

UNDERSECRETARIAT OF THE
PRIME MINISTRY FOR FOREIGN TRADE



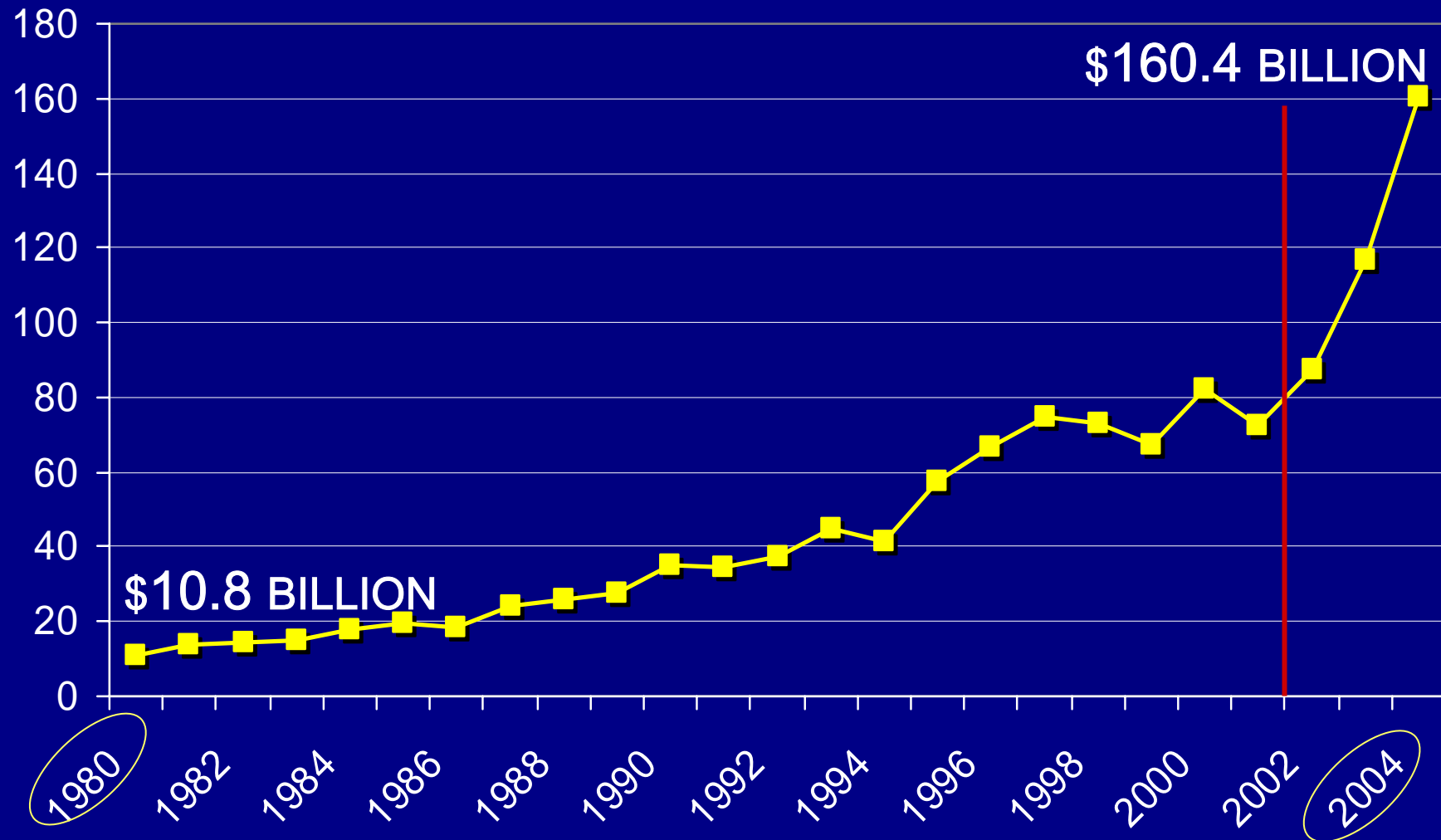
Turkey's Foreign Trade Policy

Special Reference To Asia

Tuncer KAYALAR
UNDERSECRETARY

Foreign Trade Volume

- Turkish Foreign Trade Volume Increased 14-fold during the last 25 years.

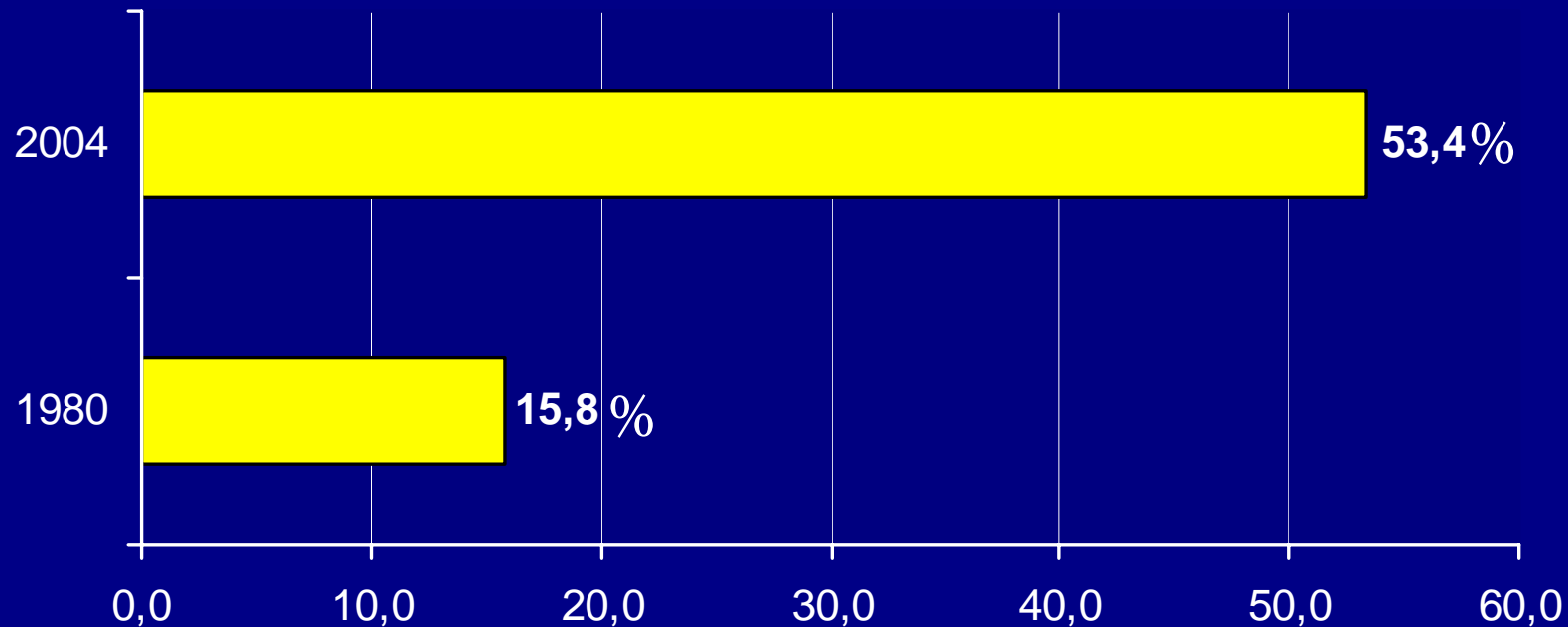


Source: Turkish State Statistics Institution

FOREIGN TRADE VOLUME / GDP

■ EXPORT ORIENTED ECONOMY

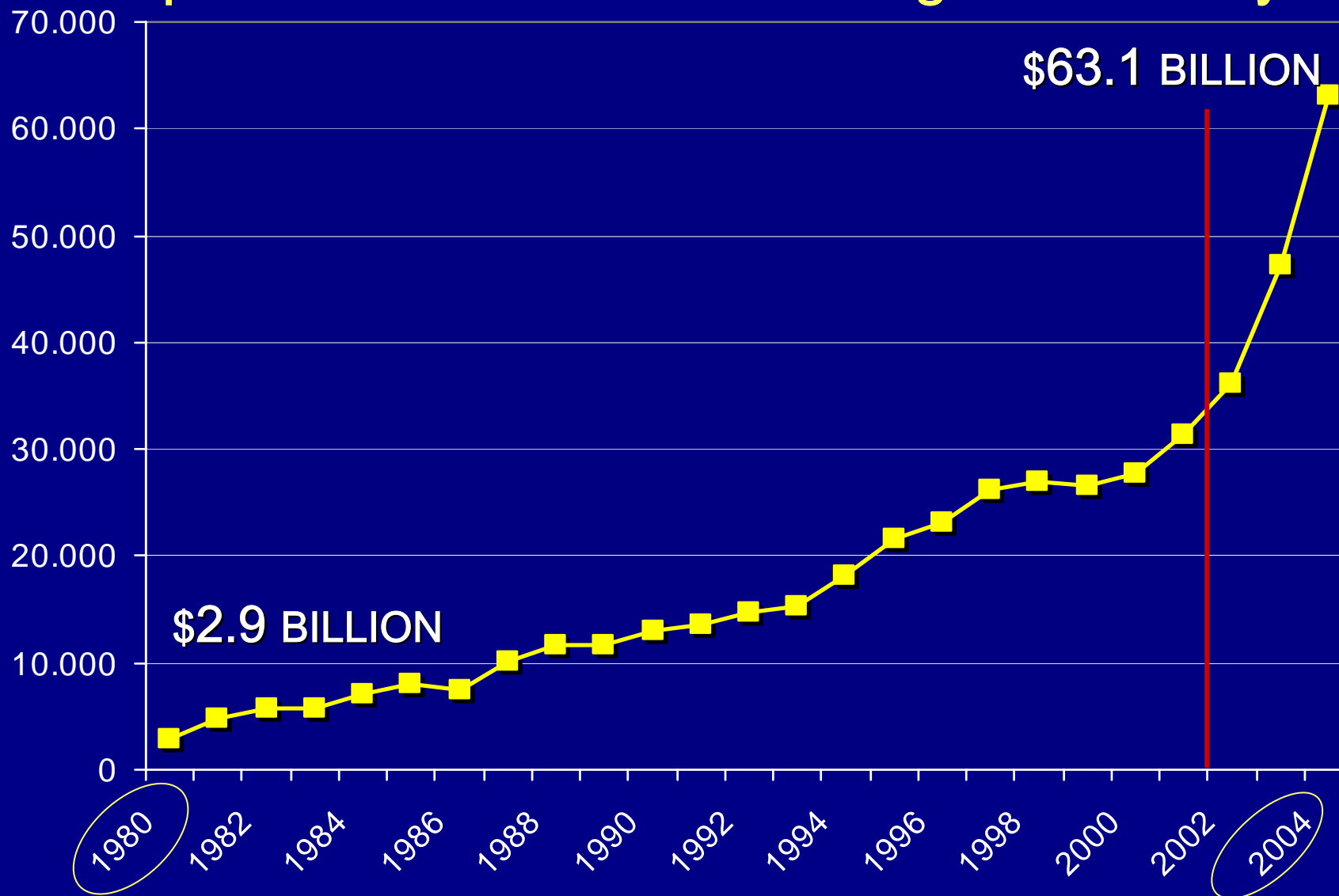
- Ratio of Foreign Trade to GDP increased to 53,4% in 2004 from 15,8% in 1980.



