

## **Economic Crises and Its Impacts on International Road Transportation Sector between European Union and Turkey**

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In 2008, when the ratification process of the Lisbon Treaty had been continuing, the global financial crises had been perceived as an Anglo-Saxon recession early on, however it increased the problems significantly, which EU countries were already faced. So, serious problems arise in such countries, like UK, Ireland and Spain, where the share of financial services in national incomes was sufficiently high. As a result of global crises, loss of consumer confidence and decrease in the world trade volume forced also German economy-one of the biggest exporters of the world. The new members of EU, who realized its largest enlargement in 2004, have been affected negatively by the crises.

The EU members, who were unprepared to crises, under the effects of lack of final decisions about the coordination of economic and financial policies in EU agreements, could not perform well in common “struggle” against crises. Although coordination provided by the actions of some EU member states leaders prevented the conclusion of crises with a disaster, but this could not stop low growth rates and high unemployment.

All these negative developments deeply affected every sector of the EU economy, a logistics sector also, which has a key role to play in increasing the competitiveness of European industry in both the services and manufacturing sectors with about 7 million employments (in freight logistics).

On the other hand, an economic crisis in the EU decreased its trade volume with Turkey. The EU is the Turkey’s first trade partner. But the reduction of the domestic demand in the EU naturally lowered the level of trade between them. Turkey’s import rate from the EU decreased from 40,8% in 2007 to 39,3% in 2010. Also in this period Turkey’s export to the EU declined from 56,8 % to 46,3%. These developments in foreign trade decreased a volume of international road freight transportation between the EU and Turkey also. Additionally, the EU’s protective policies such as permit and visa limitations narrows the trade strongly.

The purpose of this paper is to describe the main reasons of negative changes in international road transportation sector between the European Union and Turkey in the light of economic crises and make suggestions to develop the bilateral sectoral relations on behalf of increasing trade and elimination of crisis's impacts. The Turkish Union of Chambers and Commodity Exchanges' and the International Road Transport Union's data about the quantity of permits and TIR carnets will be used for evaluation of transport volumes between the EU and Turkey.

**Keywords:** Enlargement, European Union, International Road Transportation, Global Economic Crises, Logistics, Permit, Trade, Turkey.