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TRADE POLICY REVIEW

REPORT BY

TÜRKIYE

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Türkiye is attached.

Note: This report is subject to restricted circulation and press embargo until the end of the first session of the meeting of the Trade Policy Review Body on Türkiye.

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1 INTRODUCTION

1.1. The 7th Trade Policy Review of Türkiye covers a period that witnessed both a constitutional change towards Presidential System of Government in Türkiye and the Covid-19 pandemic that has caused global turmoil.

1.2. Despite the negative impacts of the pandemic and the global turmoil that followed, Türkiye, managed to grow in an annual average of 4.7% during the review period, and increased its trade volume by 41%, from USD 351 billion in 2020 to 496 billion in 2021.

1.3. The Eleventh Development Plan (2019-2023) covers half the period after the last review process. The targets of the Plan have been determined within the framework of a growth model focusing on productivity, in which the industrial sector plays a leading role. This model aims sustainable and balanced growth, favoring justice in income distribution, as well as green and digital transformation of the economy.

1.4. Thus, Türkiye's focus on production and employment enabled its growth and increase in its trade in goods and services. Hence, almost half of the increase in GDP in the recent years has been as a result of goods and services exports, which in return substantially contributed in employment. Combined with its geopolitical position, as well as its strong manufacturing and logistics infrastructure, Türkiye is becoming an important hub for global supply chains.

1.5. Türkiye, prioritizing free, fair and inclusive global trade, conducts its trade policies with a view of shared prosperity, and follows its international responsibilities to enable a global pattern of sustainable development.

2 CONSTITUTIONAL CHANGE TO PRESIDENTIAL SYSTEM AND THE NEW MINISTERIAL STRUCTURE THAT DEAL WITH ECONOMY AND TRADE

2.1. Following the constitutional amendment made by the Law No. 6771 as a result of the referendum held on April 16, 2017, the Presidential System of Government was introduced to replace parliamentary system in Türkiye on 9 July 2018 in the aftermath of the Presidential and Parliamentary general elections held on 24 June 2018.

2.2. In order to comply with this transition, provisions of the Law and Decree Law regarding the establishment, organization and duties of ministries and public institutions and organizations were repealed with the Decree No. 703 which entered into force on 9/7/2018. Within the scope of these regulations, duties and powers of some of the ministries and public institutions changed, re-arrangements were made in the organization through closure, merger or renaming.

2.3. Within this framework, the Ministry of Customs and Trade and Ministry of Economy were merged under the name of Ministry of Trade. The responsibilities and duties of the Ministry of Trade have been determined by the Presidency Decree No.1. Accordingly, the Ministry of Trade is responsible for determining and implementing policies regarding domestic and foreign trade as well as the issues related to customs. The Ministry is tasked to take necessary measures to regulate economic activities with regard to these areas and ensure coordination with stakeholders. Also regulating, implementing, negotiating, following and contributing to commercial and customs cooperation with other countries and international organizations is a major responsibility of the Ministry. The Ministry is also responsible for domestic and foreign trade in services and goods. Another responsibility of the Ministry is to cooperate with other public institutions to ensure the policies falling under their authorities to be in conformity with Türkiye's international obligations on trade and customs issues, including those arising from the WTO agreements. In the new architecture, considering the increasing role in the foreign trade, The General Directorate of International Services was established to develop and support the service sectors subject to international trade, and to coordinate and implement the policies formulated in this field by all relevant institutions and organizations. The establishment of the General Directorate was also aimed to carry out studies on logistics centers to be established abroad and monitoring and directing investments abroad. With regard to the customs, besides preparing and implementing customs policies and procedures, the Ministry is also responsible for ensuring and monitoring efficient and effective functioning of the customs services based on high standards; ensuring that the responsibilities under the international agreements are met; controlling and inspecting persons,

goods and vehicles that are subject to customs control, ensuring safety and taking necessary measures to avoid customs infringements; preparing customs tariff schedules and collecting tariffs and related fees. Among other responsibilities of the Ministry is to monitor and inspect the safety of domestic and imported goods in the internal market. In order to fulfil these duties and responsibilities, besides central service units, the organizational structure of the Ministry includes a provincial organization. The provincial structure comprises of customs and trade regional directorates, provincial trade directorates and free zones. The Ministry also has Commercial Counsellors or trade attachés working under the umbrella of the Embassies, Consulates or Permanent Missions of Türkiye to the international organizations abroad. The Ministry, working in coordination with Chambers of Commerce, as well as other related Associations, provides and monitors necessary services with regard to their functions. Besides, exporters associations and their umbrella institution, Turkish Exporters Assembly, are operating in close cooperation with the Ministry. Competition Authority, Türk Eximbank and Halal Accreditation Agency are related institutions of the Ministry.

2.4. The Ministry of Treasury and Finance was established by merger of the Ministry of Finance and the Undersecretariat of Treasury which was affiliated to the Office of Prime Ministry. While the duties of the Ministry of Finance regarding the budget were transferred to the Department of Strategy and Budget under the Presidency; its duties regarding public properties and treasury-owned immovable properties were transferred to the Ministry of Environment and Urbanization. On the other hand, the Capital Markets Board, the Development Bank of Türkiye, the Banking Regulation and Supervision Agency, the Central Bank of the Republic of Türkiye, Ziraat Bank, Halk Bank and Vakıflar Bank have been made associated with the Ministry. With the Presidential Decree No. 47, the General Directorate of Insurance and the Insurance Supervisory Board, which were service units of the Ministry, were abolished. The duties related to insurance carried out by them were transferred to the Insurance and Private Pension Regulation and Supervision Agency of the Ministry. With the Presidential Decree No. 76, the Turkish Statistical Institute has been turned into related institution of the Ministry in order to strengthen its scientific and technical autonomy.

2.5. The name of the Ministry of Science, Industry and Technology was changed to the Ministry of Industry and Technology. The duties related to investment incentives carried out by the abolished Ministry of Economy and the duties of ensuring the coordination of sectoral and regional growth and development agencies carried out by the abolished Ministry of Development were transferred to the Ministry of Industry and Technology. In this context, while regional development administrations were associated to the Ministry, development agencies became related institutions of the Ministry. With the Presidential Decree No. 23, the Turkish Space Agency related to the Ministry is established and the task of executing the aviation and space-related activities previously carried out by the Ministry of Transport and Infrastructure is transferred to this institution. With the Presidential Decree No. 59, the task of determining and implementing the principles of the "National Technology Move" aimed at technological breakthrough at the national level was assigned to the Ministry.

2.6. The duties and authorities of the abolished Ministry of Development and the budgetary duties and authorities of the Ministry of Finance were transferred to the Strategy and Budgeting Directorate established under the Presidency.¹

3 ECONOMIC ENVIRONMENT

3.1. In 2016 and 2017, the Turkish economy grew by 3.3% and 7.5%, respectively. This growth is directly linked to private consumption and fixed capital investments. While net exports negatively contributed -2.2% to growth in 2016 and -3.7% in 2017.

3.2. Turkish economy grew by 3% in 2018 and reached USD 803.4 billion. Total contribution of net exports to economic growth was realized as -0.2% percent in 2018.

3.3. In 2019, Türkiye showed a growth of 0.8% with the contribution of 2.4% of net exports. On the other hand, one year later, with the rapid increase in imports, the contribution of net exports became negative again with -3.5%. In 2020, with the effect of the pandemic, the Turkish economy grew in a modest pace of 1.9%.

¹ For a detailed description of the Presidential System please refer to: <https://www.tccb.gov.tr/en/presidency/power/>.

3.4. Türkiye was one of the highest growing countries with 11.4% GDP growth in 2021. The GDP growth in 2021 is directly linked to private consumption and fixed capital investment. Exports of goods and services increased by 24.9% while imports of goods and services increased by 2.4% in 2021 compared to the previous year.

3.5. Türkiye also grew faster than many country groups, including the OECD, G7, EU and Euro Area average in the first half of 2022. The growth rate which was 7.3% in the first quarter of 2022, increased further in the second quarter and realized as 7.6%, while in the third quarter growth rate became 3.9%, thus Türkiye managed to grow continuously in the last nine quarters. The contribution of exports to the 6.2% average growth rate in the first three quarters of 2022 has been 3.4 percentage points.

3.1 Fiscal Policy

3.6. The Turkish Government's medium to long-term fiscal strategy seeks to strengthen macroeconomic and financial stability by increasing growth performance while reducing current account deficit and achieving inflation target.

3.7. Central government budget deficit/GDP ratio was 1.1%, 1.5%, 1.9% and 2.9% in 2016, 2017, 2018 and 2019 respectively. Based on the Maastricht criterion, which sets 3% as the ceiling, overall Türkiye outperformed 23 EU countries. On the other hand, Türkiye proactively applied fiscal policies in order to alleviate the impact of the global Covid 19 pandemic. Although these policies led to increase in government spending, and lowered tax revenues, budget deficit/GDP ratio realized as 3.5% in 2020. In 2021, the Central Government Budget balance outperformed mainly due to high economic growth. Consequently, budget deficit to GDP was 2.8% in 2021, significantly below the Medium-Term Program (2022-2024) projection, which is 3.5%. In 2022, budget deficit/GDP ratio is projected to be 3.4%. In addition; EU-defined general government debt/GDP ratio of Türkiye was 39.3% as of 2022 Q2, which again was well below the level in the Maastricht Criterion (60%).

3.2 Inflation and Monetary Policy

3.8. In the 2016-2022 period, the Central Bank of the Republic of Türkiye (CBRT) continued to implement inflation targeting together with a floating exchange rate regime. In doing so, the primary objective has been to achieve sustainable price stability.

3.9. In 2016, the CBRT's policy stance remained tight regarding the inflation outlook, stabilizing for the foreign exchange liquidity and accommodative for financial stability. In the March-September period of 2016, the decline in inflationary pressures, tightness in financial conditions and the moderate course of global financial markets facilitated the CBRT to implement simplification in the interest rate corridor policy. Accordingly, the upper bound of the corridor was lowered by 250 basis points through measured and cautious steps in this period. To curtail the effects of the global developments on inflation expectations and the pricing behavior, in November, the CBRT raised the one-week repo rate and the CBRT overnight lending rate by 50 and 25 basis points, respectively, while in December 2016, policy rates were kept unchanged.

3.10. In 2017, the CBRT sought to play a counter-balancing role against external risks throughout the year. During the first four months of 2017, the CBRT raised its overnight lending rate from 8.5% to 9.25% in order to mitigate the upward risks to pricing behavior driven by volatilities in the exchange rate market. Inflation outlook and inflation expectations posed risks to pricing behavior, making it necessary to maintain tight monetary policy stance for the rest of the year. Therefore, the CBRT subsequently maintained the same stance during the remaining of the year. The predictability of the monetary policy was significantly enhanced by consistently directing most of the CBRT's funding through a single channel throughout the year.

3.11. In 2018, the CBRT was focused on enhancing the predictability of the monetary policy and to reinforcing the transmission mechanism. Hence, the simplification process in the operational context of the monetary policy completed with a press release on May 28, 2018. Accordingly, the one-week repo auction rate was set as the policy rate. Upon the deterioration in the pricing behavior and increasing inflationary risks, the CBRT delivered a strong monetary tightening in September to keep inflation and inflation expectations under control and raised the policy rate to 24%. With the adoption of strong monetary measures and coordinated actions in economic policies, the pricing behavior

normalized in the last quarter of 2018, and the inflation outlook improved gradually. In addition, important steps were taken to enhance the efficient functioning of the markets by considering the exchange rate volatility and unhealthy price formation and also to improve the transmission mechanism.

3.12. In 2019, the CBRT made its monetary policy decisions by considering the indicators for the underlying trend of inflation, and determined the extent of monetary tightness in a way to ensure the continuation of the disinflation process. In the first half of 2019, the CBRT kept the one-week repo rate constant at 24% and introduced a series of decisions regarding the liquidity management. The alleviation of the cumulative exchange rate effects and the mild course of domestic demand led to a marked improvement in inflation dynamics. In the second half of the year, considering the improvement in the inflation outlook, the CBRT reduced the policy rate to 12% via rate cuts in July, September, October, and December. To ensure effective functioning of markets and transmission mechanism in the face of volatilities and unhealthy price formation in financial markets, the CBRT expanded its set of instruments. Consequently, the CBRT effectively used macroprudential tools such as reserve requirements for financial stability purposes.

