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Turkey as a Eurasian Transport Hub: Prospects for Inter-Regional Partnership

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Abstract

Turkey is well poised to become a Eurasian transport hub connecting Europe with Asia, the East with the West. While the country is blessed with a prime geographical location in this respect, it also needs infrastructure development within its territory, and enhanced connectivity with neighboring countries and the region in general. Turkey's recent cooperation with China within the framework of the latter's Belt and Road Initiative is an important development in this sense; however, there should be more cooperation with other regional powers as well, especially with Russia. Transport corridors favored by Turkey and by Russia, or routes that cross the territories of these countries, do not necessarily compete with or substitute for each other; they could rather function as parts of a holistic network of Eurasian connectivity.

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Key Words

Turkey, Russia, China, Transportation, Connectivity, Belt and Road Initiative, Eurasian Economic Union.

Introduction

On 30 October 2017, the inauguration of the long-awaited Baku-Tbilisi-Kars Railway was held in Azerbaijan. Addressing the participants during the ceremony, the leaders of the countries involved emphasized the strategic importance of the region, underlining its great potential with respect to

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transportation, trade, tourism, and energy. “We are putting into service one of the links of the new Silk Road venture, initiated with the goal of connecting Asia, Europe and Africa,” Turkey’s President Recep Tayyip Erdoğan remarked, stating, “we have now finalized the most important phase of the Middle Corridor project with the first train embarking on its journey as part of the Baku-Tbilisi-Kars Railway project. We thereby announce the establishment of an uninterrupted railway line from London to China”.¹

The Middle Corridor project mentioned by Erdoğan is an initiative that aims to link Turkey with railways to Georgia, Azerbaijan, Turkmenistan, Kazakhstan and China, with a ferry crossing on the way through the Caspian Sea.² While this project is certainly vital in the sense that it will enhance Turkey’s connectivity with neighboring countries, its real value lies in the “London to China” dimension, in other words in the fact that it positions Turkey along a massive transportation corridor spanning the entire width of the Eurasian supercontinent.³

Currently a fierce competition is going ahead full steam between Eurasian powers in order to shape the region’s geoeconomic structure. Ambitious plans are being put forward to this end in the form of gargantuan infrastructure projects covering vast

territories, such as railroads, highways, pipelines, ports, and so on. China’s Belt and Road Initiative (BRI) is very much drawing attention today; however, as will be discussed later in the article, other powers such as Russia and the European Union (EU) have their own plans too.

All of these competing projects and visions, however, do not necessarily need to be formulated and brought to life at each other’s expense. Infrastructure is not a zero-sum industry, as competing initiatives can and do complement each other. Indeed, this article argues that various infrastructure projects in the Eurasian region are forming into an expansive logistics network that will serve to increase connectivity between East and West thus leading to higher trade volumes and greater numbers of people-to-people exchanges. In the meantime, as this article attests, Turkey is well poised- thanks to its prime geographical location and developing economy- to function as a connector between the two sides of the Eurasian landmass.

With the opening of the Baku-Tbilisi-Kars Railway, Turkey has taken another step toward becoming a Eurasian transport hub. Turkey has its own projects and its own vision, and the more efficiently it can harmonize and complement them with those of other regional powers, the more consolidated

Turkey's position will be as a transport hub connecting the East with the West.

Turkey's Transportation Vision

Currently existing transportation routes connecting Asia with Europe can be examined in three groups.⁴ First, there is the Northern Route, which includes routes running across the territories of China, Kazakhstan and Russia and connecting with the EU. Second, there is the Middle Corridor, which includes Turkey's initiative with the same name; this group of routes connects China to Europe through Kazakhstan, the Caspian Sea, Southern Caucasus, and Turkey. Thirdly, there is the Southern Route, which runs from China through Kazakhstan and Iran. All of these routes are directly related to the economic progress of the countries in question and therefore there is high demand for all of them. What matters is, as previously stated, that they are built in a way where they would complement rather than substitute for each other.

