

Turkish-German Trade Relations 1993–2005 A.D.

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Abstract:

The Turkish-German relations enjoy strong common interests between the two parties, especially in the economic field, as the Turks consider the presence of the Germans important in their economic strategies, in addition to being Turkey's gateway to rapprochement with the European Union.

Common interests prompted both countries to seek to overcome the political tensions that sometimes arise between them. Germany has worked hard to maintain the exports of German companies to Turkey at a high level, while the Turks are seeking to continue the activity of their industrial sectors in supplying Turkish exports to Germany, as well as benefiting from German investments presented to the Turkish economy.

Keywords: Turkish-German relations, economy, Foreign trade, Turkish imports from Germany.

Introduction:

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the importance of studying:

The study of commercial activities between Turkey and the countries of the unified European system is one of the contemporary topics, which reveals the truth of the Turkish orientations towards Europe, as Turkey has put all its political and economic capabilities in order to integrate

with Europe for the purpose of gaining confidence and European support to obtain full membership in the European Union, and it was Germany is one of the most important stations for preparing a Turkish-European rapprochement.

The problem of the study:

The Turkish-German commercial relations were characterized by a kind of understanding during the era of German Chancellor Gerhard Schroeder, as the Germans had opened the doors to the Turkish economy, and these good relations made the future of Turkish accession to the European Union worthy of attention, as the problem in Turkish-European relations crystallized in a blurring of Its future, in addition to the speed of changes and developments that accompanied the relationship between Turkey and the European system, which made it necessary to follow the course of this relationship and keep pace with its developments.

The first topic: the importance of foreign trade in the Turkish economy

Foreign trade plays a major role in the economies of all countries, whether developed or developing, due to the direct and indirect effects it has on the economies of those countries. Exports affect many variables of the economy, as they lead to the expansion of productive activity⁽¹⁾, exploitation of idle economic resources and the development of export industries, and consequently It increases the national income. Foreign trade is an important part of the requirements of the national economy, and foreign trade in different countries ranges between raw materials⁽²⁾, manufactured materials and services. However, the focus of developing countries is on exports of raw materials to a large extent, as these materials are of great importance, whether at the internal or external level, according to Prices, demand and supply aspects ⁽³⁾.

It is worth noting that the information technology trade has occupied in the contemporary time the largest proportion of the volume of foreign trade in the world in terms of products and services in the world, and that the economic strength of the country is measured by its technological progress, that is⁽⁴⁾, the concept of the commodity has changed, it has become the actual human work and not the material It is the commodity⁽⁵⁾.

In terms of foreign trade in Turkey, the Turkish government, since the mid-1980s, has embarked on a series of reforms, including liberalizing foreign trade, reducing customs tariffs, boosting exports and other reforms, and that these reforms led to rapid growth in foreign trade and increased its volume by three times in that decade. Changes took place in the structure of exports, and the dominant role of agricultural products came to an end in favor of industrial products ⁽⁶⁾.

Turkey's foreign trade represents an important position in the Turkish economy, as it is the window from which it overlooks the outside world, and interaction takes place between it and the corresponding countries, so trade in it took many directions and paths, and the process of drawing up trade policy was subject to different considerations according to different circumstances, times and political stages, and it varied in the extent of its impact on Growth, as the geographical and strategic location constituted a major factor in determining the paths of trade, and regardless of the many considerations, it must be subject to economic considerations in which the national interest occupies the first place. ⁽⁷⁾.

Turkey is one of the countries that contribute to the process of international trade with other countries of the world, as it has primary resources prepared for export, in addition to its industrial products, which it also participates in in this field, and it also needs various other commodities and

products of high relative importance, as it resorts to Importing them from abroad, as well as exporting what is surplus to the needs of their markets abroad ⁽⁸⁾.

The self-adaptation program allowed a wider scope for import and export, reduced the percentage of deposits from the value of imported industrial and commercial goods, abolished export licenses, and reduced bureaucracy and complex instructions that impeded foreign trade transactions. This raised the liberalization of the exchange rate, as the Turkish lira decreased by 33% in 1980 and then the exchange rate was modified several times to keep pace with inflation in the mid-1980s, and in order to promote economic development, Turkish Prime Minister TurkutOzal from 1983-1989 worked to move the Turkish stock exchanges and the Federation of Chambers of Commerce to perform their economic role more effectively as the official representative of the private business sector. One of the most powerful and influential organizations in the economic process. In 1986, the Turkish government established the Young Businessmen Association, which focused on studying the Turkish economy, as well as lifting restrictions on dealing in hard currencies ⁽⁹⁾.