3.13. In 2020, the CBRT implemented a supportive policy against the adverse effects of the COVID-19 pandemic. In this context, the CBRT continued to deliver policy rate cuts during March-May. In addition, the CBRT implemented a comprehensive set of measures within its liquidity management framework. Moreover, the CBRT lowered foreign currency reserve requirement ratios for banks meeting specific credit conditions. Assessing that the supply-side constraints, which emerged shortly after the adoption of COVID-19 measures, would gradually disappear and disinflationary effects would become more pronounced in the second half of the year, the CBRT kept its policy rate constant in June and July. However, evaluating that uncertainties regarding the course of domestic and external demand conditions remained significant due to the progress of the pandemic, the CBRT decided to keep the policy rate unchanged and continued to maintain the liquidity measures in August. Therefore, coordinated tightening steps had been taken within pandemic-related policies starting from early August. In September, the CBRT assessed that the tightening steps taken since August should be strengthened in order to contain inflation expectations and limit the risks to the inflation outlook, and accordingly, the policy rate was raised by 200 basis points. In November, in order to eliminate risks to the inflation outlook, to contain inflation expectations and to rapidly restore the disinflation process, the CBRT hiked its policy rate from 10.25% to 15% and decided to provide all short-term funding through its main policy instrument, the one-week repo auction rate, within a simple operational framework.

3.14. In 2021, the CBRT kept the policy rate constant at 17% in January and February and also shared its assessment that the decelerating impact of the strong monetary tightening in 2020 on credit and domestic demand was expected to become more significant. In March 2021, considering the upside risks to inflation expectations, pricing behavior and the medium-term inflation outlook, the CBRT decided to implement a front-loaded monetary tightening and increased the policy rate from 17% to 19%. In the second quarter of 2021, the CBRT communicated that the monetary stance would continue to be determined to restore the disinflation process and to achieve the medium-term inflation targets. Accordingly, in view of the inflation outlook and inflation expectations, the CBRT kept the policy rate constant at 19% during April-August period. Strong increases in global commodity prices, especially energy and food, supply constraints caused by ongoing disruptions in the global supply chain, and exchange rate developments continued to pose pressure on consumer prices in 2021 and became the main drivers of the increase in inflation. By analyzing the effects of demand factors, core inflation developments and supply shocks on inflation, the CBRT reduced the policy rate by a total of 500 basis points in the September-December 2021 period to 14%.

3.15. In 2022, the CBRT announced its "lira-ization" strategy, which aims to make the Turkish lira the essential element of the financial system. In addition, the CBRT assessed that inflation increased due to the rise in energy costs driven by geopolitical developments, the temporary effects of pricing formations detached from economic fundamentals, the supply-side factors such as rising global energy, food and agricultural commodity prices and supply constraints as well as demand developments. Therefore, the CBRT kept the policy rate unchanged during January-July 2022 period. The CBRT emphasized the importance of the fact that financial conditions remain supportive to preserve the growth momentum in industrial production and the positive trend in employment in a period of increasing uncertainties regarding global growth as well as escalating geopolitical risks. Accordingly, the CBRT reduced the policy rate by 200 basis points in August-September 2022 period. Besides the interest rate policy, the CBRT actively used all other tools at its disposal in an integrated

framework within the "lira-ization" strategy. Accordingly, the CBRT decisively took measures to align the growth rate and composition of loans with real economic activity. Also, the CBRT actively used its policy set to direct loans to targeted areas, i.e. exports and investments, which will expand the production capacity. This, in turn, is expected to bring inflation down to sustainably low levels.

3.16. To create an institutional basis for sustainable price stability, the comprehensive review of the policy framework continues with the aim of incentivizing permanent and strengthened "lira-ization" in all policy tools of the CBRT. The focus of this process is on developing policy instruments to support the improvement of Turkish lira deposits, to increase Turkish lira-denominated assets in the collateral structure of open market operations funding, to gradually reduce the volume of swaps, and to strengthen foreign exchange reserves.

3.17. Disinflation process is expected to start on the back of measures taken and decisively implemented for strengthening sustainable price and financial stability along with the resolution of the ongoing regional conflict. Therefore, in line with the inflation outlook, the CBRT has been effectively using the policy mix composing of liquidity, collateral, reserve requirements and management of international reserves together with the interest rate policy. In the context of the integrated policy framework, the CBRT has actively used its instruments within the "lira-ization" perspective, and will continue to do so in order to meet its price stability objective at a permanent basis.

3.3 Financial Sector Reforms

3.18. The regulatory and supervisory framework of Türkiye's banking sector is recognized as third country equivalent to the European Union (EU) legislation in terms of the EU Regulation 575/2013 on Prudential Requirements for Credit Institutions and Investment Firms. Likewise, according to the results of the Regulatory Consistency Assessment Program as of 2016, which was carried out by the Basel Committee, Türkiye's risk-based capital regulations and liquidity coverage ratio regulation are considered fully in line with international standards which are globally known as Basel III standards. Being a G20 member country, Türkiye's Financial Sector Assessment Program-FSAP review was carried out by International Monetary Fund and World Bank in 2016. As of 2021, a new FSAP review, which is still going on, has commenced for the term 2016-2021.

3.19. The Law on Payment and Security Settlement Systems, Payment Services and Electronic Money Institutions No. 6493, prepared based on the related EU regulations has been accepted on 20 June 2013 and entered into force on June 27, 2013. With the Law No. 6493; operations and surveillance of payment systems and security settlement systems as well as the operating principles of system operators have been regulated. In accordance with this law and secondary regulations regarding the systems, CBRT is the competent authority to grant a license to payment and electronic money institutions and to supervise them. Moreover, CBRT is authorized to license and oversee institutions, provide clearing and settlement services for debit and credit cards, and is also defined as "system operator" within the Law No. 6493. On the other hand, activities related to debit and credit cards determined by Law on Bank Cards and Credit Cards No. 5464 as establishing a card system, issuing cards, entering into agreements with merchants and exchanging information are under the jurisdiction of Banking Regulation and Supervision Agency (BRSA).

3.20. "International Financial Reporting Standard 9- Financial Instruments (IFRS 9)" has been in force since January 1, 2018 for banking sector in Türkiye. Banks are required to implement their provisioning practices according to this standard and "the Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside" has been revised in accordance with IFRS 9.

3.21. As a response to fluctuations in financial markets in August and September 2018, the Financial Restructuring Framework Agreements were made aiming to provide practical and efficient grounds to the recovery of the real sector to fulfill their debt repayment obligations to the financial sector within a reasonable time and under reasonable conditions, and to continue contributing to employment. These agreements are prepared pursuant to the Provisional Article 32 of the Banking Law No. 5411 (BL). The Provisional Article 32 of the BL was to be applied for a term of 2 years starting from July 19, 2019. For the purpose of supporting the healthy and effective exit from the pandemic, the implementation period was extended for another 2 years (until July 2023) with the Presidential Decree No. 4299 and dated 14 July 2021.

3.22. Systemically important banks are required to prepare and submit recovery plans to the BRSA with the Amendment on the BL dated February 20, 2020. The Regulation on Recovery Plans to be Prepared by Systemically Important Banks was published in the Official Gazette dated 16 March 2021 in order to bring more clarity about the expectations with respect to the contents of the recovery plans, roles and responsibilities of the involved parties and the implementation of the rules introduced with the Amendment, in line with the Financial Stability Board (FSB)'s Key Attributes of Effective Resolution Regimes for Financial Institutions and EU's Bank Recovery and Resolution Directive, and relevant European Banking Authority (EBA) guidelines.

3.23. Regarding FinTech and digital innovation, in 2021, it has been made possible to establish contractual relations between banks and their customers in electronic environment, including contracts that must be in written form. Moreover, legislative infrastructure for both digital (branchless) banking model and banking as a service model are established at the end of 2021. Also, "Querying of Banks Holding Deposit/Participation Fund Accounts" service as a part of e-Government gateway has been initiated in March 2020 with the aim of account information accessibility for financial consumers in an efficient way.

3.24. Regarding sustainable finance, starting from 2019, energy efficiency class of real estates has become one of the criteria to determine the loan to value ratio of mortgage loan. Furthermore, the basic requirements for sustainable lending and management of climate related financial risks were determined in the Guideline on Loan Origination and Monitoring published in June 2021. According to this Guideline, banks should also consider Environmental, Social and Governance-ESG criteria in their loan allocation policies. Lastly, BRSA Sustainable Banking Strategic Plan (2022-2025) was prepared taking into account the opinions and suggestions of stakeholders and disclosed to public at the end of 2021.²

3.25. Saving financing companies, operating in Türkiye, were started to be regulated and supervised under the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361 with the amendment made by the Law No. 7292, published in the Official Gazette dated 7 March 2021.

3.26. With respect to capital markets, regulatory and technical infrastructure was completed for the operation of Istanbul Custody and Settlement Bank (Takasbank) as central counterparty in Borsa İstanbul markets as well as over-the-counter (OTC) derivatives markets. Furthermore, as of 2018 the central securities depository (MKK) was instituted as trade repository. Further capital market reforms were carried out in relation to increasing product diversity (with the introduction of new financing instruments such as project backed securities, green bonds, and crowdfunding), enhancing investor protection (such as implementation of more effective administrative and criminal sanctions, and improvements to public disclosure standards including ESG reporting), and market development (such as the establishment of the central electronic platforms TEFAS and BEFAS for the trading of investment fund and pension fund units).

3.4 Exports, Imports and Trade Balance

3.27. Türkiye's exports which were realized as USD 149.2 billion, USD 164.5 billion, USD 177.2 billion in 2016, 2017 and 2018 respectively, amounted to USD 180.8 billion in 2019. After a decrease to USD 169.6 billion in 2020 due to the pandemic, exports reached USD 225.2 billion in 2021 with an increase of 32.8%. Türkiye's share in the global trade exceeded 1% for the first time in 2021.

3.28. Türkiye exhibited a gripping foreign trade performance in 2021, comparing the global trends and averages. According to World Trade Organization (WTO), the dollar value of world merchandise exports rose 26.5% to USD 22.3 trillion in 2021. Thus, Türkiye with 32.8% increase embraced an export expansion stronger than global average.

3.29. Türkiye's imports were recorded as USD 202.2 billion, USD 238.7 billion, USD 231.2 billion, USD 210.3 billion and USD 219.5 billion in 2016, 2017, 2018, 2019 and 2020 respectively. Imports were recorded at USD 271.4 billion in 2021.

² Viewed at: <https://www.bddk.org.tr/KurumHakkinda/EkGetir/19?ekId=71>.

3.30. Türkiye's foreign trade volume that was recorded as USD 351.4 billion in 2016 reached USD 496.6 billion in 2021. While the export import coverage ratio was 83% in 2021, the ratio of foreign trade deficit to GDP was 5.7% in the same year. The ratio of total trade volume/GDP was 61.5% by 2021.

3.4.1 Export and Import Developments by Sectors

3.31. Sectoral composition of Türkiye's exports has been changing towards more capital and technology intensive products since its last review, similar with the developments in global trends in world trade. In 2016, medium-high and high-tech products in Turkish exports amounted to USD 48.9 billion and reached USD 77.5 billion in 2021 with an increase of 58,5%.

3.32. On the other hand, Türkiye's import composition has been changing towards more intermediate goods and less consumption goods since its last review. In comparison with 2016, in 2021, imports of intermediate goods increased by 54.7% to USD 210.1 billion, investment goods increased by 4.4% to USD 34.4 billion, consumption goods decreased by 19.5% to USD 27 billion. Therefore, the share of intermediate goods has increased to 77.4% from 67.2%, investment goods have decreased to 12.7% from 16.3% and consumption goods have decreased to 9.9% from 16.5%.

3.33. In terms of export sectors; automotive, machinery and electrical and electronics industry exports, a product group dominated by high value added and high-tech products, comes to the front. The value of exports in this sector reached USD 60.6 billion in 2021, representing a share of 26.9% in total exports (Table.2, iv. Machinery and Transport Equipment).

3.34. Particularly the automotive industry products played the most significant role in increasing the share of relatively high capital-intensive products in Türkiye's exports. In 2021, export of this industry has increased by 11.8% compared to previous year and reached USD 24.1 billion (Table.2, iv. Machinery and Transport Equipment, (781, 782, 783, 784, 7132, 7783) Automotive products).