While the Middle Corridor is clearly favored by the Turkish government- as evident in the words of former Deputy Minister of Foreign Affairs Ali Naci Korum, who stated, "it is a big gain for Turkey to have the Middle Corridor as an alternative for both the Northern Route, which includes Russia, and the

Southern Route, which covers Iran"⁵- Turkey's quest to become a regional transport hub requires the country to cooperate with and become a part of all the different projects. The weakest link here is the railroad network. Turkey already has a large network of modern highways⁶ and one of the largest lorry fleets in the world. According to the most recent figures, 80.6% of all cargo transportation and 89.6% of all passenger transportation within the country is conducted via land roads. The share of railways is 4.8% and 2.2% respectively. In terms of foreign trade, 54.8% of Turkey's exports and 58.4% of its imports are carried through maritime routes, whereas the shares of land roads are 35.1% and 15.4%, and the shares of railroads are only 0.6% and 0.5% respectively.⁷

Turkey's transportation vision is based on the objective of increasing the share of railway transportation- both inside the country and internationally- and reducing the share of the land roads. According to Turkey's 2023 Transportation Plan, the share of land roads in cargo freight transportation within the country is planned to be reduced from 80.6% to 60% by 2023, whereas the share of railways will be increased from 4.8% to 15%, and the share of maritime routes from 2.7% to 10%. In passenger transportation, the target set for 2023 is to reduce the share of land transportation from 89.6% to

72%, and to increase the share of railways from 2.2% to 10% and the share of airlines from 7.8% to 14%. In terms of railway infrastructure, achieving these targets will require increasing the total length of Turkish railways from 12,000 km. to 25,000 km. by 2023; the Turkish government's plan is to increase this length further to 31,000 km by 2035.⁸ All of these efforts and initiatives, such as the Middle Corridor and the Baku-Tbilisi-Kars Railway will "expand Turkey's transportation networks and strengthen their connections with Asia and Europe."⁹

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Turkey's Middle Corridor initiative is major undertaking aiming to connect Turkey to Central Asia and onward to China via the Southern Caucasus and the Caspian Sea. A number of diplomatic efforts have been made in order to establish a platform suitable for overseeing the progress of the project. Transportation ministers of member countries of the Turkic Council have signed a joint cooperation

protocol, which was followed by the establishment of a coordination council with the objective of settling possible disputes among member countries. The Baku-Tbilisi-Kars Railway, which forms the backbone of the Middle Corridor, has the capacity of carrying 6.5 million tons of cargo and 1 million passengers, and these numbers will be increased to 17 million tons of cargo and 3 million passengers by the year 2034.¹⁰

The bottleneck here is funding. Ankara plans to invest US\$ 11 billion in infrastructure projects by the end of 2018; a total of US\$ 45 billion will be needed by 2035.¹¹ There is a substantial shortfall in funding for the rail investment plans, and while new changes in legislation make it possible for private companies to enter the sector and undertake the financing and construction of new rail lines in return for 49-year operating licenses, foreign investment will also be needed.¹² This is precisely why cooperating with other countries in the region is crucial.

Cooperation with China

China's BRI initiative, which was announced in 2013 by Chinese President Xi Jinping, aims to connect China with Europe and to establish a belt through joint investments. BRI drives across the Eurasian

supercontinent through two major branches: one is the overland Silk Road Economic Belt (SREB), which relies on railway and land road connections to be developed between Europe and Asia, and the ocean-based 21st Century Maritime Silk Road (MSR), which connects China with Europe through a series of ports developed along a route following the Indian Ocean, the Red Sea and the Mediterranean.¹³

Turkey is along the route of both branches of the BRI. Powered by this grand initiative, China has become a major partner for Turkey in the field of railway development. The foundations of this cooperation have been strengthened with two inter-governmental agreements signed during the G20 summit in Antalya, Turkey in November 2015, namely the memorandum of understanding on “Aligning the Silk Road Economic Belt and the 21st Century Maritime Silk Road with the Middle Corridor Initiative,” and the Agreement on “Cooperation in the Field of Railways.”¹⁴