Source: Turkish State Statistics Institution

EXPORTS

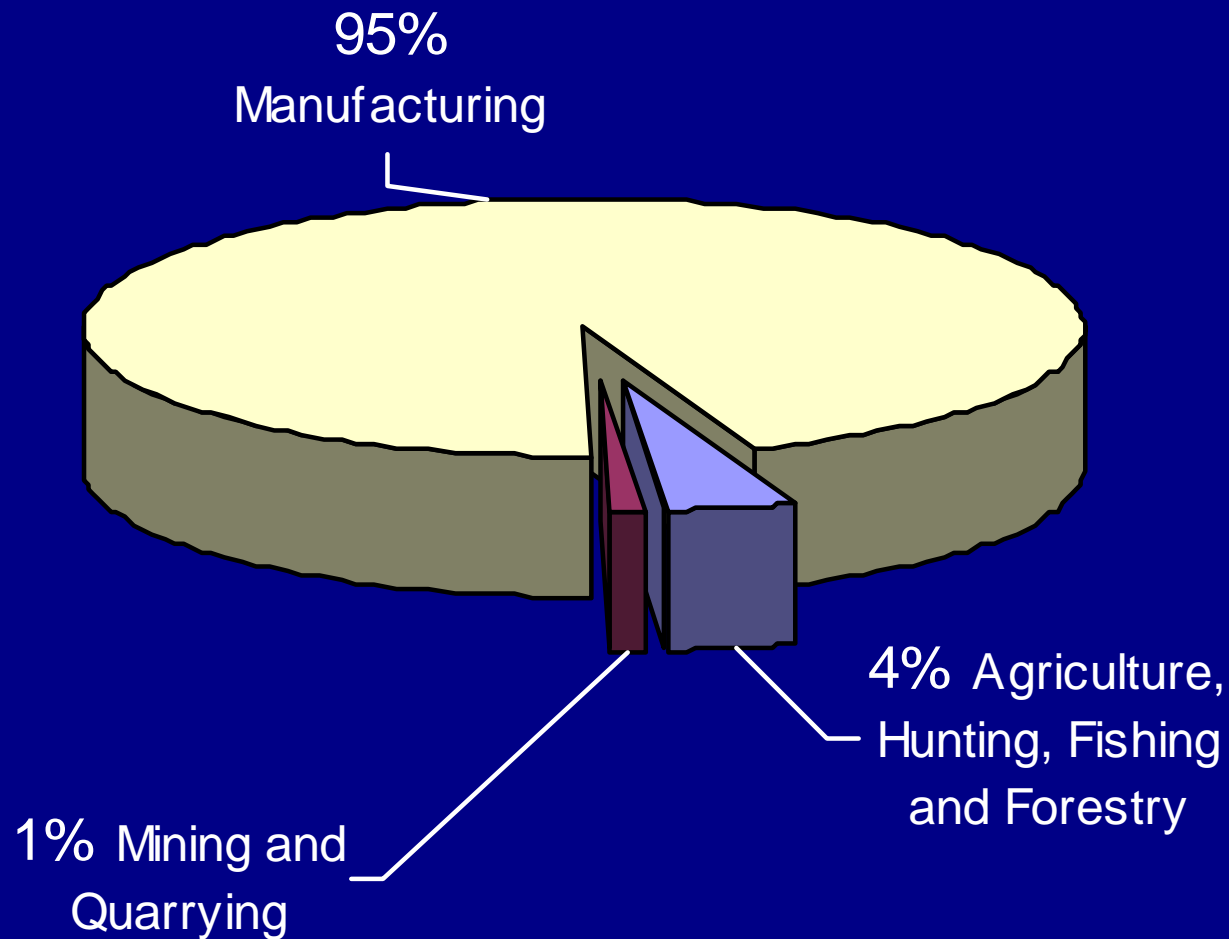
■ Exports increased 21-fold during the last 25 years.



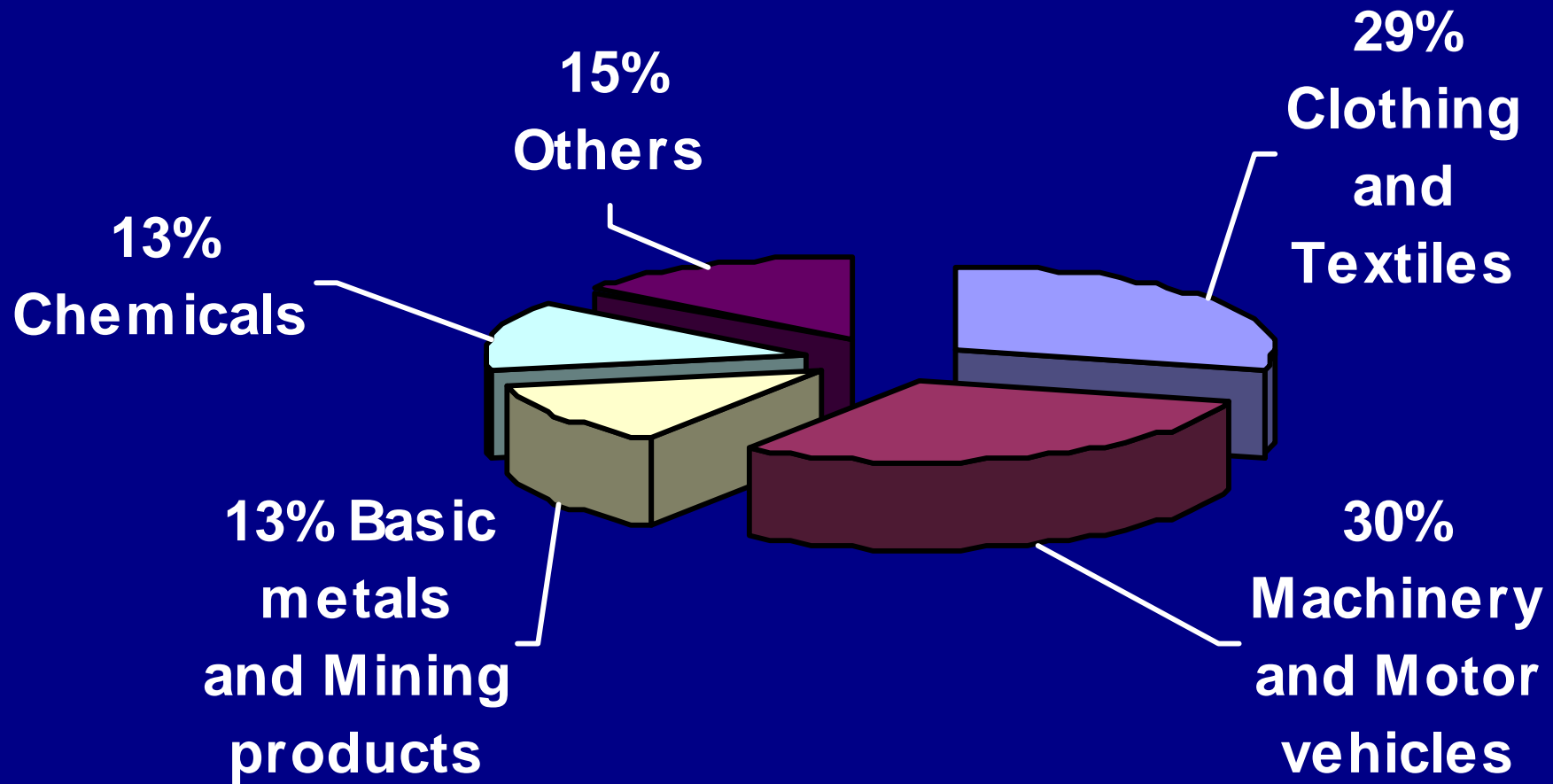
Source: Turkish State Statistics Institution

Breakdown of Exports by Sectors (2004)

- Manufacturing Goods Dominate a high percentage of Exports.



Breakdown of Manufacturing Goods in Exports (2004)



IMPORTS

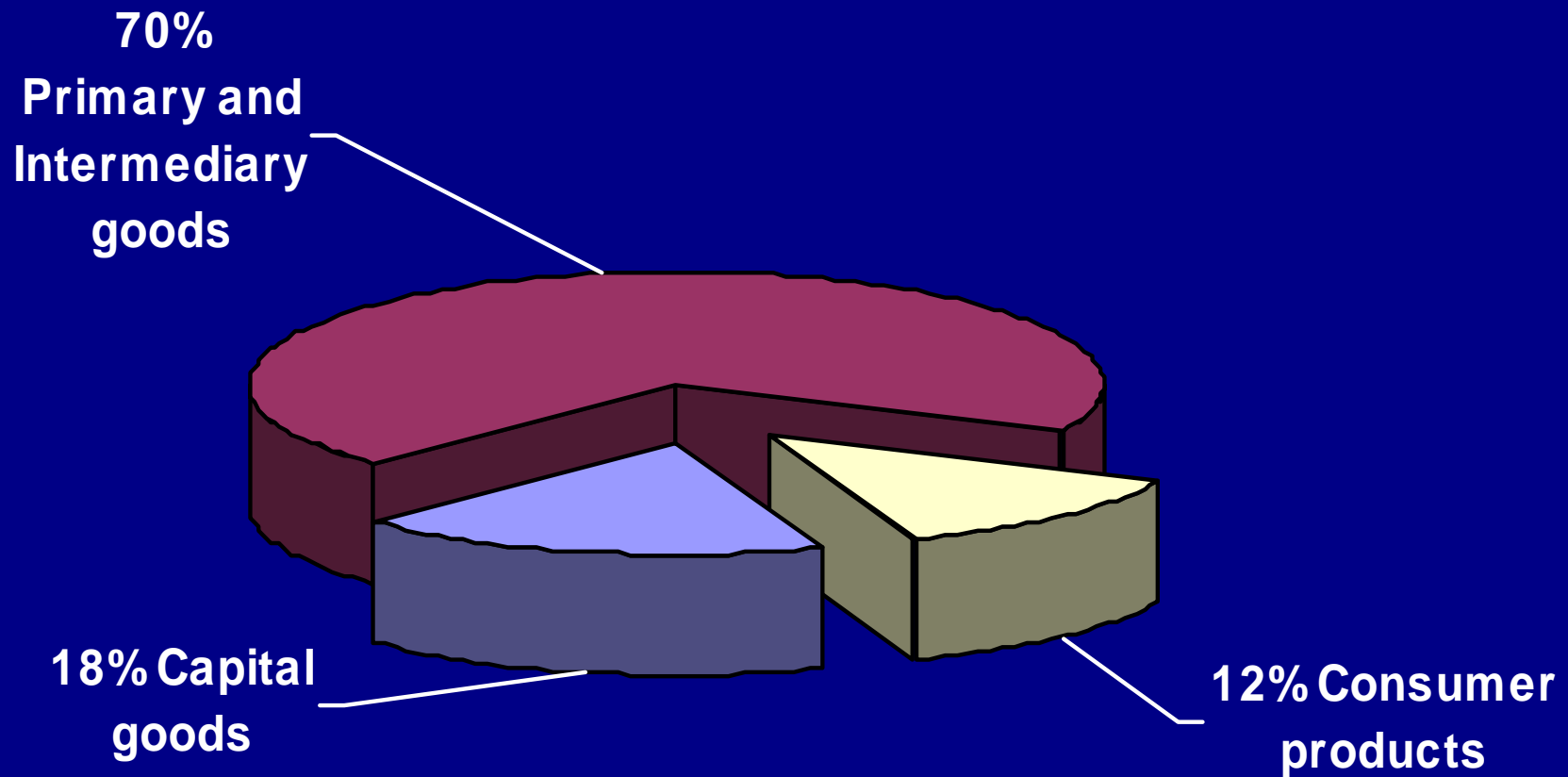
■ Imports increased 12-fold during the last 25 years.