3.35. In line with the intensification of Turkish companies' efforts in the automobile sector in recent years, six major Turkish companies came together and established Türkiye's Automobile Initiative Group (TOGG) in 2018. In this context, the construction of the production facility of the vehicles was completed in 2022 and Türkiye's first domestic car TOGG, with the same brand name as the Group, is planned to start mass production in the first quarter of 2023. The TOGG automobile, which will be offered to the market in the C segment suv model in the first stage, will be fully electric and will use TOGG's proprietary concept of "use case mobility" system.³

3.36. The Turkish machinery sector, including the electrical and electronics sector, has also been a critical sector in terms of its contribution to Türkiye's GDP and qualified workforce. This sector plays an important role in the development of the Turkish manufacturing sector by providing inputs to key sectors such as chemistry, construction, automotive, energy, textile, agriculture and mining. In 2021, export of the industry has increased by 29.3% compared to previous year and reached USD 36.4 billion. (Table.2, iv. Machinery and Transport Equipment, In 2021, the ratio of export to import in this industry has reached to 69.7%.

3.37. As another important export sector, steel production in Türkiye has increased significantly since 2001, growing from 15 million metric tons in 2001 to 40.4 million metric tons in 2021. Growth of the industry has been driven by strong domestic consumption. In addition to strong domestic demand and dynamic steel using industries, Türkiye's well-placed geographical position also supported exports and production. As the World's 7th largest steel producer, Türkiye's iron and steel export reached USD 18.9 billion in 2021, with an increase of 87.3% with respect to 2020 (Table.2, 3-i. Iron and steel (67)). All steel companies in Türkiye are privately held and Turkish steelmakers continue to pursue technological developments to enhance the long-term viability of the industry in the global marketplace. The steel industry has become one of the most developed sectors in Türkiye and today counts as the fourth largest contributor to Turkish economy.

³ Use Case Mobility: This approach consists of the initials of User-Centric, Smart, Empathetic, Connected, Autonomous, Shared, Electric. While traditional car manufacturers define the transition to the electric car world as CASE, Togg defines it as "USECASE Mobility, putting the user at the center.

3.38. The Turkish textile and apparel sectors (including textile and raw materials, ready-made clothing and apparel, carpet, leather and leather products sectors) have also been among the most critical sectors in terms of contribution to GDP, employment generation and net exports. Türkiye aimed to make Istanbul one of the most attractive fashion center of the world via Istanbul Fashion Week that has been getting increasingly more attention from the fashion world. Focusing on value added products, the local clothing industry concentrated on new designs and fashion collections for the top end international apparel market. With the aim of increasing the value added in these products, many events were organized with the participation of industry leaders from all over the world on sustainable production and digitalization methods in production, and financing new investments. In 2021, the sector maintained its net exporter position. Exports in the textile and apparel sectors (including textile and raw materials, ready-made clothing and apparel, carpet, leather and leather products sectors) increased by 26.7% in 2021 compared to the previous year and reached USD 36.2 billion, while imports in these sectors totaled USD 12.6 billion. Textile and apparel sectors' exports constituted %16.1 of Türkiye's total exports.

3.39. Türkiye's chemicals exports has been further accelerating the diversification of the sectoral composition and laying the ground for moving into more high-tech and high-value products segment. While Türkiye's chemicals exports was USD 8.4 billion in 2016 and recorded a share of 5,4% in total exports, in 2021 it rose to USD 16.1 billion by increasing 99%, which almost doubled the pace of total exports in this period and its share reached 7,3%. The product breakdown of Türkiye's chemicals exports also indicates that exports of inorganic and organic chemicals, pharmaceutical products and fertilizers have recorded comparatively higher performance. This shows that the product range is also expanding towards the upstream, capital and tech-intensive products.

3.40. Türkiye aims to develop high-tech and value-added chemical products together with an ecosystem thriving on technology, innovation and sustainability. With this goal, Exporters' Association initiated the "Chemistry Technology Center" project. The Center will act as an advanced R&D center for the chemistry and related industries in Türkiye. Within the concept of this Center there will be entrepreneurship incubation center and sustainability center. These two centers aim to stimulate the development of new technologies, inventions, facilitate the adaptation of new processes to industry and improve the transition of the sector to high-tech, high-value and innovative fields.

3.41. Türkiye is the largest producer and exporter of the agricultural and food products in the Eastern European, the North African and the Near and Middle Eastern regions. Despite the negative effects of the COVID-19 pandemic, total exports of agricultural and food industry products have been increased by 4.9% and reached approximately USD 20.7 billion in 2020. Then in 2021 increased by 21% and reached USD 25 billion, which is the highest export figure in the history of Turkish food and agricultural products export. Türkiye exports agricultural and food products to more than 200 countries in the world. About 30% of the exports are directed to European Union countries.

3.42. In terms of import sectors, in 2021, the first three sectors with the highest share in the import composition were; (1) energy products with a share of 18.7%, (2) machinery, white goods and information products with a share of 11.4%, and (3) chemicals with a share of 10.6%. Compared to 2016, the main sectors whose imports increased in 2021 are; (1) iron and steel increased by 117.5% to USD 27.6 billion, (2) energy products increased by 84.6% to USD 50.7 billion, and (3) chemicals and products increased by 61.4% to USD 28.8 billion. The sectors whose imports decreased are (1) various manufactured goods and works of art decreased by 33.4% to USD 601.5 million, (2) live animals and animal products decreased by 22.8% to USD 895 million, and (3) vehicles decreased by 15.8% to USD 19.8 billion.⁴

3.4.2 Services Trade

3.43. The services sector has a prominent role in terms of economic activity, employment generation and trade at both domestic and international levels. Efficient operation of services markets improves productivity both in the services sectors and industries using services as inputs.

⁴ The product classifications in this para have been prepared by using the "compact sectoral classification" method with 12 digits national classification. Therefore, the categorizations in here are different from the annexed tables.

Services also account for a higher share of GDP which can be explained that labor productivity is significantly higher for services than in other sectors.

3.44. The services sector's share in Türkiye's GDP was 60.3% in 2021. Furthermore, growth in services industry (12.65%) outpaced that of any other economic activity, registering even higher than the overall GDP growth (10.99%) in the same year.

3.45. Services account for 21% of Türkiye's gross exports but for over 50% in value added terms. This indicates that Türkiye's exports of goods rely intensively on services inputs. As of 2021, Türkiye stands as the 25th largest commercial service exporter in the world with an export value of USD 55.6 billion. As for 2022, Türkiye targets to exceed USD 90 billion in services exports.

3.46. In line with the developments in the world, Türkiye's Information and Communication Technologies (ICT) sector has shown a rapid development. The market reached nearly USD 30 billion in 2021. (with the share of information technologies and communication services being 43% and 57% respectively.)

3.47. Thus, the most striking increase in services exports was in the IT sector, whose exports increased from USD 1 billion in 2016 to USD 2.6 billion in 2021. Due to the fact that the IT sector interacts with different sectors, it might be argued that this figure is much higher than the official figures.

3.48. Fintech, cybersecurity, gaming, ICT in healthcare, ICT in mobility, e-commerce, e-government, and telecommunications are just a few of the sub-sectors within the ICT industry that have seen rapid technological development and growth.

3.49. USD 24.4 billion of Türkiye's total services exports in 2021 was realized by the transportation services sector. This sector ranks first with a share of 43.4% in total service exports in 2021 and the share of the sector in service exports is increasing every year. It is estimated that this amount will increase to USD 35 billion in the year 2023.

3.50. Audio-visual services, fundamentally including motion picture production and distribution services, motion picture projection services have also been an integral element of growth in GDP and labor market in Türkiye.

3.51. Türkiye is currently one of the most prominent global audio-visual service providers with the pioneering role of Turkish TV series being exported to over 160 different countries, reaching an audience potential over the 800 million.

3.52. Türkiye is one of the most popular tourist destinations in the world. The number of visitors increased from 31.4 million in 2016 to 51.9 million in 2019 and then drastically reduced to 15.8 million in 2020 and rebounded to 29.4 million in 2021. Tourism revenue, which was USD 22.8 billion in 2016, was realized as USD 27 billion, 30.5 billion, 38.9 billion, 14.8 billion in 2017, 2018, 2019, 2020 respectively. In 2021, tourism receipts totaled USD 30.2 billion despite the decrease in the number of visitors compared to 2018.

3.5 The Challenges of COVID-19

3.53. The pandemic has negatively affected Türkiye as well as the rest of the world. However, Türkiye has implemented an economic support package with expansionary monetary policy and other regulatory measures that encourage credit expansion in order to overcome the economic crisis caused by COVID-19. In this context, Türkiye's economy was the second fastest growing economy with 1.8% in 2020 among G20 countries.

3.54. Like many other countries, Türkiye adopted a series of export measures in response to the COVID-19 pandemic. These measures mostly consisted of implementation of export registration rather than prohibition and terminated as soon as the situation got back to normal. Export limitations on Personal Protective Equipment (PPE), input material for PPE and hygiene products, certain medical equipment and devices and lemon were terminated accordingly. Also, in order to ensure supply chain security and price stability in basic agricultural products, customs duties were reduced temporarily at varying rates.

3.55. Some of the main actions introduced to reduce the negative effects of Covid at customs are contact-free trade, transit procedures and pre-arrival Customs clearance scheme. Firstly, being cautious on not to spread the COVID-19 whilst sustaining foreign trade operations, Turkish Ministry of Trade adopted a new, contactless approach, namely "Contact-Free Trade", which would allow foreign trade operations to continue in a controlled manner. Secondly, during the COVID-19 Pandemic, when goods were transported under the transit procedure, fines were removed if there is a change of declared Office of Destination/Departures and for the Carriers who exceeded the time limit for the transit regime because of the pandemic conditions. In addition to that, fines were also removed for the time limit on enquiry procedure for discrepancies found out at the Office of Destination for the transit operations.

3.56. Thirdly, on 23 April 2019, Türkiye had set the rules with a Communiqué regarding the commencement of the procedures for customs clearance of raw materials and semi-finished goods, which arrive at the Customs Territory of Türkiye by means of maritime container transport and which can be used as input in domestic production. Besides, some medical products (e.g. surgical gloves, respirators) have been included in the scope of pre-arrival customs clearance on 3 March 2020 regardless of whether they can be used as input for the manufacturing sector or not.

3.57. Also, assistance to foreign countries within the scope of the fight against the pandemic has been part of Türkiye's humanitarian foreign policy, and in this context, the aid requests received from many countries of the world were met to the extent of Türkiye's capabilities. To date, Türkiye has received aid requests from many countries in different forms (material grants, cash aid, sales/export permits) and Türkiye has provided assistance to 155 countries. Of the 155 countries Türkiye has provided assistance to, 128 are grants, 73 are purchase and export permits, and 45 countries have received cash assistance.

3.58. Türkiye's assistance mainly consisted of in-kind medical supplies, especially personal protective equipment; in addition, Türkiye also provided respiratory equipment produced by Türkiye to the countries in need as grants.

3.6 Foreign Investment

3.59. FDI legislation, which has been in force since 17 June 2003, provides a secure environment for foreign investors by ensuring equal treatment for both domestic and foreign investors and guaranteeing the transfer of profits. In the period between 2004-21, Türkiye had 14 times more FDI (USD 237.4 billion) than it had attracted during the previous 80 years. According to the balance of payments statistics of the CBRT, total value of FDI inflow was USD 13.8 billion in 2016; USD 11.2 billion in 2017, USD 12.5 billion in 2018; USD 9.6 billion in 2019; USD 7.8 billion in 2020; USD 13.2 billion in 2021 and USD 10.3 billion as of October 2022.

3.60. Investment incentives, which are designed and implemented by the Ministry of Industry and Technology, are based on the provisions of Presidential Decrees and implementing communiqués. Türkiye's current Investment Incentive Program became effective by the Council of Minister's Decree No. 2012/3305 dated 15 June 2012.

3.61. The Investment Incentive Program aims to steer savings into high value added investments, to boost production and employment, to encourage large scale and strategic investments with high R&D content within the context of highly competitive international environment, to increase foreign direct investments, to reduce regional development disparities and to promote investments for clustering and environment protection for the production and growth strategy in line with the projected targets in Development Plans and Annual Programs as well as international agreements. Investments are supported through four different incentive schemes designed within the scope of the Incentive Program. Contributions provided to investors through incentive measures depend on the characteristics of the investment and one or more of the following applicable schemes: regional investment incentive scheme, priority investment incentive scheme, strategic investment incentive scheme, and general investment incentive scheme.

3.62. In addition to the current incentive system, Project Based Incentive Program entered into force on November 26, 2016 with the Decree Concerning State Encouragements to Investments on Project Basis, No.2016/9495. The purpose of the Decree is to support innovative, research and

development focused, and high value-added investments on project basis with flexible instruments to ensure supply security, and realize technological transformation.