It is worth noting that, during the 1980s, Turkey witnessed a remarkable development in its foreign trade, as that period witnessed a significant increase in Turkey's trade with neighboring countries, and they were important trade partners for it, whether in the field of exports or imports ⁽¹⁰⁾.

With the beginning of the nineties and as a result of the unfavorable political and economic conditions inside and outside Turkey, the Turkish trade balance suffered due to the continuing complex regional and international situations (**the blockade on Iraq, the war in Bosnia, and the recession in Europe**) which are the main markets for Turkish exports, in addition to the strong domestic demand, The decrease in customs duties and the decline in the price of the Turkish lira, all this led to an escalation in imports and a deficit in foreign trade that reached 14 billion dollars in 1993 ⁽¹¹⁾.

Turkish industrial products have formed the vast majority of the share of Turkish exports, which contain manufactured products of agricultural origin, manufactured petroleum products, industrial products, clothing, iron products, steel, leather products, and industrial and natural cotton cloth. As for agricultural and animal products, they represent the second place in Turkish exports ⁽¹²⁾.

As for imports, transformative materials constitute the largest volume of Turkish imports, so that their percentage exceeds the sum of capital goods and consumer goods that make up the other items in the Turkish import structure. Capital goods ranked the second largest in Turkey's imports, while consumer goods ranked third ⁽¹³⁾.

The year 1994 witnessed the implementation of a new program for economic stability by the Turkish government, as the economic picture changed in Turkey, especially after Turkey entered the European customs union in 1996, as Turkish foreign trade took another turn, and the Turkish industry's competition on the export side increased, especially textile products, glass and ceramics. Turkey is in the process of implementing commercial laws with the movement of capital with the European Community, and has adopted a set of arrangements and agreements with some countries and blocs to develop its multiple trade within the framework of international economic relations to achieve the maximum benefit from them ⁽¹⁴⁾.

Turkey has expanded its economic relations by signing a number of free trade agreements with some European countries, including Hungary, Romania, Estonia, Slovakia and the Czech Republic, which entered into force in 1998 ⁽¹⁵⁾.

Germany is considered one of the important countries for Turkish exports, as this country occupied 69.3% of the total Turkish exports in the late eighties of the twentieth century⁽¹⁶⁾.

The second topic: Turkish-German trade relations 1993-2005 A.D.

In terms of talking about Turkish-German commercial relations, although the relations between the two countries have been marred by some kind of tension, especially since the military leaders seized the reins of power after the 1980 coup, the economic relations between the two sides continued to develop and improve, especially in terms of foreign trade⁽¹⁷⁾.

The countries of the European Union, led by Germany, are the main source of foreign direct investment in Turkey, and it was announced at the European Industrialists Roundtable conference that Turkey is an open country with the language and investment laws, and in the conference report of 1996 showed that Turkey falls in the category of countries that gave greater freedom to investment. Outer and it has a high ranking compared to other countries⁽¹⁸⁾.

By tracking foreign direct investment in Turkey, we find that it has witnessed a remarkable development in the proportion of investments during the period specified in the research. In 1980, the amount of foreign direct investment in Turkey was (228.67) million dollars, and by observing the Turkish economy, we find that the investment side has witnessed A remarkable development, as it reached in the middle of the first decade of the twentieth century the amount of (4.702.042) million dollars, achieving remarkable progress, and the most important reason was the Turkish economic policies pursued in this direction⁽¹⁹⁾.

By tracking the trade exchange between Turkey and Germany, we notice an increase in the rate of trade exchange between the two parties. On the level of Turkish exports to Germany, we find that these exports have witnessed a remarkable development during the period from 1980 to 2005, as these exports in 1980 constituted (603.969) million Dollars, and Turkish exports to Germany have witnessed a continuous increase, reaching in the middle of the first decade of the twenty-first century to approximately (9.446.314) million dollars. As for Turkish imports from Germany, they also witnessed a noticeable and continuous increase, as it was in 1980 (837.495) million dollars. These imports increased in a continuous manner to reach in late 2005 to the amount of (9.981.152) million dollars, noting that there is a slight increase in the percentage of Turkish imports from Germany, and this trade has focused on commodities and industrial products such as electronic devices and media. Road transport and sensitive optical mechanical devices as well as raw materials, tobacco, fur and cotton⁽²⁰⁾.

