



Modernization of Border Crossing Points in Turkey: New Prospects in the ECO Region

Sinem ŞENKAYA

Tehran

April, 28, 2009



Modernization of Border Crossing Points in Turkey: New Prospects in the ECO Region





Modernization of Border Crossing Points in Turkey: New Prospects in the ECO Region



Who is TOBB – GTİ?

- TOBB

The Union of Chambers
and Commodity
Exchanges of Turkey

– The top representative
of Turkish private sector





Who is TOBB – GTI?

- GTI is established by TOBB in order to modernize and operate the border gates, in 2005
- GTI is the partnership of more than 137 chambers and commodity exchanges
- GTI carries out the projects by Public – Private – Partnership and Build – Operate – Transfer
 - Private sector's efficiency and profit-seeking principle and public service consciousness delicately balanced.



What is Modernization of Border Gates

- A contemporary architecture
 - Easier and rapid custom formalities
- Technological innovations
 - X-ray inspection systems, CCTV



GTI Projects

□ We have currently modernized and been operating 5 border gates around Turkey. We have been commissioned to take over 4 additional border gates.

□ İpsala, Habur, Cilvegözü, Kapıkule, Sarp, Dereköy, Esendere, Nusaybin, Dilucu



Stages of the Modernization Projects

- **Build:** TOBB – GTI reconstructs and refurnishes all the governmental and commercial buildings
- **Operate:** The commercial facilities are operated by TOBB – GTI
- **Transfer:** The modern facilities are transferred to the public



Build – Operate – Transfer Model

- A special kind of financing model
- Projects that need high technological sources and high investment costs, and normally performed by public institutions
- Pay back of the project is provided by the selling of products or services



- All of the investment of the modernization projects are done by TOBB
 - No financial burden on public budget
- Enables effective management skills of private sector
- At the end of concession period the modern facilities are transferred to public



Modernization of Border Crossing Points in Turkey:
New Prospects in the ECO Region



Customs and Tourism Enterprises (GTİ)
invested
\$185.000.000
to the modernization projects
until now.



Noticeable Increase in Tax Revenues

\$17.000.000 tax
has been paid to the government

Outcomes of the Projects

- Effective struggle with smuggling and illegal traffic
- User satisfaction
- More rapid and effective service
 - No more queues
 - Process time decreased from 30 minutes to 10 minutes



Modernization of Border Crossing Points in Turkey: New Prospects in the ECO Region



- No financial burden on the public budget
- The privileged projects for the public are done
- Additional tax revenue
- During the operation period TOBB does not use the public authority instead it undertakes only the commercial facilities.

CILVEGOZU BORDER GATE (SYRIA)

Before Modernization



After Modernization



HABUR BORDER GATE (IRAQ)

Before Modernization



After Modernization



SARP BORDER GATE (Georgia)

Before Modernization



After Modernization



KAPIKULE BORDER GATE (Bulgaria)

Before Modernization



After Modernization



KAPIKULE BORDER GATE





Modernization of Border Crossing Points in Turkey:
New Prospects in the ECO Region



KAPIKULE BORDER GATE





Modernization of Border Crossing Points in Turkey: New Prospects in the ECO Region