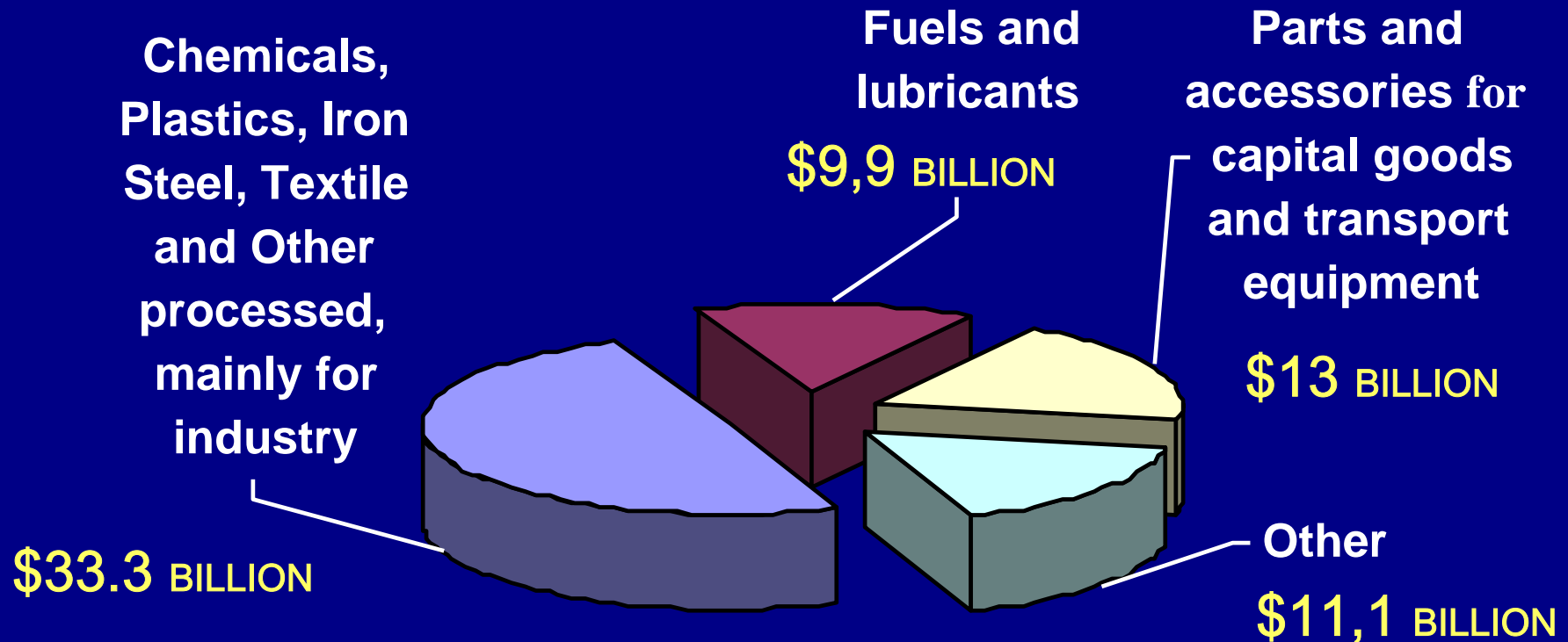
Source: Turkish State Statistics Institution

Breakdown of Imports by Broad Economic Categories (2004)

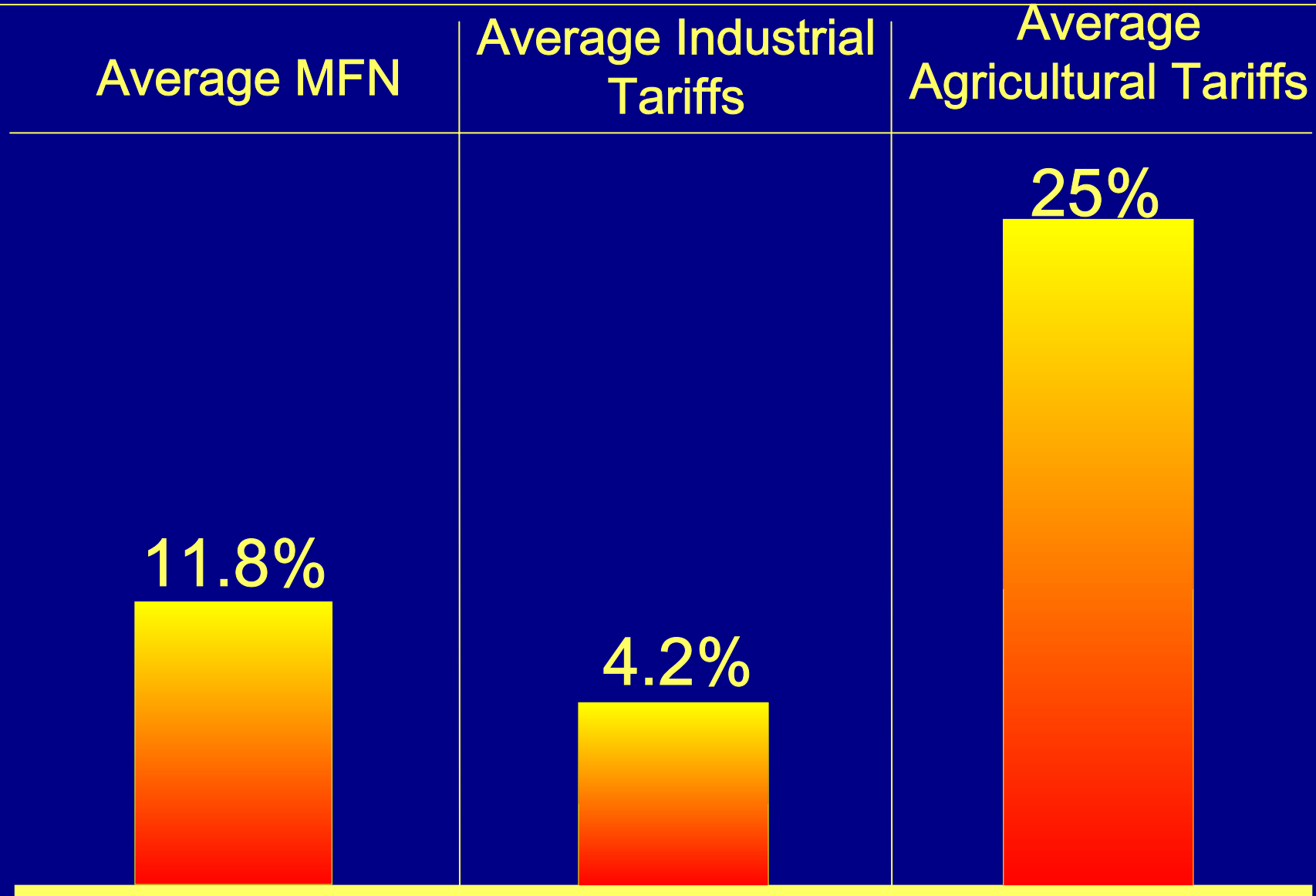
- Most of the Intermediary Goods are processed for Exports.



Breakdown of Primary and Intermediary Goods in Imports (2004)



Tariffs



Major Determinants in Turkish Foreign Trade Policy

- **Founding member of the WTO (1995)**
 - **Associate Member of the EU (Ankara Agreement, 1963)**
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Turkish Stance at the WTO

- **Playing by the same set of rules and disciplines of the WTO and committed to push forward liberalization in the multi-lateral arena**
 - **DDA; market-opening measures synchronized with drawing up fair rules**
 - **NAMA; real market access opportunities & improvement in South-South Trade**
 - **Agriculture; elimination of all trade distorting measures**
 - **Trade facilitation; fair, competitive, predictable and transparent trading environment**
 - **Trade in services; effective and substantive market access**
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Regional Integration Arrangements

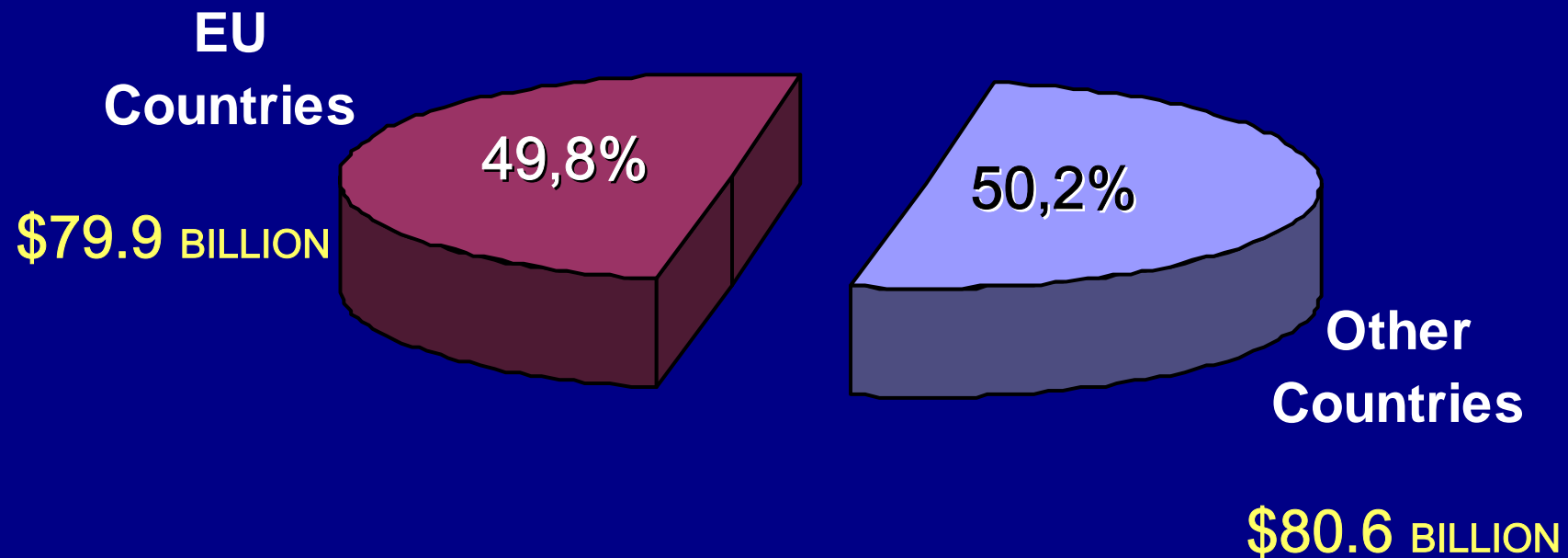
- *One of the key elements of Turkish foreign trade policy*
 - *Complimentary instrument to the multilateral trading system with positive overall impacts on global trade*
 - *Creates potential opportunities on a wide scale of areas for relevant parties*
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Turkey-EU Relations

Turkey;

