

The developments of air transport services: a Turkish perspective and the recent developments of the International Express Services

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Air Law and European Transport Law Courses, prof. Anna Masutti

The purpose of the seminar is to get an overview of the actual aviation industry and the development of airport and transport in general, with a special focus on Turkey. This Nation represents the fastest growing market and Mrs. Serap Zuvin explains us its evolution. A direct witness of the increase in air transportation demand is Mr. Alessandro Lega. As managing director of FedEx Express, he gives a concrete example of this phenomenon and brings his great experience to show how this can be considered one of the most promising fields of the last decades.

Serap Zuvin is a preeminent lawyer from Istanbul and she specializes in aircraft financing, aviation in general and current development of aviation sector in Turkey. She graduated at Istanbul University, faculty of Law. In 2000, after several years of practice in leading law firms, she started her own that recently merged with another Turkish law firm¹.

The aviation market is growing fast: the number of passengers and consequently the capacity of aircrafts increased dramatically. According to IATA, in 2037 passengers will be approximately 8.2 billion. The boost is coming especially from the Asian Pacific Region (which includes Asia, Australia and New Zealand), while China will set to overtake US as the largest aviation market in the world and India will take the position of UK in 2025.

The reasons of this growth are many: expansion of the economy, increase of incomes, cheap airfares, free competition; also millennials are behind the travel increase, since people are more curious and want to go to new places.

Turkey is investing in infrastructures and new technology, in fact today it represents the aviation market with the highest growth rate. This had a great impact on the airports as well. Big airlines create new hubs and existing airports are being highly renovated or build from scratch, with new technology and advanced security systems. In this regard, Mrs. Serap Zuvin said that her homeland has been smart in capturing the demand about innovation and in building the new leading airport, a real marvel engineering: the Istanbul airport, completed in only 42 months. It is the largest single roof airport building, fully operational from 6 April 2019.

This is how the Turkish scenario looks: Turkey has civil aviation agreements with more than 150 countries and has 315 destinations. With the opening of foreign investments in the 1980s, many laws changed. Almost all the legislation is modelled on EU Law. Turkey is part of important international Conventions such as: Chicago Convention, Montreal Convention and Cape Town Convention. The latter, which is intended to reduce risks for creditors, and consequently the borrowing costs to debtors, through the resulting improved legal certainty, was signed in 2001 and it prevails over the existing laws.

Furthermore, a great work in designing aircraft with low emissions and longer flight range has been carried out. Turkey tries to be advanced also in this case. Currently, Ryanair results as the greenest airline in Europe: the carbon emissions are the lowest and they decreased from 87% to 67% over the last decade. Other promising investments are made in 5G technology, that can deliver messages even in high congested areas, combining more network channels at the same time.

Nowadays, China has world's biggest aviation market: top level in manufacturing,

¹ Çakmak Avukatlık Ortaklığı, Beşiktaş law firm in Istanbul.

technology, security, China is the winning new comer in the market. Now more than ever, China is keen to provide financing to the airlines in the Turkish market.

The other guest is **Alessandro Lega**, president of AICAI and managing director of legal affairs of FedEx Express. He studied law in Turin with a thesis in the field of Maritime Law and he was soon hired by a local law firm. He then made an experience at the European Commission, before initiating a LLM in Maritime and Aviation Law in London. He stayed in the city for work, and he was hired by a big entrepreneur, who invested in renewable energy, so becoming an expert also in that field.

FedEx, leader in transport industry, is not only a carrier, it is much more. It acts transversally helping commercial activities all over the world and it can be called a “trade enabler”: it helps every kind of company, also small ones, facing and assuming itself all the complexities of the service. FedEx fleet is the fourth in the world, with 678 aircrafts and it serves 650 airports.

Mr Lega brought us, by way of example, the FedEx North Pacific Regional Hub, whose facility opened in April 2014. After the aircraft lands, they quickly remove the container from the plane, that are then transported into cargo shed, where packages are sorted automatically by the sorting machine. Information such as the package’s custom clearance status and its destination is instantly read, entered and finally loaded on trucks.

Another purpose of this facility is to handle transshipment cargo, which is basically cargo that’s not Japan bound. Their final destinations are other countries and they unload and sort according to their country of destination.

One of the unique features of this facility is its temperature-controlled warehouse. In recent years the number of customers, who inquire about temperature-controlled storage, has increased. The customers of FedEx’s Cold Chain Center are primarily healthcare companies. The inside temperature is strictly controlled and the packages can be sorted or stored without getting exposed to variations in temperature.

The North Pacific Regional Hub in Kansai, not only contributes to the streamlining of Asia’s networks, but also helps improving their service for customers in Western Japan. FedEx makes sure that all planes depart on time and that packages are promptly delivered to customers. These are two big responsibilities.

For sure, this giant, whose size can be compared to Florence (more or less 400.000 people), involves many fields such as aviation, handling, tracking, custom clearance. This complexity reflects on the job. The actual challenge has to do with regulation: markets are generally highly regulated and this requires the work of many experts.

An advice comes also for us, as students: be flexible, literally escape from your comfort zone, because “where there is a challenge, there is also an opportunity”.

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