and rose above the pre-crisis level. On the other hand Turkey displayed a better performance in comparison to the rest of the world by increasing its import transportation service by 25% in 2010, whereas the global transportation service export rates reached pre-crisis levels in 2012. In this case, it is safe to say that Turkey has shown a much better performance than the rest of the world in export transportation service as it was not affected by the crisis in this regard.

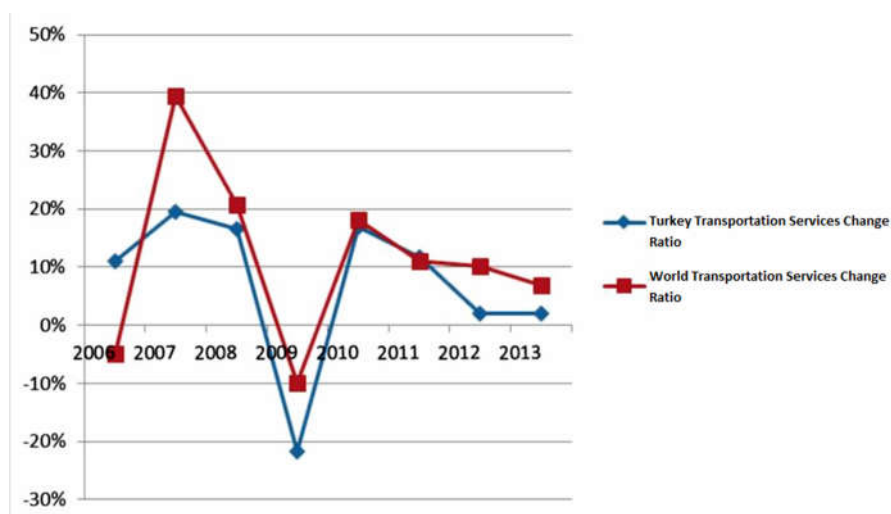


Fig. 3. Global and Turkish Transportation Services

As seen in Fig. 3, after the year 2007 a clear decline of transportation activities was experienced both globally and in Turkey. Although global transportation services were

significantly affected by the economic crisis as it is also seen in the Fig. 3, in 2007 negative effects of the crisis began to be felt by transportation services both globally and in Turkey and recession was felt during the period of 2007-2009. However, when the ratios are analyzed, it is seen that in comparison to the rest of the world Turkey has displayed a much better performance and felt the negative effects of the crisis on a much lesser scale than the rest of the world. In Table 5, it is seen that in 2009 the world's total transportation services declined at a ratio of 21.7% whereas in Turkey this ratio stayed at 10%. This ratio shows that Turkey felt the negative effects of the crisis in transportation services less significantly than the rest of the world.

Table 5. Turkish and Global Transportation Services (Million Dollars)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
World Total Transportation Services	1,251,060	1,394,050	1,666,510	1,942,870	1,521,310	1,780,780	1,990,430	2,029,960	2,071,270
Change Ratio		11%	19.5%	16,6%	21.7%	17%	11.8%	2.0%	2.0%
Total Transportation Services in Turkey	10,177	9,680	13,502	16,317	14,695	17,376	19,311	21,280	22,722
Change Ratio		- 4.9%	39.5%	20.8%	9.9%	18.2%	11.1%	10.2%	6.8%

Source: <http://stat.wto.org/StatisticalProgram/WSDBViewData.aspx?Language>

CONCLUSION

The analysis of the data presented in comparative perspective in this paper shows that, in spite of being part of the globe and the tendencies characteristic of it, Turkey and its economy displays certain specificities. Maybe the most important conclusion is that Turkey experienced smaller, compared to the rest of the world, negative effects on its both import and export transportation services sectors. This allowed the country to recover its pre-crisis levels of turnover in these sectors around two years earlier than the rest of the world. The reasons for this phenomenon are multi-faceted. In order to identify them and to reveal the precise role each of them played for it additional analysis needs to be made which falls out of the scope of the current paper and is envisaged for future scientific projects. This analysis will provide the answers to the question: what makes Turkey such an attractive destination for international transport.

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