3.63. Türkiye has signed Bilateral Investment Treaties (BIT) with 111 countries, 87 of these agreements has entered into force. In addition to its Bilateral Investment Agreements, Türkiye signed more comprehensive investment provisions with South Korea and Singapore in 2015 in the FTAs.

3.64. Thus, Türkiye's domestic and international efforts with regard to foreign investments aim in general to facilitate investment and create a free, fair, transparent and secure environment for all investors in conformity with its international obligations to encourage high-value added, technology intensive, green and regionally wide-spread development.

4 TRADE POLICIES

4.1. The COVID-19 pandemic once again reminded how interdependent the global economic and trading structure is. Disruptions in global supply chains have become a major concern for all countries during this period.

4.2. Türkiye, while prioritizing to enhance its role in global supply chains with high value-added products, also continues to put emphasis on diversifying its trade partners and alleviate its market and supply dependencies. As part of the endeavor to consolidate its position in global supply chains, Türkiye also aims to increase its market diversity in exports, by producing products that would meet the different needs of the vast variety of producers and consumers in every part of the world. In view of its export-oriented growth strategy, Türkiye deems it highly significant to safeguard the sustainability of its export performance, and Türkiye intends to ensure this by strengthening the competitiveness of its products in the world trade. In this respect, Türkiye continues to adopt new policies for the purpose of strengthening its position in global economy. Its "Far Countries Strategy", which was launched in July 2022, constitutes the latest example of such initiatives, which targets reaching out to new or under-exported markets while preserving existing advantages in the traditional markets.

4.3. Furthermore, considering the essential role of the SMEs in the economy, Türkiye implements policies to facilitate SMEs' integration into global supply chains through high value-added production. In Türkiye, SMEs make up 99% of all firms, generate around 41% of value added and account for almost three quarters of employment. In this context, KOSGEB (Small and Medium Enterprises Development Organization of Türkiye) in its five-year strategic plan, covering 2019-2023 period, aimed to spread high technology production among the SMEs, to expand entrepreneurship and institutionalization, to increase market awareness and encourage branding of products.

4.4. 36.4% of total exports and 24% of imports for 2020 were carried out by SMEs in Türkiye. Categorizing the SMEs with regard to their main activity, 58.7% of the exports of SMEs were made by the enterprises operating in the commercial sector and 36.6% by the enterprises operating in the industrial sector.

4.5. Another priority policy area for Türkiye in trade is e-exports. As a tool to facilitate trading for e-exporters, the Ministry of Trade utilizes "Easy Export Platform", which provides intelligence to exporters on market opportunities and export processes. The platform provides alternative market options to the potential exporters via an AI enabled Smart Export Robot. Other main modules of the platform are Complementary Product module, Buyer's Information module and Training module as well as Smart Chatbot. The Platform was launched on August 2020 and more than 51,000 registered users have accessed it since then. It is expected that via e-commerce channels Turkish exporters directly reach their customers abroad, provide added value to exports with constantly innovative products and increase the awareness abroad on Turkish products and brands.

4.6. On the other hand, with the rapid increase in e-commerce activities in the aftermath of the COVID-19 pandemic, to create a fair competition environment and prevent unfair trade practices against sellers on e-commerce platforms, the new Turkish e-commerce Law was formulated and was published in the Official Gazette on 1 July 2022.

4.7. Türkiye, as a signatory of the Buenos Aires Declaration on Women and Trade, which is a breakthrough for women's economic empowerment via trade, recognizes the value of adopting a gender responsive approach in planning and implementing trade policies. The Ministry of Trade carried out an online survey in 2019 to determine the needs of potential women exporters and their expectations from the Ministry. The survey results revealed that 71% of women entrepreneurs had not involved in export process. The results displayed that women face challenges in accessing B2B networks and mentorship. They also have difficulties in acquiring the knowledge to engage in e-commerce, specifically in cross-border trade. In this context, the Ministry designed Women Entrepreneurs Network Program aiming at forming a robust B2B network amongst women entrepreneurs at the national level in all 81 provinces of Türkiye. In addition, the Ministry implemented the Turkish Export Academy for Women-owned Small Businesses Program in late 2019, in cooperation with an international logistics firm UPS, which engages directly with customers. The initiative is designed to offer practical information like how to export a product by using online platforms.

4.8. Another platform for empowering women in trade is the W2W-National Women Exporter Network Platform. It is an online platform created for integrating more women owned business into exports process by developing corporate capacity and building network. The platform includes a mentorship module through which women entrepreneurs who have never exported or have just started exporting, and experienced women entrepreneurs can connect and become mentors and mentees. Thus, experienced women can transfer their knowledge and experience to women entrepreneurs.

4.9. In the formulation of its trade policy, including all these policies, Türkiye attaches great importance on the free, fair, predictable, non-discriminatory, inclusive, equitable and rules-based multilateral trading system, with the WTO at its center. Besides, Customs Union between Türkiye and the EU continues to constitute a significant cornerstone in Türkiye's foreign trade policy, as well as its bilateral relations with trading partners.

4.1 Multilateral Trade Policy

4.10. Multilateral trading system has always been at the center of Türkiye's trade policies since Türkiye became a party to the GATT and founding member of the WTO in 1995. Türkiye believes that multilateral trade rules provide much-needed stability and predictability in international trade relations and that the WTO should serve as the protector body of these rules.

4.11. In the aftermath of the pandemic and with increasing global turmoil and resulting historic commodity inflation cycle, the effective functioning of the WTO has become more important than ever.

4.12. The current paralysis of the Appellate Body of WTO is inadmissible for Türkiye, and reforming the WTO is needed to make the organization more functional, effective and responsive to the problems of the 21st century.

4.13. The successful conclusion of the WTO's 12th Ministerial Conference (MC 12), despite being under very pressured circumstances, demonstrated the willingness of the countries to continue their commitment to the rules based multilateral trading system with the WTO at its core. The partial conclusion of the Fisheries Subsidies Agreement is a sign that to reach multilateral agreements is still possible, despite the need to improve the functioning of the system.

4.1.1 WTO Reform

4.14. MC 12 also showed us the determination of the members to work towards the necessary reform of the WTO.

4.15. It is agreed that the work on the WTO reform should improve all its functions based on openness, transparency and inclusiveness.

4.16. Türkiye's priorities in the reform process are permanently restoring the two-tier functioning of the Dispute Settlement System; finding a mutually acceptable way to utilize the special and differential treatment principle without neglecting the rights given to the developing countries

through the WTO Agreements; updating WTO rule-book in certain fields such as agriculture, and also establishing new rules reflecting today's global conditions; and improving the effectiveness and efficiency of the WTO bodies.

4.1.2 WTO Dispute Settlement

4.17. Türkiye is an active participant of the Dispute Settlement Mechanism of the WTO. Since the final Trade Policy Review (TPR) of Türkiye in 2016, Türkiye has filed 5 disputes before the WTO Dispute Settlement Mechanism.

4.18. Among the recent disputes which were filed by Türkiye, three disputes can specifically be referred to. The first dispute is the DS523 which was filed by Türkiye against the United States concerning the implementation of countervailing measures on certain pipe and tube products. This was the first dispute to address the issue of whether an investigating authority may, consistent with Article 1.1(a)(1) of the SCM Agreement, establish that an entity is a public body through establishing a "chain" of governmental control attributing the actions of that entity to the government. Despite the fact that Türkiye prevailed in this Dispute, on 25 January 2019, the United States notified the DSB of its decision to appeal to the Appellate Body on certain issues of law and legal interpretations in the panel report. However, due to the inoperability of the Appeal Body, this Dispute could not be resolved by the Appellate Body.

4.19. The second dispute is the DS564 Dispute which was filed by Türkiye against the United States with regard to the additional duties imposed by the mentioned country on the steel and aluminum products. The Panel resolved this Dispute in favor of Türkiye and the Final Panel Report was circulated to the WTO Members on 9 December 2022. The ruling of the Panel is based on the fact that the measures at issue were not taken in time of war or other emergency in international relations within the meaning of Article XXI(b)(iii) of the GATT 1994, therefore the inconsistencies of the measures at issue with certain provisions of the GATT 1994 were not justified. In the DS564-Dispute, the Panel also decided that exemptions from the duties granted to steel and aluminum products from certain countries were inconsistent with the requirement of most-favored-nation treatment under Article I:1 of the GATT 1994. Pursuant to decision of the Panel, Türkiye expects full compliance of the United States with the Panel Decision.

4.20. The third dispute which requires attention is the DS595-Dispute which was resolved in favor of Türkiye as well by the WTO Panel. In this Dispute, the Panel concluded that the safeguard measures applied by the European Union on certain steel products were inconsistent with Article XIX:1(a) of the GATT 1994, because the European Commission did not ascertain that the increase in imports took place as a result of the unforeseen developments it had identified, and did not identify in its published reports the obligations whose effect resulted in the increase in imports. The Panel also ruled that these safeguard measures were also inconsistent with Article 4.1(b) of the Agreement on Safeguards, because two central elements of the European Commission's determination of a threat of serious injury were not "based on facts" as required by that provision. The decision of the Panel was not appealed by the European Union and it was adopted by the Dispute Settlement Body (DSB) on 31 May 2022. Türkiye expects the abolishment of the safeguard measures applied by the EU.

4.21. Despite the presence of some issues which are required to be resolved in order to attain a more efficient mechanism, in general, Türkiye was satisfied with the operation of the dispute settlement mechanism, till the end of 2019. However, the crisis prevailing at the Appellate Body of the World Trade Organization since December 2019 has disturbed the functioning of the entire WTO dispute settlement process. Türkiye attaches great importance to the well-functioning of the Dispute Settlement Mechanism as it is designed by the WTO Agreements. Türkiye's priority is to have the Appellate Body up and running again.

4.1.3 JSIs under the WTO

4.22. Türkiye always prefers to have multilateral solutions and rule-making to cope with global challenges. However, when there are pressing issues, Türkiye sees inclusive plurilateral negotiations as a way forward for the discussion of these issues and for setting up further cooperation among the agreeing members. Therefore, we are actively participating in the Joint Statement Initiatives that are of importance to Türkiye.

4.1.3.1 Joint Statement Initiative on Services Domestic Regulation (JSI on SDR)

4.23. Türkiye supports initiatives aimed at liberalizing and disciplining services trade and believes that there is untapped potential to be released by way of trade in services negotiations.

4.24. JSI SDR is extremely important not only as the first JSI to conclude but also because it delivers a tangible outcome on the 20 years of domestic regulation discussions under the WTO without precluding a multilateral agreement in line with the mandate contained under the GATS Article 6.4.

4.25. Internal ratification process of the Reference Paper is ongoing. Türkiye is prepared to finalize the internal ratification as soon as possible and to initiate the Certification process together with its partners under the JSI SDR.

4.1.3.2 Joint Statement Initiative on Investment Facilitation for Development (JSI on IFD)

4.26. Facilitation of investments have been an important strategy for Türkiye in its development plan. Having benefited from the disciplines to facilitate investments internally, Türkiye has been an active participant of the JSI on IFD with several key propositions to improve the text.

4.27. Türkiye welcomes the initiative as it furthers the JSI SDR to cover non-services investments as well as its stress on the development dimension.

4.28. Türkiye is committed to completion of the JSI on IFD negotiations as soon as possible with a view to improve transparency and streamlining of administrative procedures surrounding investments.

4.1.3.3 Joint Statement on Electronic Commerce (JSI on Ecom)

4.29. Türkiye highly values the JSI on Ecom given the fast-paced developments in the digital trade and the transformation of the global trading relations.

4.30. Türkiye believes that electronic commerce needs to be regulated and disciplined at a global level to be able to both reaping the benefits and to tackle challenges. Türkiye recognizes the WTO as the right forum to address e-commerce related issues and as such Türkiye welcomes JSI on e-commerce.

4.31. Türkiye is an active participant of the Initiative and is committed to delivering a rulebook fit for ecommerce which is balanced in terms of expectations of the business, the consumer and the governments.

4.1.3.4 Other Initiatives

4.32. Climate and more generally environmental sustainability policies that countries implement within their own national conditions form part of the global efforts to achieve climate goals. Trade is becoming an important component in combatting climate change and protecting the environment.

4.33. Sustainable development and protection of environment have always been integral part of the goals of the WTO, as stated in the Agreement Establishing the WTO, as complimenting features of the goal to eliminate barriers on trade and ensure non-discrimination. A lot of work has been conducted under the WTO up-until now to fulfill this goal.

4.34. Türkiye included environmental sustainability in its 11th Development Plan encompassing the years between 2019-2023, thus, launched a "Green Development Revolution". Türkiye ratified the Paris Agreement in 2021 and set its net zero emission target as 2053. Accordingly, Türkiye renewed its nationally determined contribution (NDC) at COP27 in November 2022.