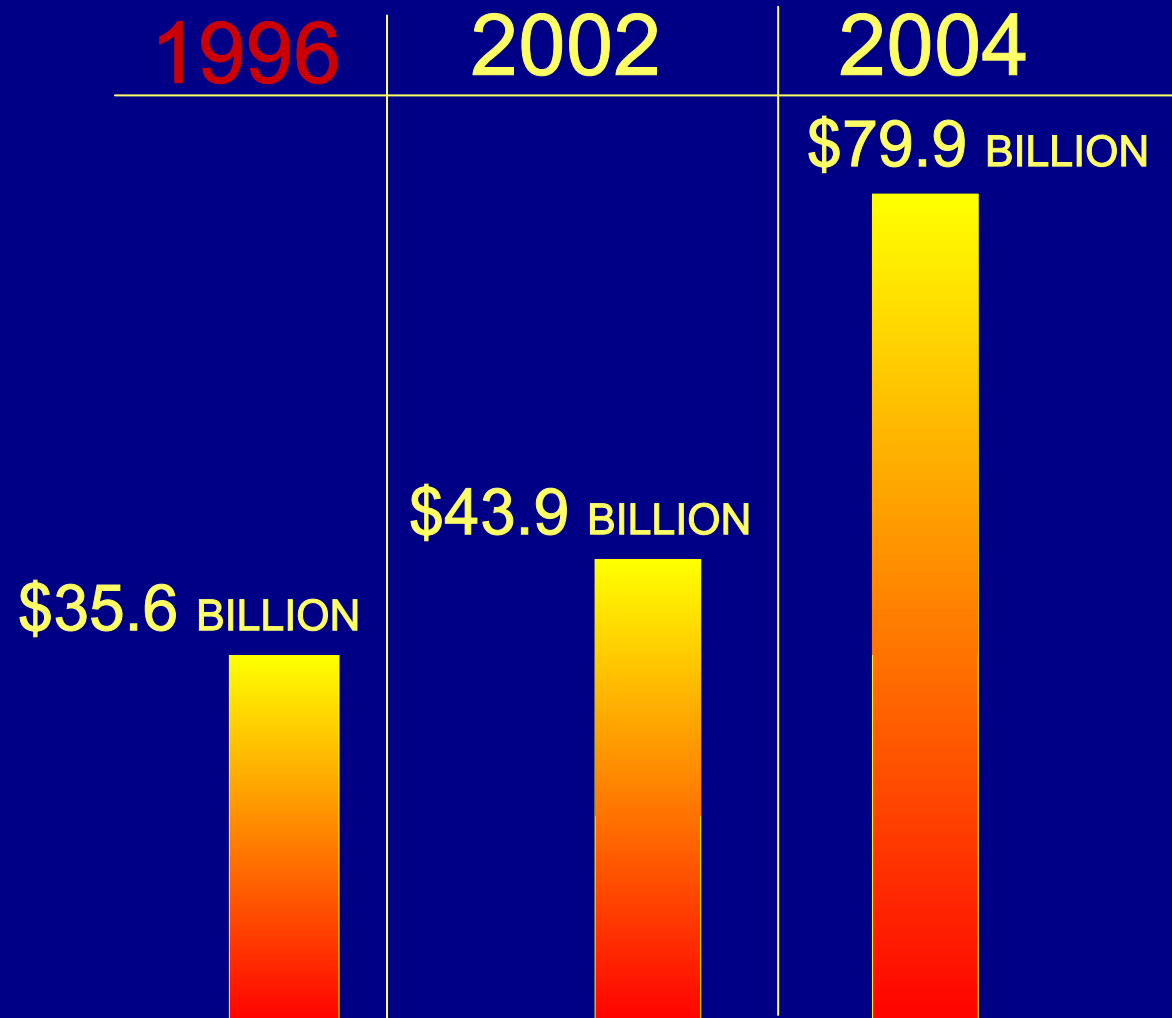
- *Established Customs Union with the EU in 1996*
 - *Adopted EU's preferential trade regimes and agreements*
 - *Received candidate status to the EU at the Helsinki Summit (December 1999)*
 - *Will initiate accession negotiations as of October 2005*
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Share of EU Countries in Turkeys' Volume of Trade (2004)



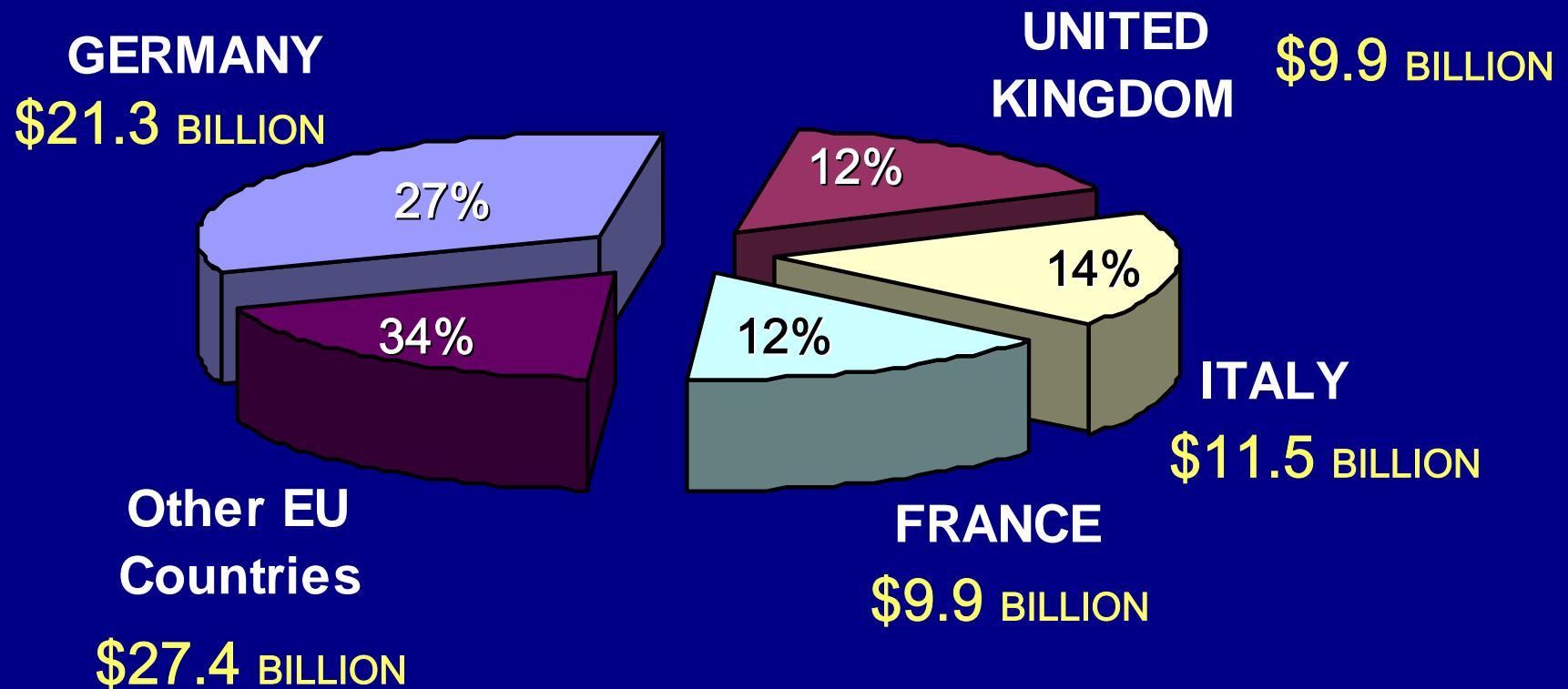
Volume of Trade with EU Countries

■ Turkey-EU Customs Union:



Source: Turkish State Statistics Institution

Distribution of Trade with EU Countries (2004)



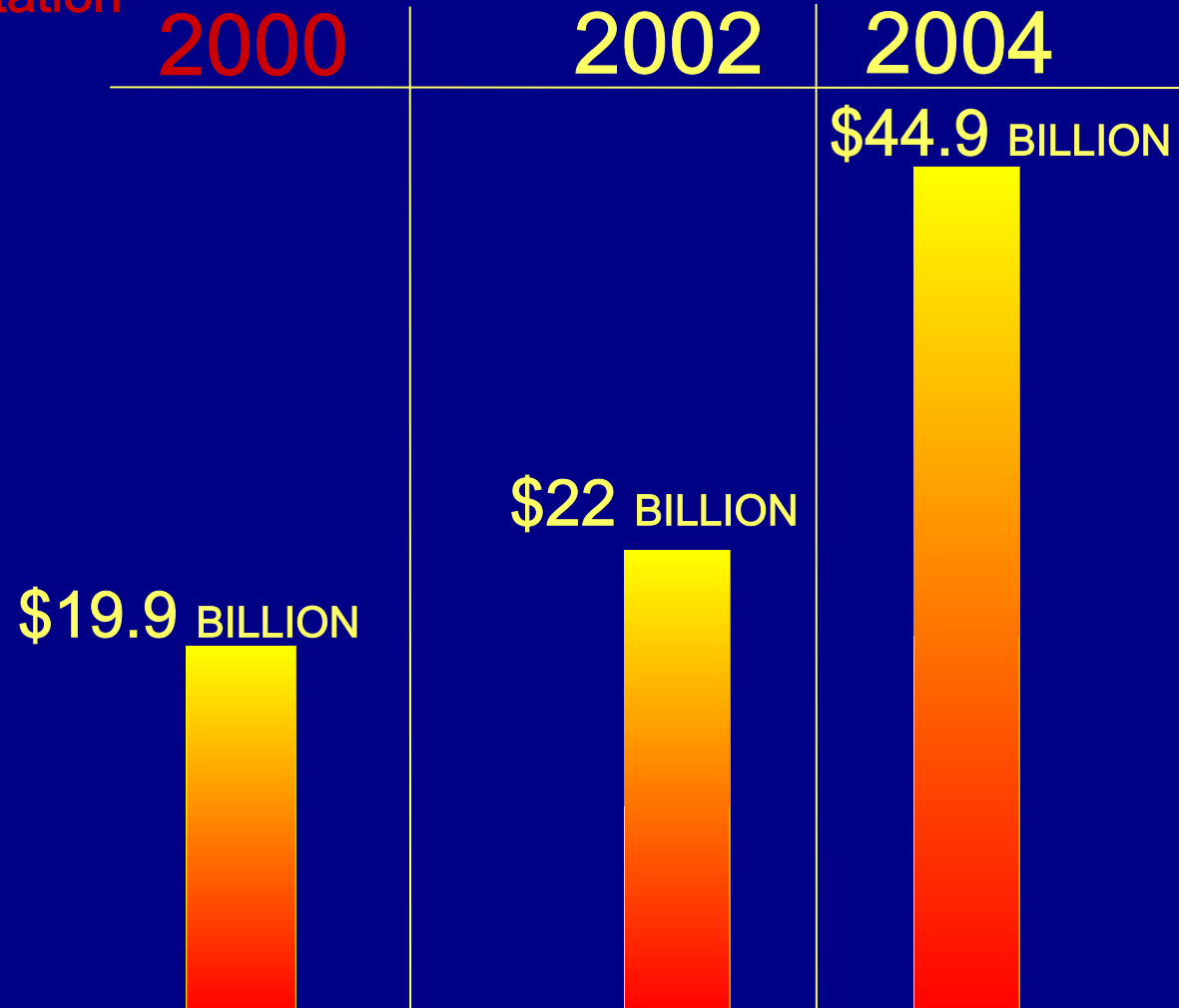
Neighbouring and Surrounding Countries

■ Trade Development Strategy includes 50 countries.