Hence, we note that Turkey and its adopted economic policies have succeeded in attracting investments to Turkey, and the former Turkish President (SüleymanDemirel) indicated that foreign money always finds security in Turkey, and it does not distinguish between foreign and domestic capital, and that foreign business has been given and will take all assistance⁽²¹⁾.

Trade exchange between Turkey and Germany in million dollars for the period from 1980-2000 A.D.⁽²²⁾

The Years	Turkish imports from Germany	Turkish exports to Germany
1980	837.495	603.969
1990	3.496.831	3.063.574
2000	7.875.201	7.291.470

Whatever the case, the Turkish-German economic relations entered an advanced stage after the advent of the coalition government in Germany in 1998 headed by German Chancellor Gerhard Schroeder, as Germany became Turkey's largest trading partner within the European system, so by the year 2000 there were about (1000) German companies. It has opened its offices in Turkey, and there were approximately (2.5) million Turkish residents and investors in Germany, and one third of them had obtained German citizenship ⁽²³⁾. The areas of commercial prosperity and economic improvement were more tangible with the arrival of the Justice and Tamiya Party to rule in Turkey headed by Recep Tayyip Erdogan in November 2000 ⁽²⁴⁾.

The extent of the reflection of trade relations on the nature of the political rapprochement between the two countries can be seen through the official visit of German Chancellor Gerhard Schroeder to Ankara on February 22, 2004, as it is the first visit of a German chancellor since 1993 when former German Chancellor Helmut Kohl visited Ankara. This visit came within the framework of strengthening political relations and further developing economic transactions between the two countries, while easing Turkish concerns about the holding of the European summit scheduled to be held in December 2004 on the issue of starting the process of negotiations for Turkey's membership in the European Union. ⁽²⁵⁾.

In general, trade between Turkey and Germany increased in 2004 compared to the previous year, as the percentage of German exports to Turkey recorded a growth rate of approximately **34%**, and the volume of trade exchange between the two parties recorded about **(16)** billion euros in 2003, while the That percentage rose to **(19.7)** billion euros in 2004, and German exports to Turkey included machinery, equipment, vehicles, and chemical and plastic products. As for Turkish exports to Germany, they amounted to more than **(7.2)** billion euros in 2003 ⁽²⁶⁾, It rose to **(7.9)** billion euros in 2004, while German exports to Turkey amounted to approximately **(8.8)** billion euros in 2003, and about **(11.8)** billion euros in 2004 ⁽²⁷⁾. Turkey's exports to Germany were represented by **(ready-made clothes, textiles, and some machinery and electrical appliances)** ⁽²⁸⁾.

It is worth noting that German exports to Turkey have registered a remarkable increase since Turkey entered the Customs Union, reaching approximately **13%** of total German exports in 2004. On the level of foreign investments in Turkey, German companies recorded the largest number among these investments⁽²⁹⁾; Since the era of Turkut Ozal's government, the German investment volume was approximately **(4.5)** billion dollars for German companies and projects in Turkey. The joint Turkish-German commercial projects increased to about **(1200)** projects until 2004 ⁽³⁰⁾.

Discussions:

The Germans were aware of the great importance that Turkey enjoys, whether this is geographically, the fact that Turkey is surrounded by four seas and connects the continents of Asia and Europe on the one hand, and between Asia, Africa and Europe on the other hand through the huge land mass that forms the Arab Mashreq, which has a special strategic location, and so on. Geostrategically, it occupies an excellent position in relation to the Middle East and the eastern part of the Mediterranean coast, which overlooks its eastern coast and controls the Bosphorus and the Dardanelles Strait, which connect Europe with Southwest Asia, in addition to what the Turkish economy constitutes in terms of an open market for the disposal of European goods, in addition to what it provides. Turkey is a cheap labor market and primary source of funding.

Conclusion:

By studying the content of the research, we conclude that Turkey's relations with Germany have deep historical roots, and that the trade relations between the two countries are of solid and studied bonds, and that the Germans constitute the special priority in Turkey's foreign policies, so that Germany ranks first in its relations with the European continent.

The specified period of research witnessed diplomatic rapprochement and exchange of visits by officials of the two countries, with the exchange of economic experiences in order to achieve economic benefits for both parties, and the trade exchange underwent deliberate plans to promote them, while trying to overcome the difficulties that could accompany the trade process.

It can be said that the Justice and Development Party has succeeded in overcoming the severe economic crises that afflicted Turkey by following distinctive economic policies that helped the Turkish economy, which was suffering from real crises, and this is clearly observed through low inflation rates, high investment rates and a decline in the debt ratio, seeking From all of this, the Turkish-European rapprochement is achieved.

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