4.35. In order to draw the legal framework of all these efforts, Türkiye started to work on its Climate Law including a carbon pricing mechanism. In addition, Türkiye prepared the Green Deal Action Plan, to support green transformation designed in alignment with the European Green Deal.

4.36. Türkiye also very closely follows and contributes to the discussions on climate policy and trade at the WTO. Within this framework, besides in the relevant WTO Committees, Türkiye actively participates and contributes to the discussions within the scope of Trade and Environmental Sustainability Structured Discussions (TESSD). Trade aspects of explicit and implicit carbon pricing, determining internationally accepted carbon standards and methodologies for the measurement of embedded emissions of traded goods, other non-price climate measures, working on a common understanding in identifying Environmental Goods and Services, trade and circular economy, and assessing potential environmental impact of subsidies are major areas the discussions are focusing. Challenges for developing countries and also for the MSMEs are an essential component of these discussions.

4.37. In these discussions, it is particularly important for Türkiye that countries' different circumstances are taken into consideration and rules and principles of the international environmental agreements as well as the WTO are respected in determining environmental policies that have trade effect.

4.38. Türkiye also values the results achieved in MSMEs and Women's Economic Empowerment Working Groups.

4.39. Considering the MSMEs' important role in growth and employment, Türkiye is a party to the MSMEs Working Group and supports its efforts in increasing and facilitating their participation in international trade towards enabling WTO rules.

4.40. Türkiye is also party to Women's Economic Empowerment Working Group, and supports its efforts in strengthening women's role in international trade. Türkiye's Women Entrepreneurs Network and Export Academy Program have been referred as best practices in the 2020 ITC report titled "Delivering on the Buenos Aires Declaration on Trade and Women's Economic Environment".⁵

4.2 Regional Initiatives

4.41. In a way strengthening its role in the multilateral trading system, Türkiye has been in pursuit of an active agenda in the regional organizations many of which indeed were established thanks to its leading efforts.

4.42. Being a founder of Economic Cooperation Organization (ECO), Developing-8 (D-8) and Black Sea Economic Cooperation (BSEC), Türkiye is taking an active role in promoting economic, technical and cultural cooperation with its regional partners.

4.43. Türkiye's strong engagement in regional organizations/arrangements has yielded a number of solid achievements so far in the area of trade liberalization, setting the ground for deeper cooperation with respective member states in the years to come.

4.44. ECO Trade Agreement (ECOTA), which came into force in April 2008, aims to reduce tariffs to a maximum of 15% for 80% of goods traded among member states whereas the D-8 Preferential Trade Agreement (D-8 PTA), which is in force as of August 2011, aims at gradual tariff liberalization and an immediate elimination of para-tariffs and non-tariff barriers in accordance with the modalities agreed upon.

4.45. In addition to ECOTA and D-8 PTA, Türkiye, as being one of the thirteen members⁶ of the Organization of Islamic Cooperation (OIC) that have completed, signed and ratified the legal instruments⁷ and submitted the list of tariff concessions, started to implement the Trade Preferential System of the Organization of Islamic Cooperation (TPS-OIC) as of 1 July 2022.

⁵ Viewed at: https://www.wto.org/english/tratop_e/womenandtrade_e/tig_rpt_dec20_e.pdf.

⁶ Bahrain, Bangladesh, Iran, Jordan, Kuwait, Malaysia, Morocco, Oman, Pakistan, Qatar, Saudi Arabia, Türkiye and UAE.

⁷ Viewed at: <https://www.comcec.org/trade/tps-oic/trade-preferential-system-among-the-member-states-of-the-oic/>.

4.3 Türkiye – EU Relations

4.46. Türkiye has linked partnership relation with the EU based on the Association Agreement (Ankara Agreement) since 1964 and the Customs Union was established in 1995 between the Parties. The European Council granted the status of candidate country to Türkiye in December 1999 and accession negotiations were opened in October 2005.

4.47. As of September 2022, 16 chapters have been opened to negotiations, one of which was provisionally closed. EU membership is a strategic objective for Türkiye. Türkiye is committed to the EU accession process and to the reform agenda it entails. In this respect, Türkiye adopted the "EU Strategy" to accelerate the accession process on 18 September 2014. Lately, Türkiye updated its National Action Plan for the EU Accession (NAP), which is one of the three main pillars of the EU Strategy (political reform and communication strategy are the other two pillars), to cover the years 2021-2023.

4.48. The Customs Union has strengthened the traditionally and historically intensive trade relations between Türkiye and the EU. Turkish exports to the EU increased from USD 10.6 billion in 1995 to USD 93 billion in 2021. During the same period, Turkish imports from the EU increased from USD 15.9 billion to USD 85.4 billion.

4.49. In 2021, the EU accounted for 41.3% of total exports and 31.5% of total imports of Türkiye. Similarly, Türkiye is an important trade partner of the EU. The foreign trade statistics of the EU for the year 2021 demonstrate that Türkiye ranks sixth at both imports and exports of the EU with shares of 3.7% and 3.6% respectively.

4.50. The product composition of the exports transformed parallel to changing production structure due to the improved competition conditions and market access advantages gained from the Customs Union. Apart from the traditional sectors like textile and clothing or iron and steel, certain high value-added sectors such as electronics, machinery and automotive increased both their shares in total exports and improved their competitiveness in the EU and the world market. In that respect, between 1995 and 2021, the share of agriculture sector in Turkish exports to the EU decreased from 15.4% to 7% and the share of textile and clothing sector decreased from 42.1% to 19.2%. However, the share of automotive sector increased from 2.5% to 17.4%, the share of machinery increased from 2.7% to 10% and the share of electronics sector increased from 4.5% to 5.5%.

4.51. Despite all, there occurred a need to revise and update the Customs Union.

4.52. On this issue, upon the initiative of the Commission, the World Bank prepared a Report on the 'Evaluation of the Customs Union', which was published in March 2014. The report confirms the existing asymmetries within the Customs Union and suggests the elimination of the existing systemic problems by extension of the Customs Union to new areas such as agriculture, services and public procurement.

4.53. During the high-level consultations in 2014, Türkiye agreed with the EU Commission to negotiate for updating the Customs Union. In this context, the report which forms the main framework for the negotiations, was endorsed in May 2015 by the parties. Based on this background, on 21 December 2016, the Commission applied to the Council for a mandate to initiate formal negotiations for the update of the Customs Union. In its conclusions of 1-2 October 2020, 25 March 2021 and 25 June 2021 the European Council has reiterated the need to launch a positive political EU-Türkiye agenda with a specific emphasis on the modernization of the Customs Union and trade facilitation. However, as of 2022, the mandate has not yet been given to the Commission by the Council.

4.3.1 Preferential Trade Agreements

4.54. Currently, Türkiye has 22 FTAs in force; namely, EFTA, Israel, Macedonia, Bosnia-Herzegovina, Palestine, Tunisia, Morocco, Egypt, Albania, Georgia, Montenegro, Serbia, Chile, Mauritius, South Korea, Malaysia, Moldova, Faroe Islands, Singapore, Kosovo, Venezuela and the United Kingdom. Ukraine, Lebanon, Sudan and Qatar FTAs will enter into force following the completion of their internal approval process.

4.55. In addition, Türkiye has two Preferential Trade Agreements (PTA) with two countries (Iran and Azerbaijan) in effect, and PTA negotiations with Uzbekistan are concluded and the Agreement was signed on 29 March 2022 and is now under ratification process. PTA negotiations with Pakistan are also concluded and the Agreement was signed on 12 August 2022 and is now under ratification process.

4.3.1.1 New Free Trade Agreements

4.3.1.1.1 Türkiye – United Kingdom FTA

4.56. Upon Brexit, Türkiye-UK FTA was signed on 29 December 2020 and it entered into force on 1 January 2021. Under this FTA, which is a continuity Agreement, customs duties on industrial goods remained zero, concessions on agricultural and processed agricultural products were scaled and reflected to the FTA. The Agreement sets the basic rules and disciplines to be applied to trade in goods within 13 chapters, including intellectual property, technical barriers to trade, trade remedies, sanitary and phytosanitary measures, and competition policy chapters. Therefore, with the FTA, the negative effects of Brexit on Türkiye-UK commercial relations were prevented.

4.57. There is also a review clause in the FTA, according to which, no later than two years after the date of the entry into force, the Parties are expected to commence a review of the FTA with a view to replacing, modernizing or expanding it. Parallel to that the issues related to the operation of the FTA were discussed and it was decided to establish working groups and start working for the review process.

4.3.1.1.2 Türkiye -Venezuela FTA

4.58. Trade Development Agreement between two countries entered into force on 21 August 2020. The Agreement contains provisions on removal of tariff and non-tariff barriers to trade in goods, rules of origin, technical barriers to trade, sanitary and phytosanitary measures, trade policy measures, settlement of disputes, intellectual property rights, and institutional provisions.

4.3.1.1.3 Türkiye -Moldova FTA

4.59. The FTA with Moldova was signed on 11 September 2014 and entered into force on 1 November 2016. Within the scope of this FTA, all customs duties on industrial products were abolished. In addition to that, concessions were granted for a limited number of agricultural products. There are also provisions on sanitary and phytosanitary measures, technical regulations, intellectual property rights, government procurement and dispute settlement.

4.3.1.1.4 FTAs under Ratification Process

4.60. FTAs that were concluded after the last review, but still are under ratification process are as follows:

4.61. Türkiye-Sudan FTA which only covers trade in goods was signed on 24 December 2017.

4.62. Türkiye-Qatar FTA which covers both trade in goods and services was signed on 26 November 2018.

4.63. The comprehensive Free Trade Agreement between Türkiye and Ukraine, including chapters on trade in goods and services was signed on 3 February 2022.

4.64. Preferential Trade Agreements with Uzbekistan and Pakistan were signed on 29 March 2022 and 12 August 2022 respectively.

4.3.1.2 Modernization of Existing Free Trade Agreements

4.3.1.2.1 EFTA Free Trade Agreement

4.65. The Türkiye-EFTA FTA, which entered into force on 1 April 1992, establishes a preferential trade regime between Türkiye and EFTA States regarding industrial goods, fisheries, processed agricultural products and basic agricultural products. Modernized version of the FTA was signed on 25 June 2018 and entered into force on 1 October 2021.

4.66. With the update of the FTA, chapters on services trade, trade and sustainable development and trade facilitation are included and the provisions on intellectual property rights and dispute settlement are expanded in the FTA. Market access concessions regarding processed agricultural products between Türkiye and Switzerland are also updated. Parallel to the FTA, the Agreement which updates the market access concessions on basic agricultural products between Türkiye and Switzerland was signed on 25 June 2018 and entered into force simultaneously on 1 October 2021.

4.3.1.2.2 Bosnia and Herzegovina Free Trade Agreement

4.67. The Türkiye-Bosnia and Herzegovina FTA, which entered into force on 1 July 2003, establishes a preferential trade regime between Türkiye and Bosnia and Herzegovina regarding trade in goods. Modernized version of the FTA was signed on 2 May 2019 and entered into force on 1 August 2021. With the update of the FTA, chapters on services trade and government procurement are added and the provisions on dispute settlement are also expanded in the FTA.

4.3.1.2.3 Serbia Free Trade Agreement

4.68. Protocols expanding the scope of the Agreement to include additional agricultural concessions and services trade were signed in Ankara on January 30, 2018 and entered into force as of June 1, 2019.

4.3.1.2.4 Montenegro Free Trade Agreement

4.69. The revised Protocol I (which covers liberalization of agricultural products) to the RTA between Türkiye and Montenegro and a new Protocol III (related to trade in services) entered into force on 1 July 2022. With the revised Protocol I, concessions on agricultural and processed agricultural products are expanded. Also, with the Protocol III provisions on telecommunication services, e-commerce, financial services, films and TV series, and temporary presence of real persons for business purposes are included in the FTA.

4.3.1.2.5 Georgia Free Trade Agreement

4.70. The Türkiye-Georgia FTA entered into force in 2008. With the FTA, all customs duties on industrial goods were abolished. In order to extend to the scope of the FTA, a Joint Committee Decision on reciprocal agricultural concessions and a new Protocol III on trade in services were signed in 9 September 2022. With the Decision, concessions on agricultural and processed agricultural products are expanded. With the Protocol III, provisions related to financial services, free movement of persons, telecommunication, e-commerce, transportation, postal and cargo services are added to the FTA. Internal ratification processes for entry into force of the Decision and the Protocol III are ongoing.