ALBANIA	HUNGARY	QATAR
ALGERIA	IRAQ	ROMANIA
AFGHANISTAN	IRAN (ISL. REP.)	RUSSIAN FEDE.
AZERBAIJAN	ISRAEL	SAUDI ARABIA
BAHRAIN	JORDAN	SLOVENIA
BANGLADESH	KAZAKHSTAN	SOMALIA
BELARUS	KUWAIT	SUDAN
BOSNIA-HERCEGOVIN	KYRGYZSTAN	SYRIAN ARAB. REP.
BULGARIA	LEBANON	TAJIKISTAN
CROATIA	LIBYAN ARAB JAMAH	TUNISIA
DJIBOUTI	MACEDONIA	TURK.REP.OF NOR.C
EGYPT	MOLDOVA	TURKMENISTAN
ERITREA	MONGOLIA	UKRAINE
ETHIOPIA	MOROCCO	UNITED AR. EM.
FED.REP. OF YUGOS	OMAN	UZBEKISTAN
GEORGIA	PAKISTAN	YEMEN
GREECE	PALESTENIAN AUTHORITY	

Volume of Trade with Neighbouring and Surrounding Countries

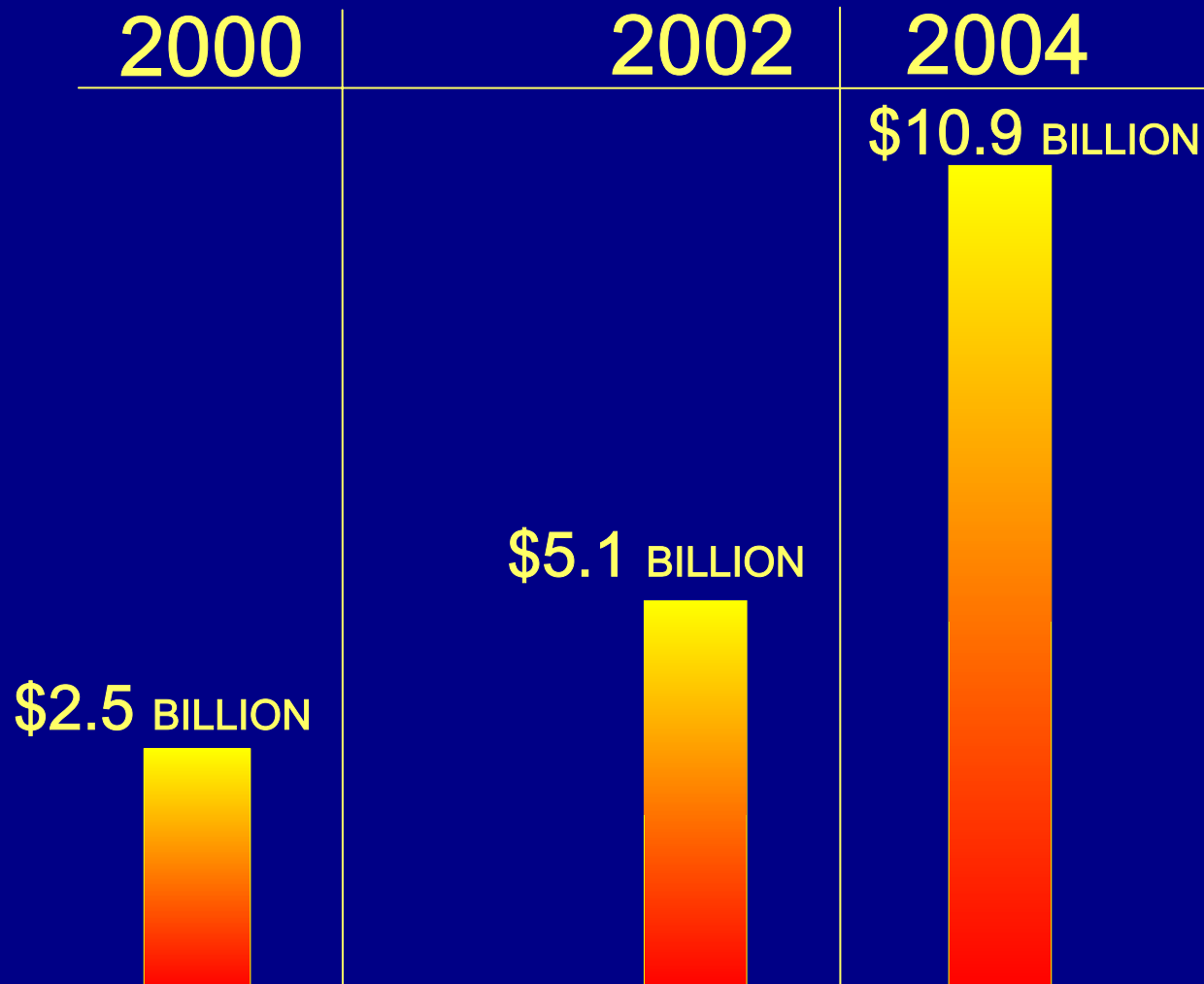
■ Year of implementation of the Strategy:



Source: Turkish State Statistics Institution

Volume of Trade with Russian Federation

■ Main supplier of natural gas to Turkey



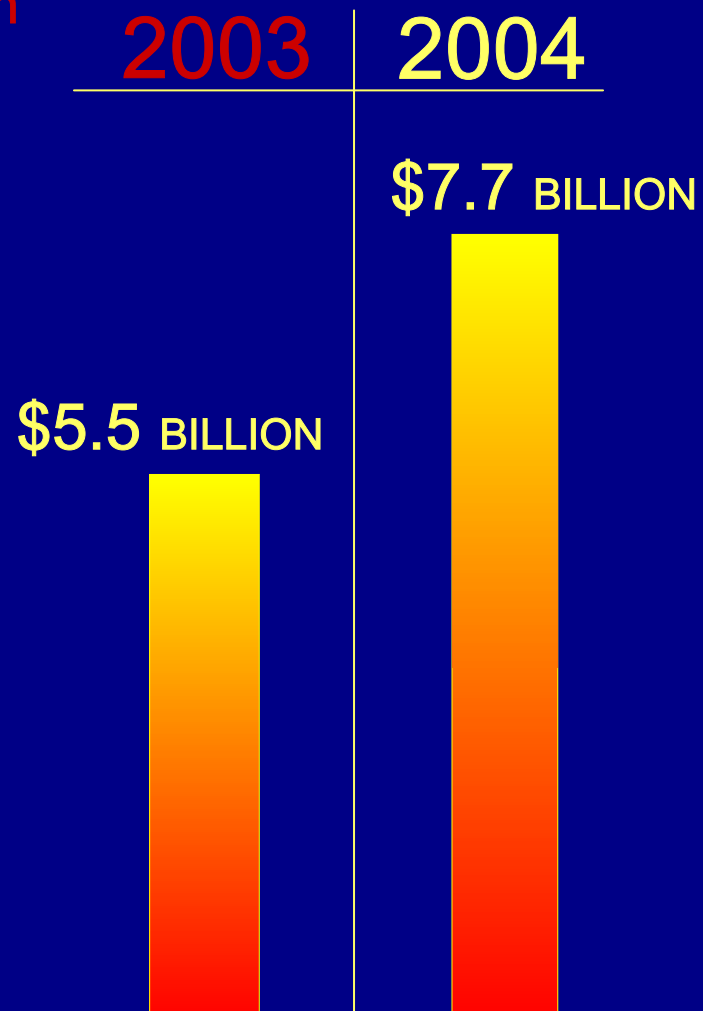
Source: Turkish State Statistics Institution

Trade Development Strategy with African Countries

Algeria	Ethiopia	Niger
Angola	Gabon	Nigeria
Benin	Gambia	Rwanda
Botswana	Ghana	São Tomé
Burkina Faso	Guinea	Senegal
Burundi	Guinea-Bissau	Seychelles
Cameroon	Kenya	Sierra Leone
Cape Verde	Lesotho	Somalia
Central Afr. Rep.	Liberia	South Africa
Chad	Libya	Sudan
Comoros	Madagascar	Swaziland
Congo	Malawi	Tanzania
(Brazzaville)	Mali	Togo
Congo (Kinshasa)	Mauritania	Tunisia
Côte d'Ivoire	Mauritius	Uganda
Djibouti	Morocco	Western Sahara
Egypt	Mozambique	Zambia
Equatorial Guinea	Namibia	Zimbabwe
Eritrea		

Volume of Trade with African Countries

■ Year of implementation of the Strategy:



Major Regional Cooperation and Preferential Trade Arrangements

- Stability pact
 - South-East European Cooperative Initiative
 - Economic Cooperation Organization
 - Black Sea Economic Cooperation
 - Organization of Islamic Conference
 - Euro-Med Partnership (Barcelona Process)
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Euro-Mediterranean Partner Countries

- Barcelona Process established in 1995 with the aim to create free trade area in the mediterranean

Algeria

Egypt

Israel

Jordan

Lebanon

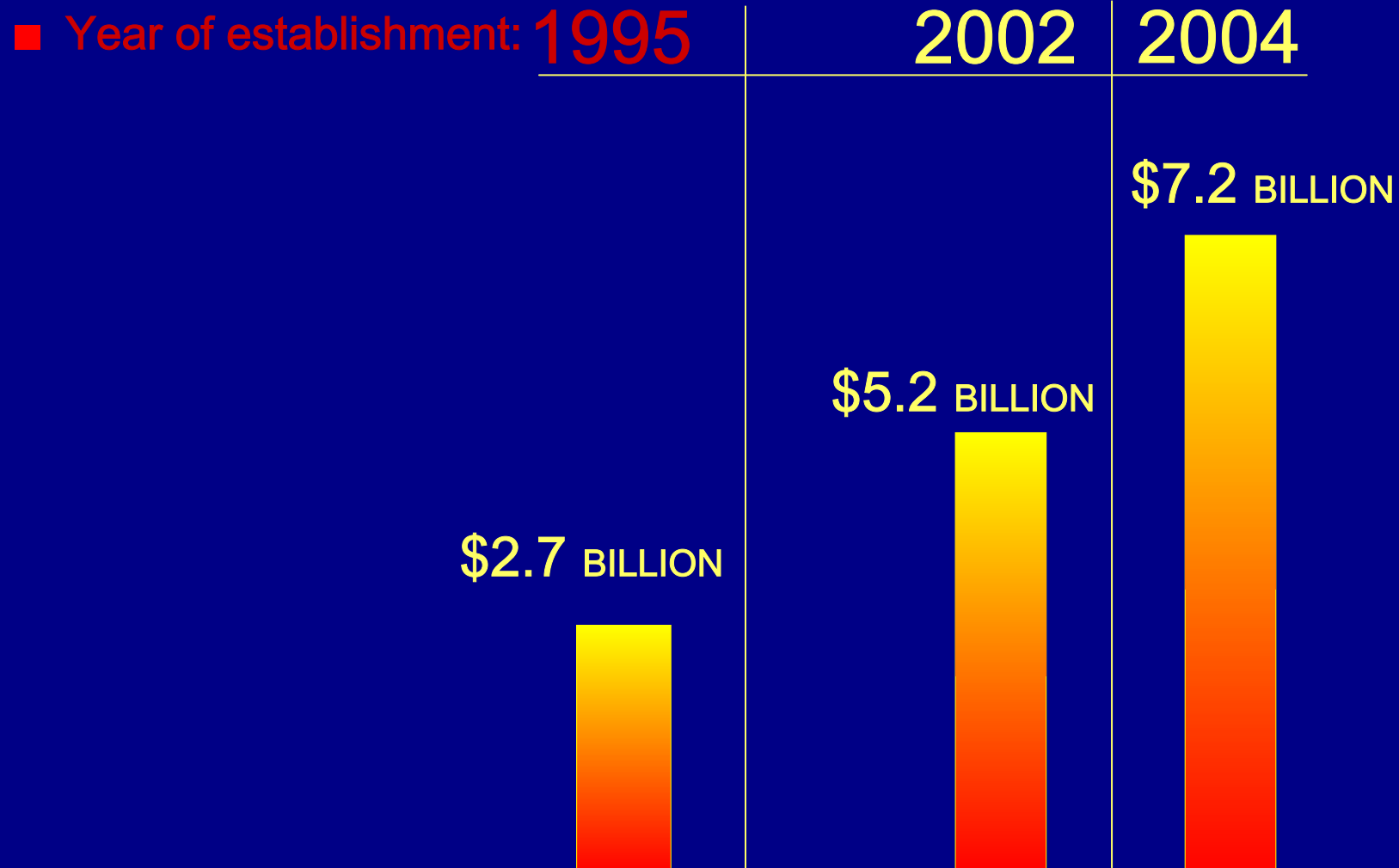
Morocco

Palestinian Authority

Syria

Tunisia

Volume of Trade with Euro-Mediterranean Partners



Source: Turkish State Statistics Institution

ECO

Economic Cooperation Organization Countries

- Founded in 1985 to promote economic, cultural and technical cooperation among member countries.
- ECO Trade Agreement signed in 1995 to facilitate and simplify procedures to promote regional trade.