Before going into the details of the two agreements mentioned above, it is worth noting that China was already active in the Turkish railroad infrastructure sector before they were signed. The beginning of the relationship can be traced back to 2005, when China won the contract to develop the high-

speed railway line between Ankara and Istanbul, which has now completed its second phase. Chinese companies are also undertaking the Yozgat-Sivas segment of the Ankara-Sivas high-speed railway, and there has been an agreement for a US\$ 30 billion loan for Turkey’s high-speed railway projects which are planned to have a total length of more than 10,000 km. For the 20 major transportation projects that have been recently completed in Turkey or are under construction, the Turkish government has signed a total of 25 contracts with a number of foreign companies, among which there are four companies from China.¹⁵ Industry experts expect “that the market share China has created within the Turkish market will continue to afford Chinese companies opportunities within this high growth sector.”¹⁶

The first agreement signed in Antalya refers to the alignment of the Middle Corridor with the BRI.¹⁷ According to Article II of the agreement, Turkey and China will cooperate in the following areas:

- i) Policy cooperation:* Carrying out dialogue and exchanges on major development strategies, plans and policies.
- ii) Connectivity facilities:* Formulating plans on cooperation in bilateral infrastructure projects in Turkey, China and third countries,

including highways, railroads, civil aviation, ports, oil and gas pipelines, power grids and telecommunication networks.

iii) Unimpeded trade: Supporting mutual efforts to open markets to each other, expanding two-way flow of trade, and discussing the establishment of a bilateral free trade zone.

iv) Financial integration: Taking advantage of the Turkish-Chinese currency swap agreement to improve the arrangement for renminbi cross-border settlement and the use of home currencies in trade and investment to meet the need of bilateral cooperation.

v) People-to-people bonds: Promoting people-to-people exchanges, building medium to long-term cooperation models of cultural exchanges, pushing for the establishment of a sister city network.¹⁸

As can be seen from these details, this is a remarkably comprehensive agreement covering several areas of bilateral cooperation. However, at the heart of the agreement is- as explicitly stated in the text- the “coordinated implementation of the Belt and Road Initiative.”

For the Turkish government, the BRI is a good opportunity for cooperation

with China. As President Erdoğan stated during his visit to China in July 2015:

Initiatives (like the BRI) provide significant opportunities for both enhancing the integration between the countries of the region and integrating them with the global economy. Due to its geographical position, Turkey is one of the most key countries within the Belt and Road project. This project matters profoundly for the strategic cooperation between Turkey and China as well.¹⁹

For its part, the Turkish bureaucracy is actively preparing for cooperation within the framework of the BRI. An ambassador from the Ministry of Foreign Affairs has been appointed as Special Envoy for the Silk Road Project. The new “China Action Plan” of the Ministry of Economy has the BRI at its core. Turkey has also established an intra-bureaucracy working group on the BRI, which held its inaugural meeting in January 2016 and will cooperate with a Chinese counterpart. The Turkish working group includes representatives from the ministries of Foreign Affairs, Economy, Transportation, Energy and Customs.²⁰

The Turkish business community is also enthusiastic about the prospects offered by the BRI. “The Chinese are reviving the Ancient Silk Road with

their BRI project” said Murat Kolbaşı, chairman of the Turkish-Chinese Business Council, “it is all the way from Xi’an to Venice, touching 65 countries in total, with a business volume of US\$ 20 trillion. These countries are now doing more business with China, having increased their volumes by 50% over the first eight months of 2015.”²¹ According to Canan Başaran-Symes, former chairwoman of the Turkish Industry and Business Association (TÜSİAD), “[BRI] is a giant project that will profoundly affect the economies of several countries. Turkey has to be in the project, as a connector between China, Central Asia and the Caspian on the one side and Europe on the other, as this is the shortest and most competitive route.”²²

The second agreement signed between Turkey and China in November 2015 has a specific focus on railway cooperation.²³ According to Article II of this agreement, the two countries will cooperate in the following:

- i) Information exchange on fast and high speed railway planning, design, construction, operation and management.
- ii) Promotion of Turkish and Chinese companies to cooperate in the upgrading of existing lines and the construction of new lines in Turkey and China.