4.3.1.2.6 Malaysia Free Trade Agreement

4.71. The Türkiye-Malaysia FTA, which entered into force on 1 August 2015, establishes a preferential trade regime between Türkiye and Malaysia regarding trade in goods. First Protocol to Amend the Free Trade Agreement Between the Government of the Republic of Türkiye and the Government of Malaysia, which extended the scope of the FTA to include Trade in Services, Movement of Business Persons, -Commerce and Investment Chapters and their respective Annexes, was signed on 29 September 2022 in Ankara. The internal approval procedure of the First Protocol is ongoing for both countries as of 21 December 2022.

4.3.1.3 Free Trade Agreements under Negotiation

4.72. There are 14 countries/country blocs that Türkiye has started FTA negotiations. Türkiye has been actively engaged in negotiations with 4 of them; namely Japan, Thailand, Indonesia, and U.A.E. In addition to that Türkiye continues its efforts to speed up the FTA negotiations with Mexico, Peru, Colombia, MERCOSUR, Ecuador, Somalia, Cameroon, Gulf Cooperation Council, Seychelles and Djibouti.

4.73. Additionally, PTA negotiations with Mauritania continue.

4.3.2 Türkiye's Green Transition

4.74. Cognizant of the significance of climate change, Türkiye has accelerated its efforts in green transformation in the past few years.

4.75. Türkiye launched "Green Development Revolution" and ratified the Paris Agreement on 6 October 2021, setting the target of net zero emission by 2053.

4.76. Türkiye declared its renewed nationally determined contribution (NDC) at COP27 in 2022. According to the new NDC, the previously set emissions reduction target of 21% has been changed to 41% from business as usual by 2030.

4.77. Moreover, the First Climate Council was held in February 2022 by Ministry of Environment, Urbanization and Climate Change with broad participation of representatives.

4.78. With this meeting, roadmaps for energy, transportation and industry, agriculture, waste, buildings and forestry, green finance, carbon pricing, adaptation to climate change, role of local administrations, migration, just transition and social policies, education and awareness, science and technology, biodiversity, clean and circular economy, clean and secure energy, sustainable agriculture, sustainable transport and horizontal sectors.

4.79. Considering Türkiye's deep integration with the EU as a result of the Customs Union, every EU legislative action related to trade have significant impact on Türkiye's international trade. Therefore, policy coherence with the EU is particularly important for Türkiye.

4.80. As with all EU legislations, Türkiye has been closely following the developments on the European Green Deal from the outset. In this respect, Türkiye's priority is to ensure that the new measures introduced by the EU Green Deal such as carbon border adjustment mechanism (CBAM) and policies under the circular economy action plan do not run contrary to the requirements related to the Customs Union and other international commitments of both sides.

4.81. For this purpose, Türkiye maintains close cooperation and dialogue with the European Commission to align its trade policies in this regard with the EU and to promote the green transformation of the European and Turkish economies in line with mutual development goals.

4.82. As part of Türkiye's efforts of adaptation and mitigation to climate change and green transformation, Türkiye's Green Deal Action Plan was made public on 16 July 2021. With 81 actions and 32 objectives under 9 priority headings⁸, Türkiye's Green Deal Action Plan has become a part of Türkiye's Green Development Revolution.

4.83. Ministry of Trade is at the core of the work under the Action Plan and coordinating the "Green Deal Working Groups" meetings on every technical/sectoral topic such as CBAM, national carbon pricing, national circular economy, clean energy and green finance as well as specific sectors such as aluminum, cement, steel, textile and construction.

4.84. In order to draw the legal framework of all these efforts, we started to work on our Climate Law with a Climate Council including representatives from the public, private sector, academia and

⁸ Carbon Border Adjustments, Green and Circular Economy, Green Financing, Clean Economic and Secure Energy Supply, Sustainable Agriculture, Sustainable Smart Mobility, Combating Climate Change, Diplomacy, European Green Deal Information and Awareness-raising Activities.

finance. This framework will include a carbon pricing mechanism with a focus on establishing an ETS in Türkiye.

4.85. Works on concluding our National Green Taxonomy, National Circular Economy action plan and developing a National Climate Finance Strategy are also going on.

4.86. The 11th Development Plan encompassing the years between 2019-2023 already had the green transformation objective while the next development plan that is being prepared for the years 2024-2028 will fully encompass our green development revolution.

4.4 Trade Facilitation

4.87. With the goal of becoming a trade centre that is easy to do business with, Türkiye is a strong supporter of the trade facilitation agenda. As an effective instrument to reduce time and cost to trade as well as to cut the red tape at the border, trade facilitation is foreseen as a key in terms of economic growth and the competitiveness of the country. Wide-range of trade facilitation efforts being applied, enabled Türkiye to show better performance in international indexes, as was shown by the World Bank Doing Business Index where Türkiye was listed in the 33th place, in 2020, moving up from the 62nd place in 2016.

4.88. Since its entry into force, Türkiye is devoted to the WTO trade facilitation agenda and is a strong supporter of the implementation of the WTO Trade Facilitation Agreement. With the two notifications made in 16 July 2014 (WT/PCTF/N/TUR/1) and 15 March 2018 (G/TFA/N/TUR/1) respectively, Türkiye has notified all provisions of the Section II of the TFA in Category A.

4.89. Coordination Committee on Trade Facilitation being established, by the Prime Ministry's Circular No. 2016/27 with its original 18 public and private sector members, which then re-organized its structure with the Presidency Circular No. 2019/6 lies at the heart of Türkiye's trade facilitation efforts at home. While allowing comprehensive implementation of the WTO TFA provisions and other international regulations towards simplification of border procedures, Coordination Committee on Trade Facilitation acts as an efficient forum for gathering all government agencies and private sector stakeholders and creating nation-wide solutions to local problems arising in the field. Committee grants two-level of benefits for Türkiye within trade facilitation measures. While at the technical level, relevant experts from every part of international supply chain work on deficient areas related to border procedures and create solutions for these bottlenecks, at the political level it ensures implementation of these solutions with the help of National Trade Facilitation Strategy of Türkiye.

4.90. At the center of simplification of customs procedures efforts of Türkiye lies Authorized Economic Operator (AEO) system. Established in 2013, system includes several simplifications within the context of import and export procedures, ranging from authorized consignor to priority clearance and local clearance within premises of companies. AEO certification is open to manufacturers, importers, exports, freight forwarders and transporters which comply with customs compliance, safety-security, financial solvency and reliability and management of commercial records criterion. As of October 2022, 645 operators have AEO certificates, enjoying facilitation measures deployed by customs administration.

4.91. Besides, since its last review, Türkiye has implemented electronic and digital solutions within its border procedures. In 2019, "Digital Customs in Export" project has been initiated in order to fully automate all export procedures in customs and dematerialize documents used in these procedures. To date, 171 documents have been transferred to electronic environment, which allows operators to electronically submit and sign their documents through web services of customs administration.

4.92. In relation to digital applications, in 2013, all authorization and coordination procedures regarding Single Window System has been given to Turkish customs. From that date, a total of 22 government and non-governmental institutions authorized for issuance of import and export licenses integrated into system. Operators can apply, submit data and receive 170 documents used in foreign trade through electronic channels.

4.93. For achieving a faster release of goods, in 2019, Türkiye has initiated a "Pre-arrival Processing" scheme for providing a way to submit data for import before arrival of goods to be

processed. This way, a preliminary risk analysis can be done for goods arriving through air or sea and enable rapid goods cleared through customs rapidly.

4.94. Türkiye strengthens its digital infrastructure to meet the needs of the modern age, and is developing multi-layered customs applications, such as the BİLGE System, in a more user-friendly manner. With the BİLGE Customs Platform, all stakeholders are able to make a declaration on a single electronic access point and the declaration processes are shortened significantly. On the other hand, Türkiye continues to work on transitioning to the updated version of its Common Transit System, which is integrated end-to-end with 36 countries, including European countries. The project aims to create a temporary storage place for records of goods arriving by air and sea. A pilot application was carried out on the sea route, and analysis, on-site inspection and design studies were completed for digitalization of airline transactions. The study will continue in 2023 for transferring all processes related to goods transported by air to electronic environment.

4.95. In line with bilateral and regional relations, Türkiye is pursuing a trade facilitation agenda with its trading partners for lowering release times and costs, increasing trade volume and establishing efficient coordination mechanisms. In ECO, BSEC, D-8 and Organization of Turkic States (OTS), with the initiative of Türkiye, Regional Trade Facilitation Strategy talks are still continuing. Also, within context of bilateral trade, Türkiye tries to establish bodies for joint meetings for National Trade Facilitation Committees for solving bottlenecks together with trading partners.

4.5 Türkiye in Other Multilateral Fora

4.5.1 The Group of Twenty (G20)

4.96. With its weight in global economy, G20 provides an important platform to act together and adopt integrated, coordinated and effective policies to meet the global challenges that need global actions. G20 provides an invaluable forum for discussions and bringing critical actors together in times of crisis as well.

4.97. Under G20 trade agenda, members have the opportunity to discuss substantial matters that concern all countries and try to find a way forward, such as the WTO reform, participation and resilience of global value and supply chains, the role of the MSMEs, sustainable development, environment, and food security.

4.98. Türkiye attaches importance to G20 as a forum bringing together advanced and emerging economies. Therefore, it actively supports to further develop G20 agenda. Supporting multilateral system, inclusiveness and equality, sustainable growth, and ensuring MSMEs participation in economic activities are major concerns for Türkiye in the overall trade and investment agenda of the G20.

4.5.2 MIKTA

4.99. As a cross-regional consultative platform bringing together countries from diverse cultures and regions, to which they are strongly linked, MIKTA offers a valuable opportunity to build up dialogue for trade and economic cooperation among Mexico, Indonesia, Republic of Korea, Australia and Türkiye.

4.100. Since the creation of the Group in 2013, MIKTA countries have established among themselves an exemplary model of collaboration and consultation to play a constructive role in the international agenda and together they have made active contributors to major international fora. This, in return, has enabled them to exert greater influence in global governance and further their bilateral ties, including trade and economic relations with each other.

4.101. Assuming the MIKTA Chairmanship for 2022, hence coordinating its activities with a special emphasis on the current global challenges including health, environment, food security and migration Türkiye aims to maintain the momentum of collaboration and solidarity in MIKTA and to explore further possibilities for deepening cooperation on trade and economic issues in the period ahead.

5 FUTURE ECONOMIC AND TRADE POLICY GOALS

5.1. Although, Turkish economy –together with global economy- has had hard times in the last couple of years, Türkiye still sticks to its growth targets for 2023, the centenary of the foundation of the Republic, and beyond.

5.2. Achieving its 2023 targets requires Türkiye to transform its export composition from low-tech to high-tech products, to diversify its target markets and sectors for exports, and to pursue a pro-active policy both in goods and services exports. In the same vein, as the transformation of trade has been under way for some time, Türkiye needs to better locate itself in international fragmentation of production in global value chains. Despite the considerable progress achieved in the last two decades, additional steps including those related to wider trade and economic environment are needed to be taken so that Türkiye, as a country perfectly located at the heart of multiple supply chains, could gain greater visibility in the global value chains. Further continuation of domestic reforms is believed to be lifting competitiveness in a way helping Türkiye to move up in the global supply chains.

5.3. Besides; Türkiye is now focusing on boosting its trade with distant countries as well as working to remove all the obstacles its economic operators have been facing in those markets. In order for Türkiye to realize this target, the guiding strategy document, "Far Countries Strategy" has been implemented. Thanks to this strategy, among other benefits for increasing economic and commercial cooperation of Turkish business circles with their counterparts in far countries, the average distance of Türkiye's exports, which stands at 3,065 km currently, is set to be increased to the world average at 4,744 km, and the market share of Turkish exports is set to be increased to at least 1%, which is Türkiye's share in the world exports.

5.4. Last but not the least, trade liberalization at all fronts, with its potential to deliver new trading opportunities, will be carrying Türkiye forward towards accomplishing its 2023 Vision. In this respect, with the outbreak of the COVID-19 pandemic, Türkiye observed the needs and requirements of the manufacturers and exporters, and introduced high-tech solutions to assist their quest of finding alternative markets. The "Easy Export Platform," for example, is an AI-based system offering potential exporters up to 15 recommendations. The system takes into consideration features like customs duties, non-tariff measures and rules of origin; and benefits from data and information of 16 different databases, and provides tailor made market and product recommendations for free to Turkish citizens and companies.