Azerbaijan

Afghanistan

Iran

Kazakhstan

Kyrgyzstan

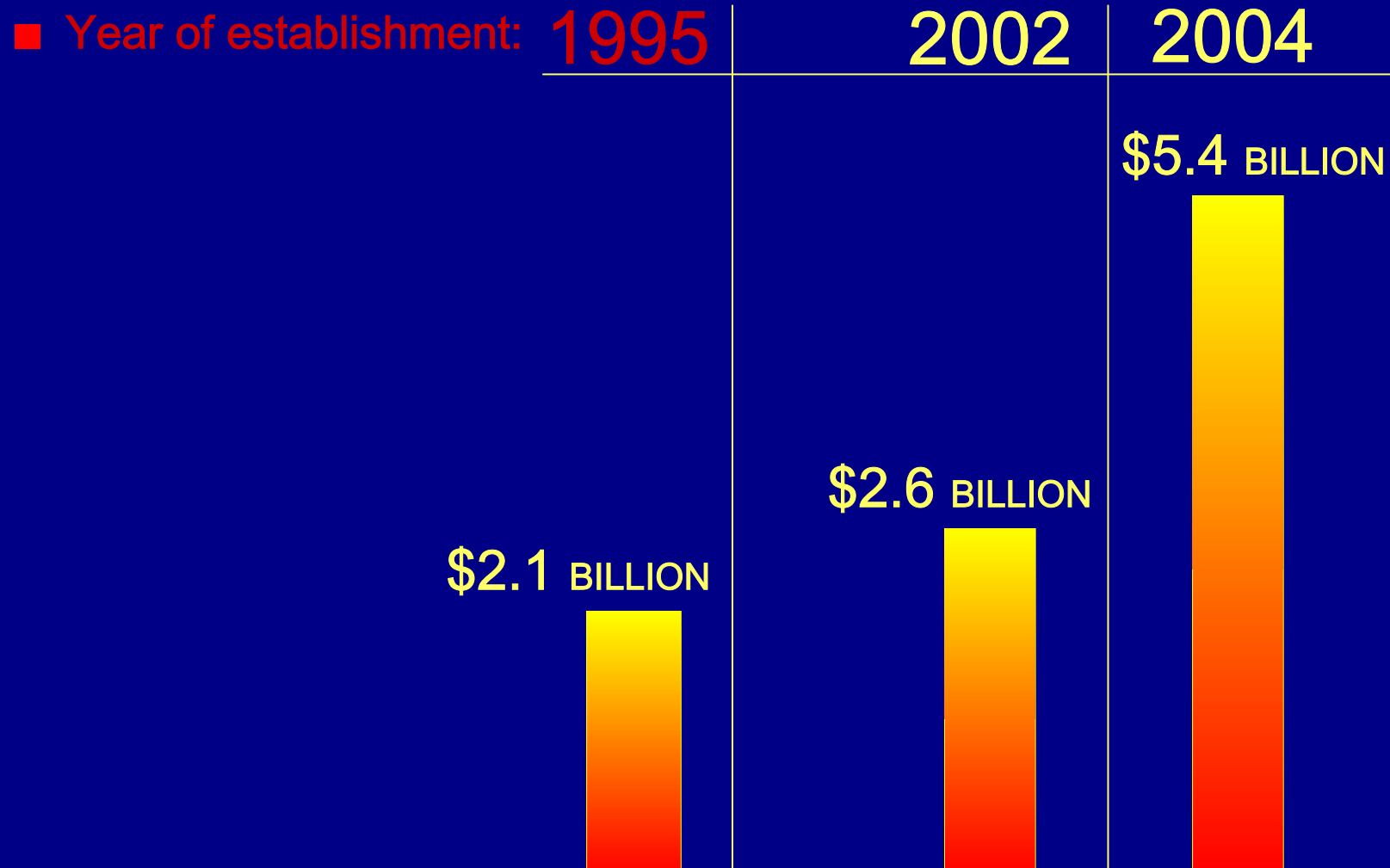
Pakistan

Tajikistan

Turkmenistan

Uzbekistan

Volume of Trade with Economic Cooperation Organization Countries



Source: Turkish State Statistics Institution

BSEC

Black Sea Economic Cooperation Countries

- **Established in 1992 to enhance cooperation, prosperity and stability in the Black Sea region.**

Albania

Armenia

Azerbaijan

Bulgaria

Georgia

Greece

Moldovia

Romania

Russia

Ukraine

OIC

Organization of Islamic Conference Countries

- **Founded in 1971 to consolidate cooperation among member countries.**

Afghanistan

Albania

Algeria

Azerbaijan

Bahrain

Bangladesh

Benin

Brunei Darussalam

Burkina Faso

Cameroon

Chad

Comoros

Djibouti

Egypt

Gabon

Gambia

Guinea

Guinea-Bissau

Guyana

Indonesia

Iran

Iraq

Jordan

Kazakhstan

Kuwait

Kyrgyzstan

Lebanon

Libya

Malaysia

Maldives Mali

Mauritania

Morocco

Mozambique

Niger Nigeria

Oman

Pakistan

Palestinian Authority

Qatar Saudi

Saudi Arabia

Senegal

Sierra Leone

Somalia

Sudan

Suriname

Syria

Tajikistan

Togo Tunisia

Turkmenistan

Uganda

United Arab

Emirates

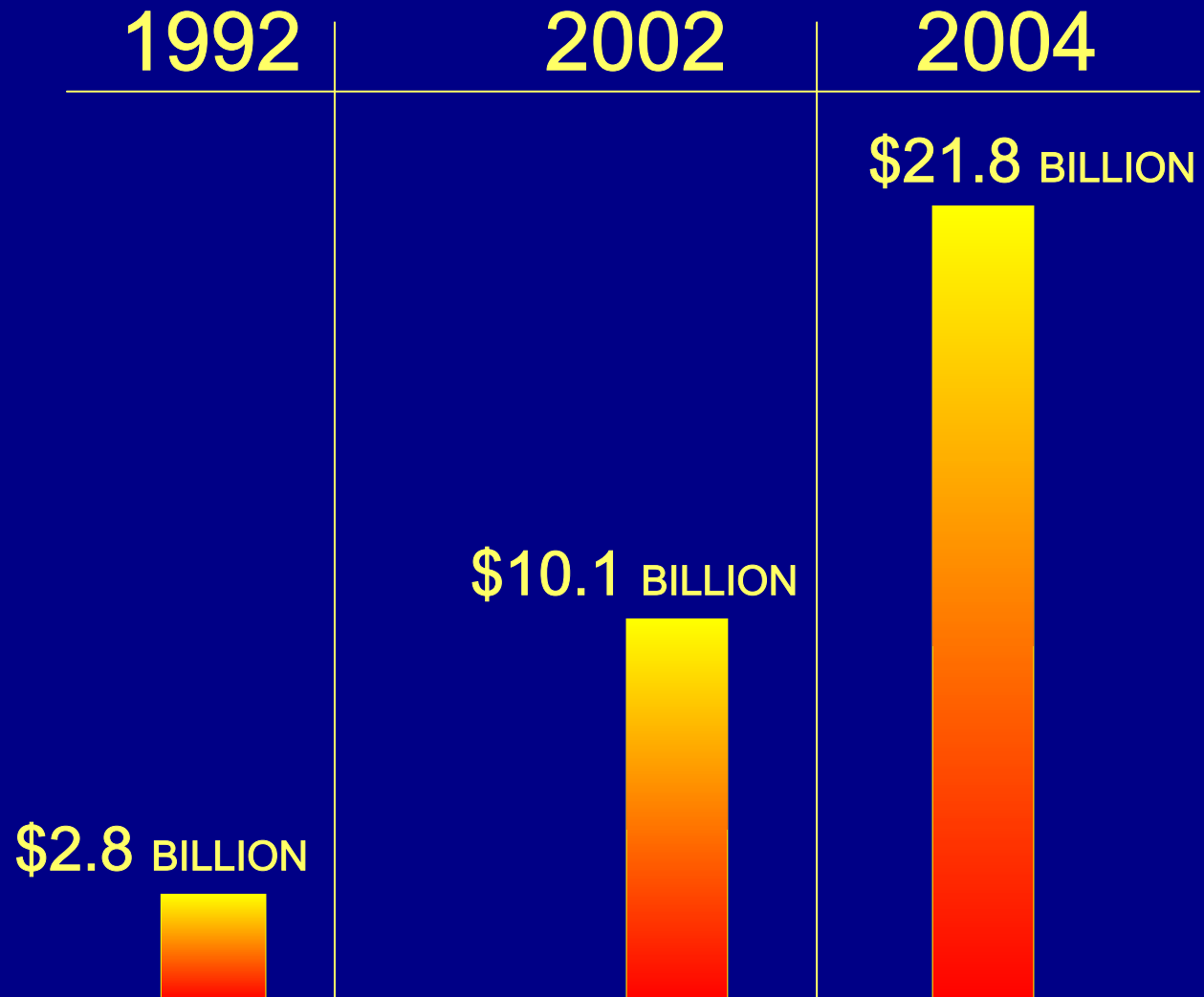
Uzbekistan

Yemen

Framework Agreement on Trade Preferential System among OIC member states

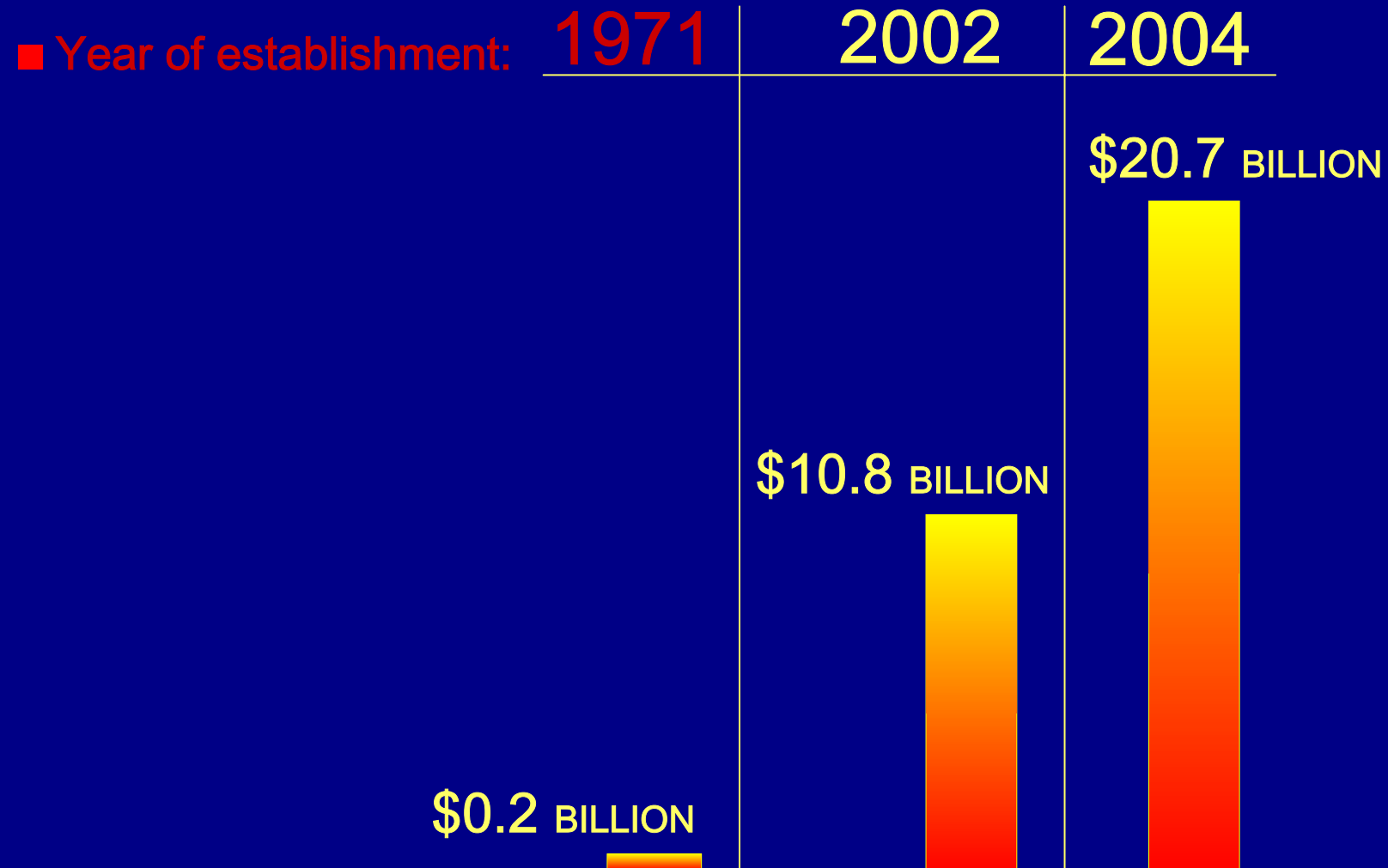
- **Entered into force in 2002**
 - **Foresees promotion of trade through exchange of trade preferences**
 - **Protocol on the Preferential Tariff Scheme expected to be signed during the Ministerial COMCEC Meeting in September 2005, in Istanbul**
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Volume of Trade with Black Sea Economic Cooperation Countries