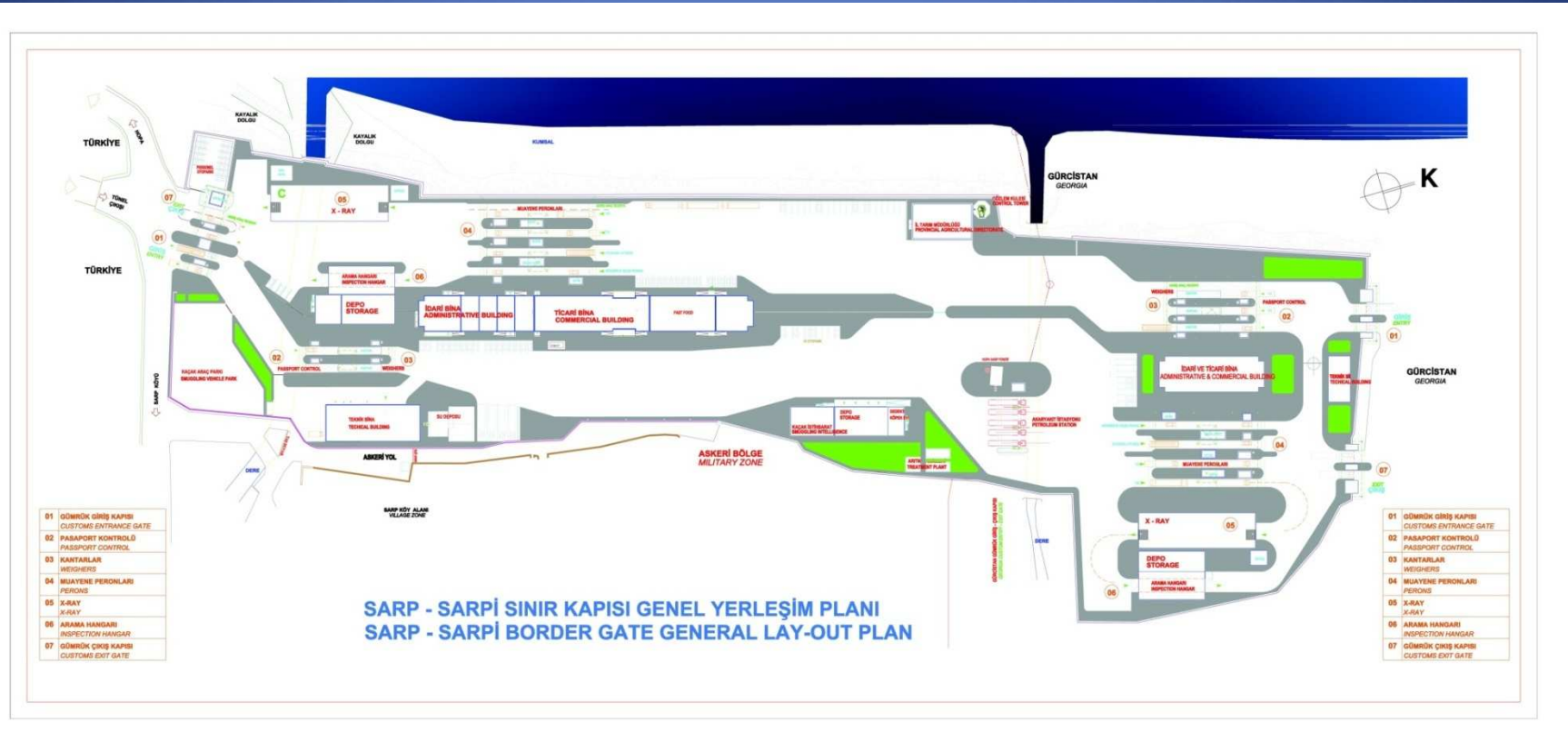
The Revitalization of Silk Road – Alternative Routes

Northern Corridor: 6500 km. / 12-14 days
Central Corridor: 5100 km. / 14-18 days
Southern Corridor: 4000 km./ 12-14 days