5.5. At the centenary of the Republic, when this trade review exercise is being conducted out, beyond the objectives of developing the foreign trade of the country for increasing the welfare of its population, Türkiye remains committed to the global Sustainable Development Goals for a fair distribution of the world resources, leaving no one behind, to reach common prosperity and peace at the world. For this purpose, Türkiye sees the rules-based multilateral trading system as a central and common good of the international system, that needs to be kept fully functional and to be further strengthened. Within this perspective, Türkiye remains available to work actively with all its partners towards achieving these objectives.

6 APPENDIX TABLES

Table 1 Exports by Countries and Regions (General Trade System)

(USD '000)

	2016	2017	2018	2019	2020	2021
Total	149.246.999	164.494.619	177.168.756	180.832.722	169.637.755	225.214.458
A-EU COUNTRIES (27)	59.981.416	67.987.332	77.429.205	76.726.198	70.019.688	93.052.537
TURKIYE						
B-OTHER COUNTRIES	89.265.583	96.507.288	99.739.551	104.106.524	99.618.068	132.161.921
1-Other European Countries	22.055.816	20.229.606	23.921.002	24.445.348	24.406.435	31.465.045

	2016	2017	2018	2019	2020	2021
2-North African Countries	8.069.446	7.918.462	9.915.077	10.828.878	9.224.060	13.336.357
3-Other African Countries	3.833.943	4.318.839	5.173.872	5.794.323	6.016.613	7.875.566
4-North American Countries	8.092.611	10.359.398	10.411.462	9.956.682	11.188.515	16.407.568
5-Central America and Caribbean	957.812	1.272.574	1.648.509	1.766.889	1.452.892	2.443.192
6-South America Countries	1.127.996	1.349.588	1.872.836	1.833.081	1.928.598	3.592.875
7-Near and Middle Eastern	33.869.634	38.221.058	32.402.888	35.009.090	31.333.151	38.354.547
8-Other Asian Countries	10.272.156	11.924.636	13.302.023	13.399.488	12.775.610	17.233.730
9-Australia and New Zealand	766.460	674.047	825.020	782.359	837.289	1.127.649
10-Other Countries	219.710	239.081	266.863	290.386	454.904	325.394
C- Selected country groups						
OECD Countries	83.111.580	88.997.882	101.311.004	99.581.207	95.055.097	125.880.141
EFTA Countries	3.336.916	1.689.568	2.332.242	1.794.638	1.847.595	2.225.501
Organization of Black Sea Economic Co-operation	13.800.648	16.580.157	19.390.352	20.446.305	20.301.135	27.699.352
Organization for Economic Co-operation	10.504.662	9.121.916	8.034.493	8.707.799	8.684.248	11.267.261
New Independent States	5.593.792	7.204.981	8.502.347	9.557.843	10.261.584	13.625.495
Turkish Republics	4.358.110	4.540.394	4.417.965	5.107.351	5.429.515	7.206.443
Organization of Islamic Conference	44.347.122	48.627.009	44.841.257	48.767.654	43.736.501	56.662.800

Table 2 Exports by Sectors (General Trade System)

(USD '000)

	2016	2017	2018	2019	2020	2021
Total	149.246.999	164.494.619	177.168.756	180.832.722	169.637.755	225.214.458
1- Agricultural products	18.498.032	19.093.504	19.864.052	20.279.496	21.241.183	25.901.378
i- Food	17.736.042	18.360.991	18.961.758	19.364.473	20.327.845	24.499.264
(0) Food and live animals	15.063.171	15.794.323	16.309.888	16.801.450	17.460.540	20.956.952
(00) Live animals	27.914	34.673	57.966	84.612	83.406	106.121
(04) Cereals and cereal preparations	3.121.110	3.220.960	3.303.486	3.399.475	3.397.575	3.836.753
(05) Fruits and vegetables	7.557.856	7.664.626	7.616.815	8.008.731	8.679.229	9.886.783
(06) Sugar, sugar preparations and honey	561.599	645.434	658.036	667.997	698.486	1.026.530

	2016	2017	2018	2019	2020	2021
(08) Feeding stuff for animals	259.721	343.257	422.066	419.634	421.432	702.444
(01, 02, 03, 07, 09) Others	3.534.971	3.885.373	4.251.518	4.221.002	4.180.412	5.398.320
(1) Beverages and tobacco	1.309.039	1.272.254	1.374.969	1.262.552	1.234.896	1.216.433
(11) Beverages	293.266	319.865	361.857	352.759	325.682	434.754
(12) Tobacco and tobacco manufactures	1.015.773	952.389	1.013.112	909.793	909.214	781.679
(4) Animal and vegetable oils, fats and waxes	940.618	954.692	922.346	895.813	1.287.661	1.875.176
(22) Oil seeds and oleaginous fruits	423.214	339.723	354.555	404.658	344.747	450.704
ii-Agricultural raw materials	761.990	732.513	902.294	915.023	913.338	1.402.114
(21) Hides, skins and furskins, raw	5.605	4.105	4.129	4.604	2.587	7.367
(23) Crude rubber (including synthetic, reclaimed)	36.379	47.534	51.310	48.077	69.537	83.065
(24) Cork and wood	22.036	26.724	36.551	65.003	75.273	128.631
(25) Pulp and waste paper	24.084	22.026	32.591	57.850	60.712	78.347
(26) Textile fibres (other than wool tops) and their wastes	471.921	423.969	530.356	464.122	410.098	719.690
(29) Crude animal and vegetable materials, n.e.s.	201.964	208.155	247.357	275.367	295.131	385.014
2-Mining products	8.337.429	10.976.753	12.741.243	14.853.876	11.407.063	19.471.361
i-(27, 28) Metalliferous ores and metal scrap	2.848.258	3.772.746	3.793.933	3.447.653	3.382.817	4.808.350
ii-Minerals fuels, lubricants and related materials (3)	3.190.048	4.529.729	5.532.449	8.126.918	4.567.836	8.310.417
(32) Coal, coke and briquettes	3.751	7.017	16.989	5.707	8.479	21.007
(33) Petroleum, petroleum products and related materials	3.092.032	4.308.101	5.300.164	7.913.842	4.369.590	7.813.076
(34) Gas, natural and manufactured	80.676	132.734	115.675	102.945	107.963	227.980
(35) Electric current	13.589	81.877	99.621	104.425	81.804	248.355
ii-Non-ferrous metals (68)	2.299.123	2.674.278	3.414.861	3.279.305	3.456.410	6.352.594
3-Manufactures	111.988.507	125.222.987	139.107.820	140.645.848	131.466.097	172.610.551
i-Iron and steel (67)	7.252.840	9.539.433	13.158.510	11.505.690	10.113.905	18.940.649
ii-Chemicals	8.381.310	8.951.790	10.631.558	11.392.690	12.527.216	16.107.110
(57, 58) Plastics	3.400.498	3.651.221	4.264.441	4.357.255	4.430.204	6.704.611
(54) Pharmaceutical products	984.144	1.032.508	1.334.906	1.458.316	1.853.005	1.923.874
(51, 52, 53, 55, 56, 59) Other chemicals	3.996.668	4.268.061	5.032.210	5.577.119	6.244.007	7.478.626

	2016	2017	2018	2019	2020	2021
iii-Other semi-manufactures	14.050.686	15.325.835	17.121.047	18.132.631	17.967.538	23.232.471
(61) Leather, leather manufactures, n.e.s. and dressed	263.969	293.156	301.430	304.890	203.920	322.761
(62) Rubber manufactures, n.e.s.	2.231.710	2.512.741	2.828.179	2.851.057	2.524.916	3.283.652
(63) Cork and wood manufactures (excluding furniture)	643.063	725.959	781.931	810.353	902.495	1.345.813
(64) Paper, paperboard and articles of paper pulp, of paper	1.844.261	2.037.495	2.264.543	2.434.935	2.367.620	2.774.095
(66) Non-metallic mineral manufactures, n.e.s.	3.404.760	3.504.665	3.867.109	4.440.398	4.794.282	5.900.751
(661) Lime, cement and fabricated construction	1.523.609	1.565.175	1.702.610	1.978.573	2.339.158	2.730.894
(664, 665) Glass and glassware	913.555	877.570	927.102	1.060.724	1.007.197	1.274.717
(66- (661+664+665)) Others	967.596	1.061.921	1.237.396	1.401.101	1.447.927	1.895.140
(69) Manufactures of metals, n.e.s.	5.662.922	6.251.819	7.077.856	7.290.997	7.174.305	9.605.399
iv-Machinery and transport equipment	43.834.328	51.233.893	55.745.838	55.917.064	49.813.331	60.554.187
(781, 782, 783, 784, 7132, 7783) Automotive products	20.195.956	24.613.585	27.162.176	26.204.525	21.576.723	24.122.320
(75, 76, 776) Office machines and telecommunications	2.208.958	2.195.204	2.196.677	2.088.355	1.705.935	1.978.666
(71-713) Power generating machinery	1.281.189	1.314.520	1.481.118	2.046.383	1.567.203	2.027.606
(72, 73, 74) Other non-electrical machinery	7.351.822	8.420.925	10.050.286	10.773.943	10.472.177	13.293.523
(79, 785, 786, 7131, 7138, 7139) Other transport	4.224.936	5.642.431	4.955.973	5.045.175	4.725.486	6.425.515
(77- (776+7783)) Electrical machinery and apparatus	8.571.467	9.047.230	9.899.608	9.758.683	9.765.807	12.706.557
v- Textiles (65)	11.168.991	11.663.137	11.897.797	11.789.754	11.710.237	15.176.788
vi- Clothing (84)	15.637.558	15.763.291	16.318.020	16.391.233	15.355.137	18.744.398
(848.1, 848.3) Articles of apparels, clothing accessories & other	227.777	249.734	258.248	243.524	181.718	242.775
(84- (848.1, 848.3)) Other clothing apparels	15.409.781	15.513.557	16.059.773	16.147.709	15.173.419	18.501.623
vii-Other consumer goods (81, 82, 83, 85, 87, 88, 89 (-891))	11.662.794	12.745.609	14.235.050	15.516.786	13.978.733	19.854.948
(81) Prefabricated buildings; sanitary, plumbing, heating and	1.416.548	1.554.852	1.723.552	1.685.873	1.694.882	2.186.895

	2016	2017	2018	2019	2020	2021
(82) Furniture, bedding, mattress supports and cushions	2.287.096	2.420.437	2.954.331	3.352.387	3.312.693	4.131.764
(83) Travel goods, handbags and similar containers	139.940	156.515	196.212	213.618	158.740	254.313
(85) Footwear	728.680	796.357	920.467	958.238	829.418	1.081.829
(87) Professional, scientific and controlling instruments	744.946	863.905	934.088	1.061.042	1.245.864	1.256.051
(88, 89- (891)) Other manufactured articles	6.345.584	6.953.542	7.506.400	8.245.628	6.737.136	10.944.097
4- Other products (9+891)	10.416.453	9.196.828	5.451.106	5.047.188	5.511.764	7.223.317

Table 3 Imports by Country Groups (General Trade System)

(USD '000)

Country groups	2016	2017	2018	2019	2020	2021
Total	202.189.242	238.715.128	231.152.483	210.345.203	219.516.807	271.425.553
A-European Union (EU 27)	75.267.734	81.971.590	77.051.249	67.913.047	73.337.528	85.383.160
B-Other countries	126.921.508	156.743.538	154.101.234	142.432.156	146.179.279	186.042.393
1-Other European Countries	27.919.268	39.057.502	38.042.952	36.934.693	35.754.498	44.757.747
2-North African Countries	3.252.568	4.203.460	4.685.547	4.009.992	4.757.326	5.417.703
3-Other African Countries	2.151.987	2.978.629	2.451.876	1.810.756	2.552.458	2.814.891
4-North American Countries	12.421.410	14.524.064	14.978.319	13.479.195	12.603.357	14.227.398
5-Central America and Caraipts	1.116.729	1.071.318	845.117	941.258	1.030.980	1.098.955
6-South American Countries	4.374.393	6.319.495	8.162.498	5.574.634	5.997.999	7.771.653
7-Near and Middle Eastern	14.236.600	20.465.558	18.923.721	16.088.786	20.275.717	16.125.835
8-Other Asian Countries	54.012.227	57.619.977	53.875.139	47.340.718	49.030.863	68.242.145
9-Australia and New Zealand	708.206	2.277.958	1.116.013	1.083.957	442.416	1.157.608
10-Other Countries	6.728.119	8.225.578	11.020.053	15.168.167	13.733.664	24.428.458
C-Selected country groups						
1-OECD Countries	106.426.195	123.324.645	115.052.413	100.295.859	108.318.120	120.833.412
2- EFTA Countries	3.222.514	7.801.790	3.682.931	4.179.497	8.479.771	3.955.588