Source: Turkish State Statistics Institution

Volume of Trade with Organization of Islamic Conference Countries



Source: Turkish State Statistics Institution

NAFTA

North American Free Trade Agreement Countries

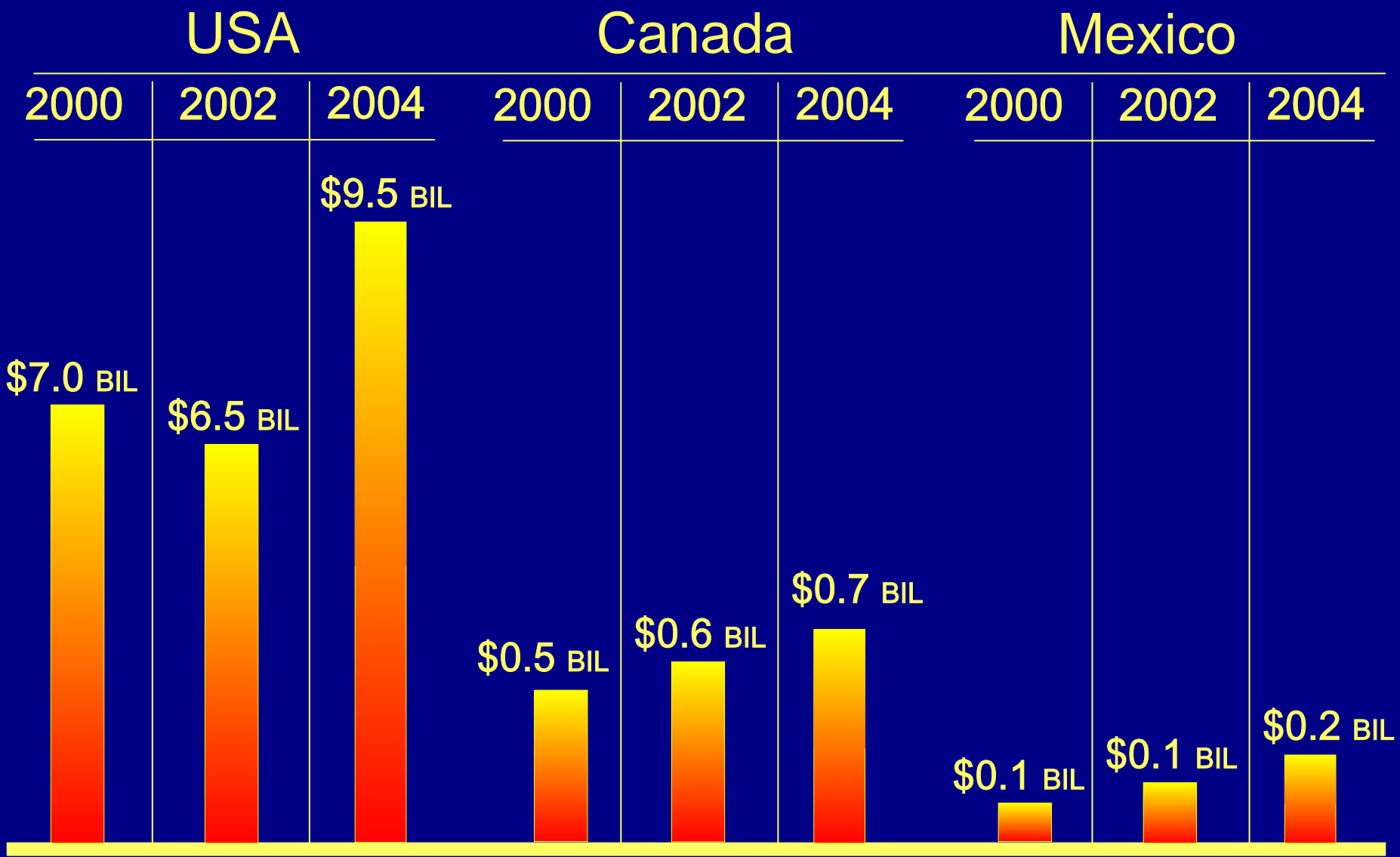
- Trade with Nafta countries marks a rising trend.

United States of America

Canada

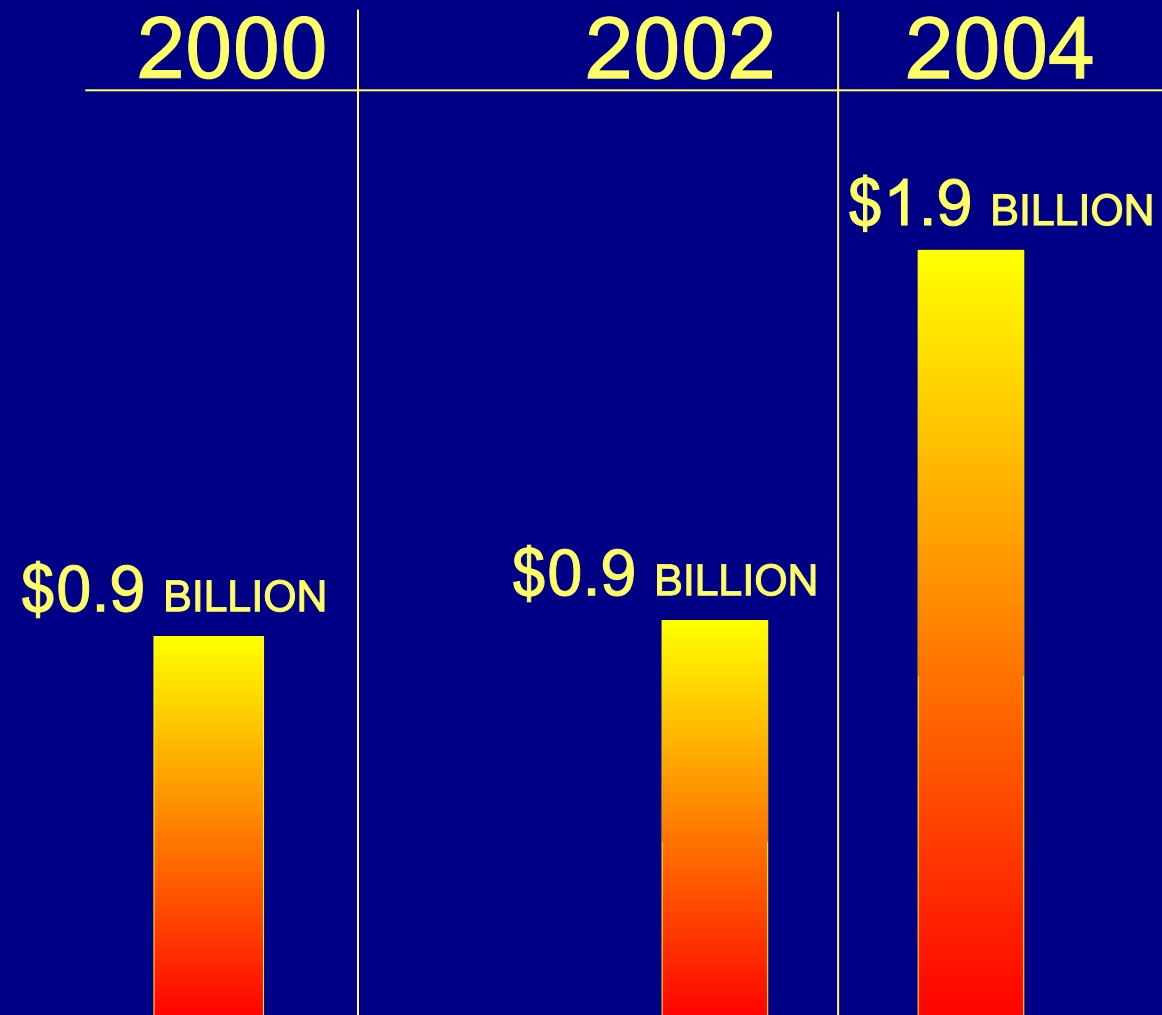
Mexico

Volume of Trade with NAFTA Countries



Source: Turkish State Statistics Institution

Volume of Trade with Latin American Countries



Source: Turkish State Statistics Institution

Asia-Pacific Countries

- **“Trade Development Strategy” towards the Asian and Pacific Countries initiated in 2005.**

AFGHANISTAN
AUSTRALIA
BANGLADESH
BRUNEI
BURMA
CHINA
INDIA
INDONESIA
JAPAN

KAMPUCHEA
LAOS
MACAO
MALAYSIA
MONGOLIA
NEPAL
NEW ZEALAND
N.KOREA

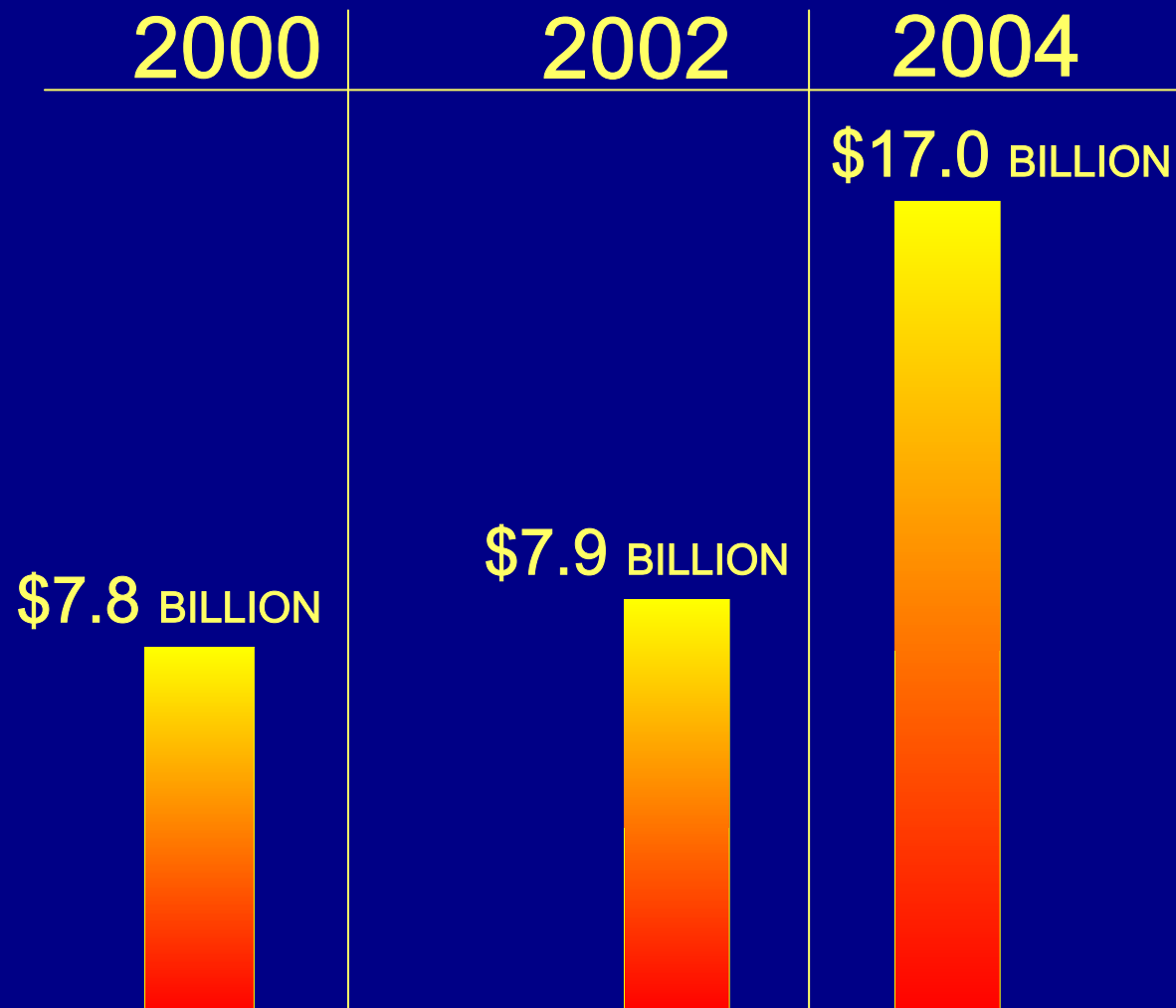
PAKISTAN
PHILIPPINES
SINGAPORE
S.KOREA
SRI LANKA
THAILAND
VIETNAM

Why Devise Such a Strategy ?