First Step for the Facilitation of Border – Crossings

- Turkey – Georgia Joint Border Crossing Model

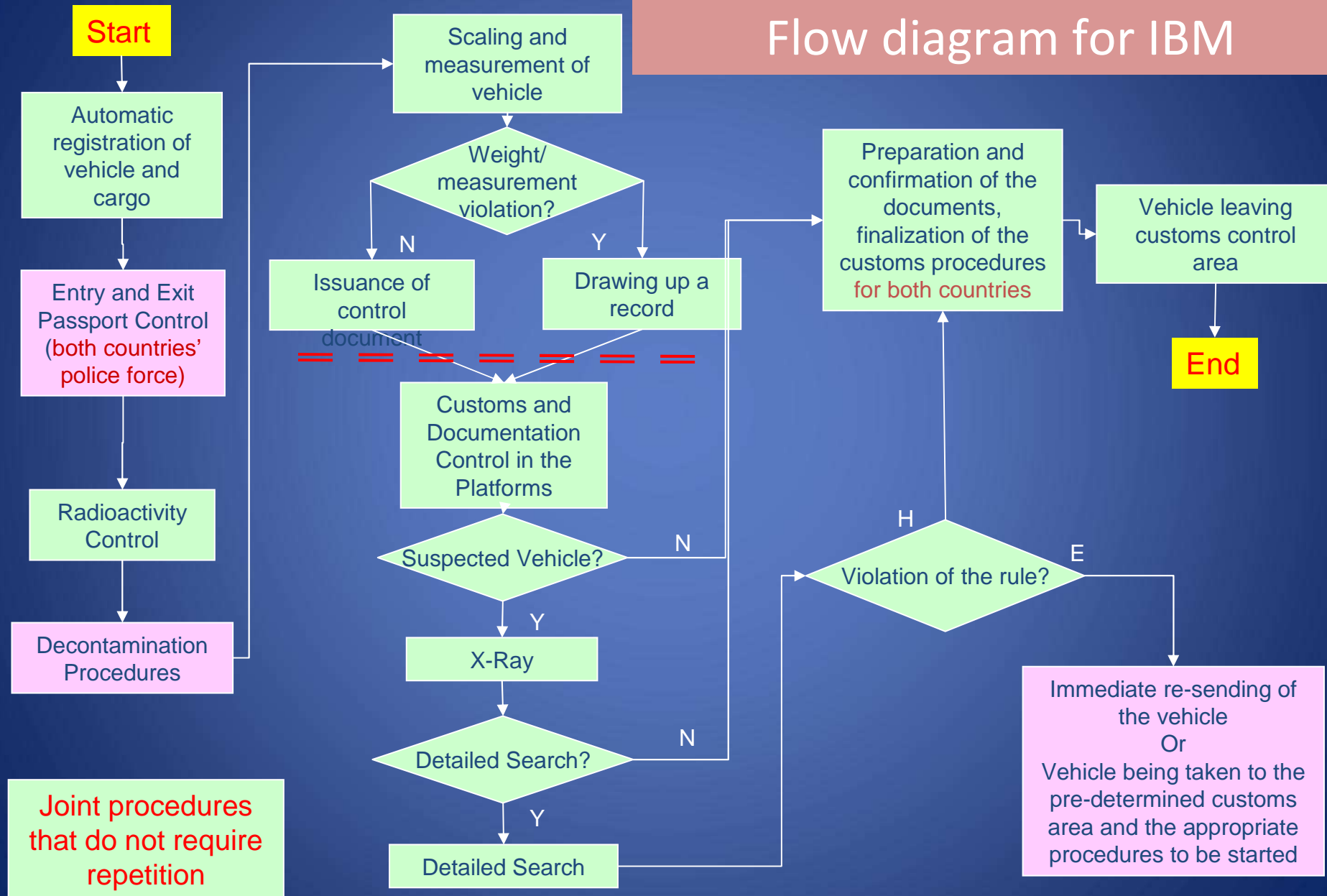




What is Joint Border Crossing Model? (JBCM)

- One border gate area but two teams from both countries acting together.
- Objective is to **eliminate redundancies**:
 - Joint control of certificates. No duplications.
 - Relevant checks done by just incoming country's authorities
 - E-customs and data-sharing between authorities
- Modernization of the custom facilities are to be financed by GTİ

Flow diagram for IBM



Why JBCM?

- In the next 5 years, demand over border crossing points is expected to increase extremely
 - More **efficient** crossings will also stimulate demand
- Joint Border Crossing Model is the ideal solution to meet the increasing demand
 - With the realization of the project, **60-70 % of decrease** in the BORDER WAITING TIME is expected.
 - Capacity will increase threefold.
- Investment and operational **costs** are significantly **lower**.
- Joint model is the most suitable model for many of the ECO region countries.



Our Target

- Support for the project “The Revitalization of Silk Road”
- To make all the border crossing points much more effective and rapid through ECO region
 - Joint border crossings or special models



Thank You....