- iii) Promotion of Turkish and Chinese companies to jointly develop the Euro-China railway corridor section crossing through Turkey.
- iv) Cooperation in research for railway technologies and the development of railway technical standards.
- v) Cooperation in the training of railways administrative and technical staff.
- vi) Cooperation in the realization of railway projects in third countries.
- vii) Cooperation in the conduct of feasibility studies for fast and high speed railway projects.²⁴

Chinese companies have had an interest in the project for a long time, but until recently little had been achieved.

Number iii in the above list refers particularly to the construction of the Edirne-Kars high-speed railway, which connects the westernmost point of Turkey to its easternmost point, thus spanning the entire country. This US\$ 35 billion project, which will form the Turkish section of the Euro-China railway corridor, will link the continents of Europe and Asia through the Marmaray rail tunnel in Istanbul.²⁵

Chinese companies have had an interest in the project for a long time, but until recently little had been achieved. As a senior bureaucrat from the Turkish Ministry of Economy explains, both sides are now looking forward to taking concrete steps in the very near future:

The Edirne-Kars railroad project is something that the Chinese are very much interested in. They have been visiting us frequently, and they want to be in it by all means. But first it could not be understood what they wanted. A finance model was discussed with the (Turkish Undersecretariat of) Treasury. It has to be opened to bids, but the Chinese wanted it without a tender, which is not possible. A feasibility study has been conducted and we are discussing the technical details now... The Chinese are preparing their offer. I am sure that their offer will be accepted, as long as it conforms to our legislation.”²⁶

Development of railway infrastructure is at the core of Turkish-Chinese cooperation on the BRI; however, recent developments have shown that emphasis is placed on intermodal transportation, i.e. a combination of different modes such as railways, maritime and land routes. In May 2017, Turkey and China signed an Agreement on “Land Transportation,”²⁷ while in an earlier and more concrete step, a consortium

of Chinese companies had purchased a major stake in Kumpot, a port near Istanbul which is Turkey’s third largest seaport in terms of container processing capacity.²⁸ This move has enabled the Chinese side to launch new regional container shipping services connecting ports in Northern Europe with those in the Mediterranean.²⁹ The Turkish government is planning to add three more seaports, Çandarlı on the Aegean Sea, Mersin on the Mediterranean, and Zonguldak Filyos on the Black Sea into this framework.³⁰ The idea here is that Turkish ports can supplement – rather than substitute – Greek ports, which have already received significant Chinese investment and are under Chinese operation on the MSR, thus consolidating Turkey’s position on the BRI as a whole.

The Russian Dimension

Another key player actively shaping the Eurasian geoeconomic sphere is Russia. Moscow’s primary instrument for economic integration in Eurasia is the Eurasian Economic Union (EAEU), which was founded in 2015 by Russia, Kazakhstan, Kyrgyzstan, Belarus and Armenia, as the “first successful post-Soviet initiative to overcome trade barriers and promote integration in a fragmented, under-developed region.”³¹

The EAEU pays special attention to transport integration and the liberalization of transport services between the member states; so far important steps have been taken to those ends, such as the transfer of transport control to the border of the Union, the establishment of unified cargo railway tariffs, the definition of principles of access to railway infrastructure, and the regulation of land cargo transport permits.

The EAEU's next step will be a merger with the Silk Road Economic Belt (SREB) part of the BRI. After signing a gas deal in worth US\$ 400 billion in 2014, the presidents of Russia and China- Vladimir Putin and Xi Jinping- announced at a meeting in Moscow on 8 May 2015 that the two projects would be integrated with each other. This endeavor envisages "coordinating political institutions, investment funds, development banks, currency regimes and financial systems- all to serve a vast free-trade area linking China with Europe, the Middle East and Africa."³² The Eurasian Commission lists the tasks which will be undertaken throughout the merger process, in the field of transportation solutions:

- i) Interaction in logistics, transport infrastructure and intermodal transportation will be reinforced.
- ii) Infrastructure development projects will be implemented to expand and

modernize regional production networks.

