

## Israel sea-and-land route for Turkey snaps shut

John Reed / June 29, 2015 12:16 am

For a time, it looked like a triumph of pragmatism over politics: Turkish trucking companies that saw their overland routes disrupted by the war in Syria turned instead to the sea, and began using the [Israeli port of Haifa](#) to get their goods to Jordan.

The story was a remarkable one, given the animosity between Turkey and Israel on the political level because of the long-unresolved Israeli-Palestinian conflict, and the Jewish state's economic isolation from nearly all of its neighbours.

Turkey [severed diplomatic ties with Israel in 2011](#) when relations soured after Israeli commandos stormed a flotilla of Turkish ships heading for the Hamas-ruled Gaza Strip in 2010, causing the deaths of 10 pro-Palestinian activists on board. Attempts by US President Barack Obama to reconcile the two countries have failed, although recently their diplomats reopened reconciliation talks.

Notwithstanding these tensions, Turkish shipping companies needing to get their goods to Jordan quietly developed the sea-and-land Israeli transit route.

“Roll-on-roll-off” (or ro-ro) ships would take the Turkish trucks to Haifa, from where they would drive east through Israel to the Jordanian border. Tiran Shipping, the Israeli company organising the transport, said it was handling about 30 to 40 trucks a week.

But now the sea bridge via Israel to Jordan has vanished again. The story illustrates both the potential Israel holds as a transit country, and the steep — and perhaps insurmountable — obstacles standing in its way, given regional politics in the Middle East.

Apparently [a move by Egypt](#) is to blame this time: Egypt had also been accepting ro-ro ships containing Turkish trucks, on their way to Gulf states. Turkish shippers were combining the Israeli route with the Egyptian one to build the economies of scale needed to make the sea journey pay.

However, in April Egypt discontinued its transit agreement with Turkey, against a backdrop of lingering political tensions between Turkey's Islamist-rooted government and Egypt's military regime.

Turkish trucking companies are now bypassing both Israel and Egypt because “trucks for Jordan alone do not justify a call in Haifa”, an Israeli shipping executive, who

asked not to be named, told the FT. Turkish shipping companies are now taking goods to the Gulf via the Suez Canal.

Israel is, as its rightwing prime minister Benjamin Netanyahu often says, an island of stability in a chronically turbulent Middle East.

However, its potential as a transit country is stunted by the lingering Israeli-Palestinian conflict, which means it has no relations with many of its near neighbours, including Lebanon, Syria and Iraq. Gulf countries such as Saudi Arabia are reluctant to accept goods that have crossed Israel on their way there. Israel is building two new container ports in Haifa and Ashdod, due to begin taking ships in 2021. Officials say that they think the new facilities could boost Israel's potential as a gateway to markets such as Jordan and Iraq, if the country ever makes peace with its neighbours.

“There is potential for transit traffic, but none of this traffic is in any of our forecasts,” says Dov Frohlinger, chief operating officer of the Israel Ports Development & Assets Company. However, he adds: “We are optimistic that, even if it takes five, 10 or 20 years, at some point the geopolitical situation will change and the borders will open up.”

Israel began planning the two ports for domestic reasons, as part of moves to add capacity, increase competition and — officials hope — bring down high living costs. Israel also needs the new ports so it can accommodate the industry's huge new container ships. Because of Israel's poor regional relations, Mr Frohlinger says, about 99 per cent of its imports, measured by volume, arrive by sea.

The potential of land routes aside, little over 15 per cent of trade arriving at Israeli ports is transshipped elsewhere.

Business plans for the two new ports foresee this proportion staying about the same.

While a significant rapprochement between Israel and its Arab neighbours looks unlikely in the near future, analysts say the Turkish route at least could be revived, if shipping companies can build the business case again.

“I don't see any reason why it won't work again if it seems economically viable in terms of transit costs,” says **Gallia Lindenstrauss**, a researcher specialising in Turkey at the **Institute for National Security Studies** in Tel Aviv.

<http://www.ft.com/intl/cms/s/0/70481dae-09e0-11e5-a6a8-00144feabdc0.html#axzz3eRg3hKN2>