- **Most dynamic region of the world in terms of social and economic development,**
 - **Main driving force for global economic growth,**
 - **The axis of international trading system in the decades to come,**
 - **Growing and flourishing markets of which Turkey would like to take advantage,**
 - **Diverse economic and social structure which provides vast opportunities,**
 - **Huge trade deficits with region countries.**
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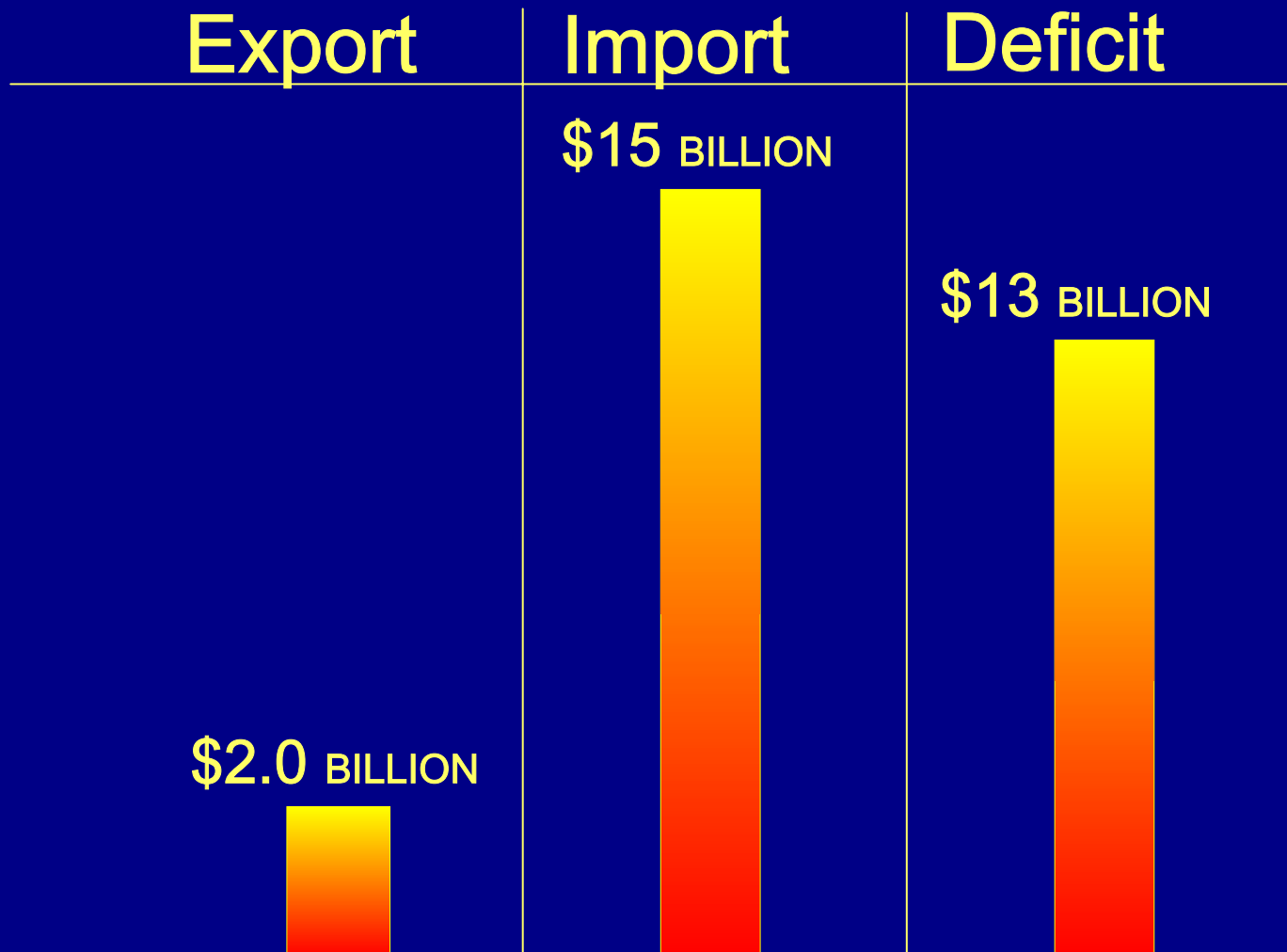
Volume of Trade with Asia-Pacific Countries

■ Merchandise trade accounts for close 10% of Turkey's total trade volume



Source: Turkish State Statistics Institution

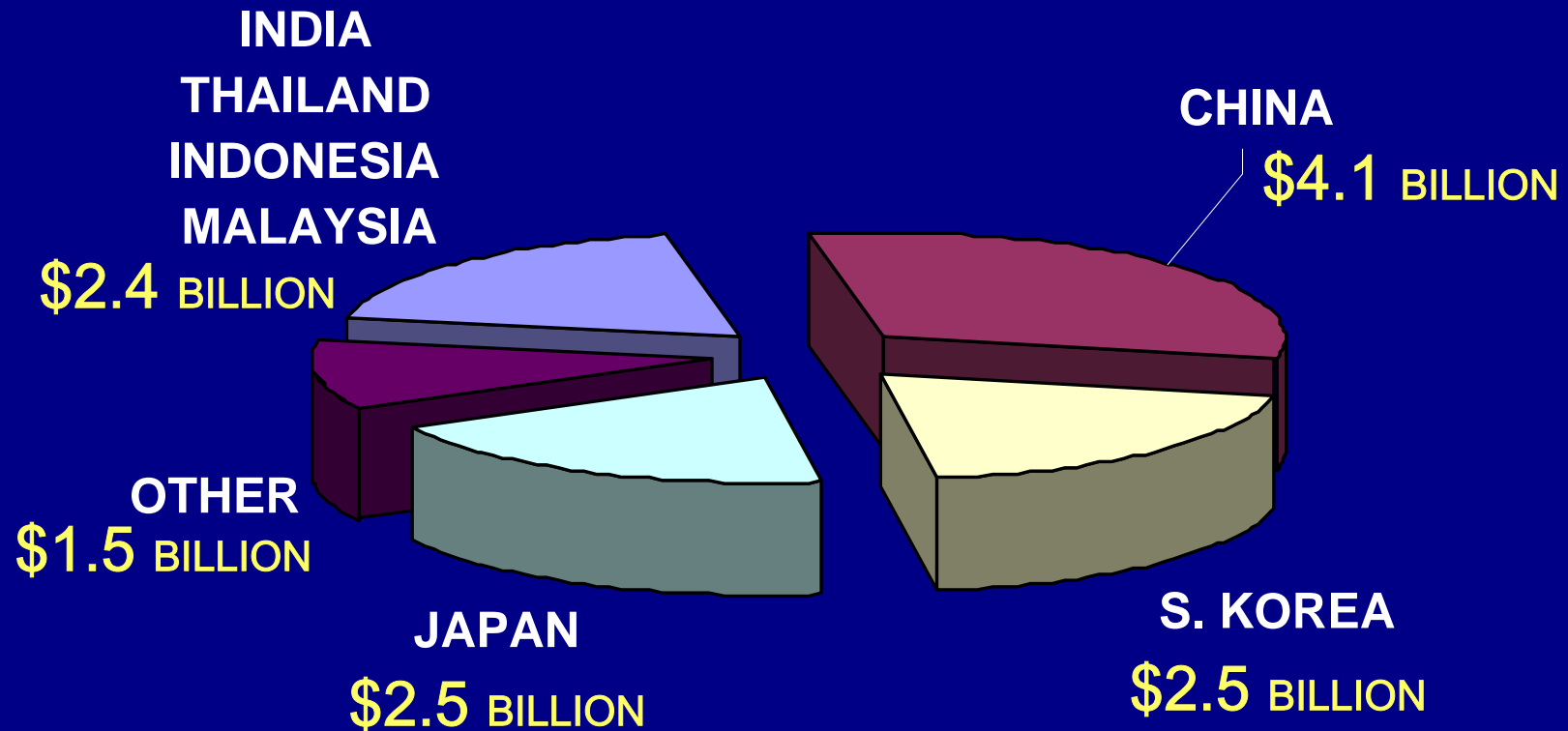
Trade with Asia-Pacific Countries (2004)



Source: Turkish State Statistics Institution

Breakdown of Trade Deficit with Asia-Pacific Countries (2004)

■ 40% of Turkey's foreign trade deficit has generated from the trade with the region



Action Plan

- **Revise our market access and entry strategies**
 - **Re-assess constraints and barriers to trade**
 - **Update market research studies**
 - **Devise different regional, sub-regional and sector oriented policies**
 - **Create trade enhancement mechanisms**
-

Cooperation Areas to be Further Developed with Asia-Pacific Countries

- Trade and investment
 - Banking
 - Contracting and Consultancy
 - Defense industries
 - Free Zones
 - Transportation and Tele-communications
 - Tourism
 - SME's
-

Fact Finding Missions

For the First Implementation Year (2005)

AFGHANISTAN

BRUNEI

INDIA

LAOS

MALAYSIA

MYANMAR

NEPAL

NEW ZEALAND

NORTH KOREA

PAKISTAN

PHILIPPINES

SRI LANKA

Trade Delegations

For the First Implementation Year (2005)

AUSTRALIA

CHINA

INDONESIA

MONGOLIA

SINGAPORE

SOUTH KOREA

VIETNAM

Buyers Missions

For the First Implementation Year (2005)

CHINA
INDIA
INDONESIA
MALAYSIA
PHILIPPINES
SOUTH KOREA
THAILAND

Participation to Fairs

For the First Implementation Year (2005)

- National participation to 15 fairs.

CHINA (7)

HONG KONG (3)

INDIA (1)

JAPAN (2)

MALAYSIA (1)

PAKISTAN (1)

Contractor and Investment Delegations For the First Implementation Year (2005)

AFGHANISTAN
BANGLADESH
INDIA
JAPAN
PAKISTAN
SINGAPORE
SOUTH KOREA
VIETNAM

Aims of the Asia-Pacific Countries Strategy

- **Pro-active and dynamic approach aiming to reflect the vast economic potentials Turkey is ready to offer to the region**
 - **Boost exports to a yearly level of \$8 Billion in a period of five years**
 - **Attain sustainable presence in the region including contracting services and investments**
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Thank You.

Tuncer KAYALAR
UNDERSECRETARY