- iii) Modern systems of international logistics centers and hubs on major international transport corridors passing Eurasian territory will be created, with these corridors named by the Commission as:
 - a. Western Europe-Western China (corresponds to SREB)
 - b. North-South Corridor (connects Russia with Azerbaijan, Iran and India).
 - c. East-West (corresponds to the Northern Route, connecting China with Russia)
 - d. Northern Sea Route (corresponds to the Arctic route).
- iv) These plans to be supplemented by meridian transport links passing Mongolia and Kazakhstan and connecting Siberia with the central and western regions of China and the countries of South and Central Asia.³³

Whether- and how- the EAEU and SREB can actually be merged into one single grand project so far remains to be seen. Some scholars believe that the abstract nature of SREB and the complexity and multifaceted form of relations between Beijing and Moscow make integration between the two projects a complicated and poorly feasible task, and will lead the

two countries to a collision course.³⁴ Others assert that from an economic point of view the two projects actually complement each other, as SREB will stimulate cooperation in the transport sector, thus helping EAEU countries hosting SREB projects to secure their interests. With China advancing into Central Asia, the EAEU will become an effective instrument of trade protection for the national market while maintaining its investment attractiveness; the bond with SREB will strengthen the position of EAEU members vis-à-vis external partners. Moreover, SREB will provide EAEU members with an influx of new investments in transport infrastructure.³⁵

Regardless of whether a merger between the Russian and Chinese initiatives can and will occur, cooperation between the two countries in the field of transportation infrastructure is already in place. The 772-km long Moscow-Kazan high-speed railway, which is currently being designed with an estimated completion date of 2020, comes with a price tag of US\$ 22.4 billion. China has plans to set up joint ventures in Russia for the construction of this railroad, and China will grant a 20-year loan of US\$ 5.9 billion to Russia for the financing of the project.³⁶ The Moscow-Kazan rail line may eventually become a part of the Moscow-Beijing high-speed

railway (of which the construction is estimated to cost US\$ 120 billion) thus also making Russia a part of SREB. According to Russian authorities, the Moscow-Beijing line may be launched into operation as early as 2022.³⁷

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While Russia connects to China in the East, it also connects to Europe in the West, despite all of the political issues affecting relations between Russia and the EU since the Ukraine crisis in 2014. The EU has a well-developed transportation network within its boundaries, and it aims to extend this network toward the East. The Trans-European Transport Network (TEN-T) has nine corridors, five of which extend eastward into the heart of the Eurasian region, with one particular corridor- Orient/East-Mediterranean- extending into Turkey.³⁸ For Russia, connectivity with Europe remains of vital importance; in fact, in 2006, the EU renewed its Northern Dimension policy with Russia (and also with

Norway and Iceland) that had been initiated back in 1999. One of the four sectorial partnerships established within the framework of the Northern Dimension is related to transport and logistics (others are related to culture, environment, public health and social well-being), of which the backbone is the Northern Axis, which connects the northern EU with Norway to the north and with Russia and Belarus to the east. The development of the Northern Dimension network implies both the improvement of infrastructure links and the harmonization of measures to facilitate passenger and cargo freight flows among the partner countries along the Northern Axis.³⁹

The EU has its own vision for Europe-Asia connectivity. In 2015, the EU-China Connectivity Platform was established with the intention of exploring synergies between EU initiatives such as the TEN-T and China's BRI initiative. In order to understand how the EU approaches Eurasian connectivity and China's BRI, the remarks of Jyrki Katainen, Vice President of the European Commission, at the High Level Dialogue Session of the Belt and Road Forum for International Cooperation held in Beijing on May 14-15, 2017, need to be quoted at length here:

The EU supports initiatives to upgrade infrastructure, which

contribute to sustainable growth in the Euro-Asian region... Done in the right way, and carefully evaluated, more investment in cross-border infrastructure links would unleash growth potential with benefits for all. This should include all modes of transport (maritime, land and air) as well as digital and energy cooperation and people-to-people contacts. The EU therefore welcomes China's initiative to bring this to the center of the debate today. We support co-operation with China on its One Belt, One Road initiative on the basis of China fulfilling its declared aim of making it an open initiative which adheres to market rules, EU and international requirements and standards, and complements EU policies and projects, in order to deliver benefits for all parties concerned and in all the countries along the planned routes. The EU has a big stake in better connectivity in and with Asia that contributes to sustainable growth; the European Union is also a big trade and investment partner of all Asian countries – indeed, the top partner of many – meaning that our economic prosperity is deeply interdependent. Europe and Asia share the same landmass. Intra-European and intra-Asian infrastructure links should therefore not be designed in isolation. In order to promote

productive investment we need to think holistically and take into account inter-continental links and trade flows in order to build a true network and not a patchwork.⁴⁰

At first sight, the Moscow-Beijing line, the Northern Route in general, and European interest in connecting with China through routes including the Russian one, can be seen as competitors against Turkey's Middle Corridor initiative, which runs through the Southern Caucasus and Central Asia, bypassing Russia. In fact, however, rather than being possible substitutes for each other, these lines could complement each other in a Eurasia-wide network of transportation linkages. As Katainen mentioned in his remarks in Beijing, this issue needs to be thought about "holistically," and transportation links in Eurasia "should not be designed in isolation." What is being built in Eurasia is not-again borrowing Katainen's words- a "patchwork" where different routes compete with each other, but it is rather a network where different routes complement each other.

In Lieu of Conclusion: Turkey as a Eurasian Transport Hub?

Turkey is blessed with a prime geographical position, and if it can

combine this advantage with the right synergies to be established with other players in the region, Turkey can truly transform itself into a Eurasian transport hub- a crucial transit center within a fully-fledged Eurasia-wide network rather than just another stopover inside a patchwork of isolated routes.

Turkey is blessed with a prime geographical position, and if it can combine this advantage with the right synergies to be established with other players in the region, Turkey can truly transform itself into a Eurasian transport hub.

The opening of the Baku-Tbilisi-Kars railway line has been a great stride in this respect. What is needed at this point is an overall improvement in Turkey's domestic transportation infrastructure, toward the targets set by the Turkish government for the year 2023. For instance, if and when the Edirne-Kars railway line is completed and operational, the entire Turkish crossing of the Middle Corridor or the SREB could be made at high speed; in other words, the Caucasus and Central Asia will be connected with the European Union via high speed railways.

Turkey's cooperation with China and its involvement in the BRI project are significant developments and although concrete results of this collaboration are yet to be seen, a stronger partnership between the two countries is likely to contribute significantly to Turkey's aspiration of becoming a transport hub between Europe and Asia.

This paper's argument is that while Turkey's cooperation with China is a positive development, Turkey also needs to cooperate more with Russia in order to achieve the status of a transport hub. Eurasian routes passing through Turkey on one hand and through Russia on the other would constitute parts of a whole network where they complement each other. Turkey and Russia are already well connected through energy links; with the Blue Stream pipeline delivering Russian natural gas to Turkey across the Black Sea; the Trans-Balkan gas pipelines connecting Russia to Turkey through Ukraine, Moldova, Romania and Bulgaria; and a proposed new line, the TurkStream, to provide another gas transport corridor between the two countries across the Black Sea. There is no reason for Russia and Turkey not to cooperate more in the field of transportation within the Eurasian network. There are four ways in which the two countries can take concrete steps towards greater collaboration in transportation:

First, Russian companies can be more active in the development of Turkey's transportation infrastructure, both by laying down tracks and other groundwork, and by supplying cars and other equipment. Turkish and Russian companies are already cooperating in infrastructure-related fields such as energy and construction, and this cooperation can be extended to the field of transportation infrastructure as well.

Second, Turkey can integrate its own transportation network with Russia's. While the Middle Corridor remains Turkey's preferred route, it can be integrated with other routes to Turkey's West and East. In the West, Turkey is well connected to Europe through land roads; however, rail connections are still poor and underdeveloped. Turkey can better integrate with its western neighbors with railroads, connecting itself to Trans-European routes, and in this way making it possible to provide uninterrupted rail transportation between Turkey and Russia through the Balkans. To the West, Turkey can consider ways of connecting to Russia's North-South corridor, which goes through Azerbaijan to Iran and onward to India. Turkey is already connected to Azerbaijan via the Baku-Tbilisi-Kars railway line; if it can be integrated with the North-South corridor, rail transportation between Turkey and Russia will also be possible through this eastern route.

Third, even the Middle Corridor itself- although it bypasses Russia- can be developed more efficiently if it is done with Russia's support. Selim Koru and Timur Kaymaz accurately note that since Moscow sees the Caspian region as its own backyard, trade routes that would utilize the Middle Corridor would require Russia's blessing.⁴¹ Cooperation instead of competition with Russia within the framework of the Middle Corridor can provide mutual benefits and add greater value to the project.

Fourth, transportation infrastructure development is a multilateral undertaking by nature; therefore Turkey's cooperation with Russia (and China as well as other regional countries) within Eurasian multilateral platforms is also valuable. In this sense, Turkey's engagement with the Shanghai Cooperation Organization (SCO) is a positive development. Turkey is a dialogue partner of the SCO, where Russia, China, India, Pakistan, and most of the Central Asian republics are full members. In 2017, Turkey held the chairmanship of SCO's Energy Club, a noteworthy assignment since Turkey is not a full member of the organization. However, a more relevant multilateral platform with respect to Eurasian transport initiatives is the EAEU. Turkey is not a member of this organization, but has repeatedly expressed interest in joining it in some capacity, for instance by becoming part

of the customs union or signing a trade agreement.⁴² The EAEU itself appears to be interested in having Turkey on board, and Russia's President Vladimir Putin has already announced that there are plans for a free trade agreement between the organization and Turkey.⁴³ Given there are already plans for the EAEU to merge with SREB, with which Turkey is already involved, a closer, functional relationship of some kind between Turkey and the EAEU will be beneficial for all sides involved.

Turkey is well poised to become a Eurasian transport hub connecting Europe with Asia. However, while a proper geographical location is a necessary condition for this status, it is not sufficient. Infrastructure development within the country and enhanced interconnectivity with neighbors and other regional countries are required. Transportation in Eurasia is not a zero-sum but rather a mutually beneficial endeavor; by increasing its cooperation with other regional powers, especially with Russia and China, Turkey can strengthen its position as a Eurasian transport hub. Being a "bridge" between the East and the West requires close collaboration with both East and West.

Transportation in Eurasia is not a zero-sum but rather a mutually beneficial endeavor.

Endnotes

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- 18 Full text of the agreement is available on the website of the Turkish Parliament: <http://www.tbmm.gov.tr/d26/1/1-0673.pdf> (last visited 12 December 2017).
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- 20 Altay Atlı, “Turkey Seeking its Place in the Maritime Silk Road”, *Asia Times*, 26 February 2017.
- 21 Interview with Murat Kolbaşı, chairman of the Turkish-Chinese Business Council, conducted by the author on 16 December 2016.

- 22 Keynote speech by Canan Başaran-Symes, chairwoman of the Turkish Industry and Business Association (TÜSİAD) during the “Understanding China, Doing Business With China” Conference held in Istanbul on 16 December 2016.
- 23 The agreement was signed on 14 November 2015 and ratified by the Turkish Parliament on 5 April 2016.
- 24 Full text of the agreement is available on the website of the Turkish Parliament: <http://www2.tbmm.gov.tr/d26/1/1-0700.pdf>.
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- 26 Interview with a senior bureaucrat from the Turkish Ministry of Economy, conducted by the author on 16 December 2016.
- 27 This agreement makes it possible for TIRs and other land transport vehicles from Turkey and China to carry cargo into each other’s territories.
- 28 A consortium of COSCO Pacific, China Merchants Group and China Investment Corporation purchased a 65% stake in Kumport for US\$ 940 million. Kumport has a container processing capacity of 1.3 million TEU. This is so far the largest Chinese investment in Turkey in terms of value.
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