Country groups	2016	2017	2018	2019	2020	2021
3-Organization of the Blacksea Economic Cooperation	25.023.971	31.627.320	34.075.764	33.881.585	28.044.303	43.741.733
4- Organization for Economic Cooperation	8.076.440	11.562.105	10.998.888	7.513.798	4.609.606	8.311.685
5-Commonwealth of Independent States	18.222.582	23.597.413	26.288.573	26.777.749	20.991.494	34.042.205
6-Turkish Republics	2.827.054	3.358.729	3.323.250	3.377.189	2.971.786	4.943.973
7-Organization of Islamic Cooperation	23.762.739	32.673.009	29.916.584	26.221.792	30.992.576	30.548.776

Table 4 Imports by Sectors (General Trade System)

(USD '000)

	Year	2016	2017	2018	2019	2020	2021
	Total	202.189.242	238.715.128	231.152.483	210.345.203	219.516.807	271.425.553
0	Food and live animals	7.752.439	9.772.700	10.001.818	10.121.573	9.916.582	11.378.204
0	Live animals other than animals of division 03	603.822	1.212.194	1.767.909	700.574	446.859	310.235
1	Meat and meat preparations	100.808	159.597	325.609	89.384	75.989	78.726
2	Dairy products and birds eggs	144.934	153.313	158.273	154.324	127.023	116.820
3	Fish, crustaceans, molluscs and aquatic invertebrates, and preparations thereof	189.426	237.065	198.812	199.194	163.866	222.519
4	Cereals and cereal preparations	1.591.428	2.177.630	2.480.873	3.680.506	3.458.953	4.480.635
5	Fruits and vegetables	1.838.895	2.018.307	1.545.067	1.634.703	1.709.663	1.833.023
6	Sugar, sugar preparations and honey	264.894	250.909	213.390	188.513	236.178	141.576
7	Coffee, tea, cocoa, spices and manufactures thereof	941.200	1.109.665	963.098	1.091.823	1.205.851	1.300.345
8	Feeding stuff for animals	1.430.785	1.741.335	1.600.770	1.705.017	1.768.073	2.047.528
9	Miscellaneous edible products and preparations	646.248	712.686	748.017	677.535	724.127	846.799
1	Beverages and tobacco	1.003.885	957.550	1.003.716	1.024.386	922.759	1.008.060
11	Beverages	240.833	269.774	265.212	274.449	257.499	364.212
12	Tobacco and tobacco manufactures	763.052	687.776	738.504	749.937	665.260	643.848

	Year	2016	2017	2018	2019	2020	2021
2	Crude materials, inedible, except fuels	11.936.583	15.769.715	16.938.373	15.027.897	15.571.378	24.456.197
21	Hides, skins and furskins, raw	87.158	118.364	138.218	122.522	92.927	114.222
22	Oil seeds and oleaginous fruits	1.687.274	1.753.761	1.796.538	1.944.103	2.203.555	2.393.628
23	Crude rubber (including synthetic, reclaimed)	708.789	1.000.208	984.878	889.011	817.032	1.360.302
24	Cork and wood	581.942	522.293	459.922	205.705	196.754	212.757
25	Pulp and waste paper	736.046	946.241	1.081.061	997.960	935.874	1.231.399
26	Textile fibres (other than wool tops) and their wastes	2.609.074	3.205.076	2.960.743	2.946.815	2.665.800	3.790.102
27	Crude fertilizers and crude ores (excluding coal, petroleum and precious stones)	375.842	412.007	489.153	413.468	394.150	556.247
28	Metalliferous ores and metal scrap	4.816.536	7.455.770	8.692.404	7.201.187	7.939.103	14.403.287
29	Crude animal and vegetable materials, n.e.s	333.922	355.996	335.455	307.126	326.184	394.252
3	Mineral fuels, lubricants and related materials	12.178.353	16.957.010	20.701.691	15.148.861	10.897.359	17.409.998
32	Coal, coke and briquettes	2.749.186	4.341.596	4.657.434	3.725.284	2.885.717	4.600.888
33	Petroleum, petroleum products and related materials	8.014.034	10.893.485	14.113.153	10.007.245	6.780.431	10.744.359
34	Gas, natural and manufactured	1.201.518	1.636.428	1.874.073	1.375.726	1.175.639	2.010.742
35	Electrical energy	213.614	85.501	57.031	40.606	55.572	54.009
39	Confidential data						
4	Animal and vegetable oils, fats and waxes	1.641.746	1.466.674	1.168.549	1.191.409	1.592.526	2.440.559
41	Animal oils and fats	76.955	79.341	99.827	97.068	101.815	101.953
42	Fixed vegetable fats and oils, crude refined or fractionated	1.522.631	1.317.460	1.012.481	1.042.022	1.441.693	2.282.607
43	Animal and vegetable fats and oils, processed; waxes of animal or vegetable origin; inedible mixtures	42.160	69.873	56.242	52.319	49.017	56.000

	Year	2016	2017	2018	2019	2020	2021
5	Chemicals and related products, n.e.s.	27.819.257	31.762.649	32.395.140	30.975.437	30.848.703	44.424.834
51	Organic chemicals	4.326.538	5.415.321	6.124.101	5.615.220	5.670.581	9.024.912
52	Inorganic chemicals	1.189.036	1.401.850	1.500.489	1.597.122	1.495.289	2.148.140
53	Dyeing, tanning and colouring materials	1.765.309	2.036.338	2.040.306	1.922.309	1.945.444	2.416.292
54	Medicinal and pharmaceutical products	4.587.189	4.856.350	4.879.771	5.297.601	5.355.336	7.210.441
55	Essential oils, resinoids and perfume materials; toilet, polishing	1.829.788	2.028.307	1.999.552	1.879.934	1.829.455	1.987.289
56	Fertilizers (other than those of group 272)	1.230.692	1.370.897	1.209.645	1.412.245	1.120.620	1.980.768
57	Plastics in primary forms	8.587.624	9.968.091	9.994.061	8.928.582	8.892.153	14.217.694
58	Plastics in non-primary forms	1.793.351	1.958.299	1.767.920	1.640.888	1.644.417	2.011.989
59	Chemical materials and products, n.e.s	2.509.730	2.727.196	2.879.295	2.681.536	2.895.408	3.427.310
6	Manufactured goods classified chiefly by material	32.934.049	37.223.374	37.572.628	33.136.971	32.127.826	47.771.659
61	Leather, leather manufactures, n.e.s. and dressed furskins	262.031	271.602	296.595	261.945	218.148	247.083
62	Rubber manufactures, n.e.s.	1.762.075	1.843.777	1.744.006	1.579.775	1.622.052	1.825.462
63	Cork and wood manufactures (excluding furniture)	670.764	603.137	370.519	222.903	252.399	278.306
64	Paper, paperboard and articles of paper pulp, of paper or of paperboard	2.807.201	2.890.789	2.816.951	2.553.902	2.465.664	2.769.851
65	Textile yarn, fabrics, made-up articles, n.e.s. and related products	6.185.832	6.886.615	6.389.458	6.231.277	5.265.521	6.448.454
66	Non-metallic mineral manufactures, n.e.s.	1.739.993	1.801.142	1.800.832	1.619.189	1.679.429	2.000.995
67	Iron and steel	9.165.030	10.667.457	11.253.964	9.381.482	9.558.899	17.410.442
68	Non-ferrous metals	6.310.751	8.023.018	8.764.542	7.525.348	7.556.335	12.905.432
69	Manufactures of metals, n.e.s.	4.030.371	4.235.837	4.135.761	3.761.150	3.509.379	3.885.635

	Year	2016	2017	2018	2019	2020	2021
7	Machinery and transport equipment	70.999.808	72.305.377	62.306.648	52.338.166	62.685.878	70.865.200
71	Power generating machineries and equipments	8.523.400	8.201.934	8.177.156	7.617.299	7.655.482	8.629.528
72	Machineries specialized for particular industries	6.853.554	6.383.781	6.301.782	4.021.372	5.392.261	7.433.107
73	Metal working machineries	1.599.588	1.528.356	1.535.676	1.282.250	1.523.966	2.059.021
74	General industrial machineries and equipments, n.e.s. and machine parts, n.e.s.	10.474.573	10.452.481	9.942.124	8.376.593	9.504.138	11.338.874
75	Office machines and automatic data processing machines	2.786.364	2.869.637	2.400.142	2.357.154	3.150.782	3.608.777
76	Telecommunications and sound recording and reproducing apparatus and equipments	7.039.349	7.198.601	5.724.800	5.260.335	5.846.237	5.932.713
77	Electrical machineries, apparatus and appliances, n.e.s. and electrical parts thereof	10.640.225	12.371.028	10.262.947	8.810.788	9.658.322	12.399.233
78	Road vehicles (including air-cushion vehicles)	17.952.509	17.510.554	14.199.516	9.881.238	15.062.667	15.242.029
79	Other transport equipments	5.130.247	5.789.005	3.762.505	4.731.136	4.892.023	4.221.918
8	Miscellaneous manufactured articles	13.136.107	13.354.644	12.807.668	12.144.075	10.991.637	12.124.040
81	Prefabricated buildings; sanitary, plumbing, heating and lighting fixtures and fittings, n.e.s.	586.470	548.532	462.258	343.006	384.599	388.621
82	Furniture, bedding, mattress supports and cushions	584.168	591.605	578.413	533.553	479.290	535.352
83	Travel goods, handbags and similar containers	276.636	257.366	239.164	249.576	165.535	203.278
84	Articles of apparel and clothing accessories	2.533.037	2.332.285	2.143.397	1.757.913	1.642.083	2.001.908
85	Footwear	758.741	688.605	673.572	539.195	498.033	587.849
87	Professional, scientific and controlling instruments and apparatus, n.e.s.	3.522.083	3.881.640	3.700.911	3.581.624	3.762.799	3.831.288

	Year	2016	2017	2018	2019	2020	2021
88	Photographic apparatus, equipments and supplies and optical goods, watches and clocks	830.470	864.765	802.712	727.760	621.916	766.030
89	Miscellaneous manufactured articles, n.e.s.	4.044.501	4.189.845	4.207.242	4.411.447	3.437.384	3.809.715
9	Commodities and transactions not classified elsewhere in the SITC	22.787.015	39.145.435	36.256.251	39.236.428	43.962.158	39.546.802
93	Special transactions and commodities not classified according to kind	16.327.862	22.568.081	24.953.980	27.967.481	18.773.333	34.047.536
96	Coins (other than gold) ,not being legal tender	-	0	1	9	4.665	-
97	Gold, non-monetary (excluding gold ores and concentrates)	6.459.153	16.577.353	11.302.270	11.268.938	25.184.159	5.499.266
99	Other goods not classified elsewhere	-	-	-	-	-	-

Table 5 International Trade in Services

(USD Million)

	Exports						Imports					
	2016	2017	2018	2019	2020	2021	2016	2017	2018	2019	2020	2021
S - Total Services	46,330	53,479	58,623	62,737	35,138	55,604	25,803	27,149	28,454	28,662	23,879	29,593
SOX - Commercial Services	45,423	52,747	57,846	61,940	34,772	55,263	24,495	26,038	27,372	27,459	22,924	28,567
SA - Manufacturing services on physical inputs owned by others	365	329	299	338	286	282	149	135	139	52	67	159
SB - Maintenance and repair services	784	1,012	1,134	1,234	1,166	1,419	841	637	746	768	597	694
SC - Transport	19,734	22,123	24,340	23,396	16,087	24,420	7,053	7,851	9,453	9,575	7,989	10,923
SD - Travel	18,743	22,478	25,220	29,829	10,220	20,827	4,783	4,823	4,595	4,110	1,040	1,650
SE - Construction	447	564	559	364	239	260	205	137	186	59	19	33
SF - Insurance and pension services	956	1,326	1,277	1,290	960	1,011	2,011	2,495	1,967	1,877	2,037	2,281
SG - Financial services	380	511	555	471	381	386	978	684	688	482	605	518
SH - Charges for the use of intellectual property	88	113	167	196	258	377	1,883	1,778	2,114	2,182	2,349	2,738
SI - Telecommunications, computer and information services	1,054	1,176	1,430	1,462	2,114	2,567	2,046	2,387	2,132	2,672	3,134	3,261
SJ - Other business services	2,732	2,970	2,739	3,184	2,908	3,521	4,403	4,980	5,243	5,499	4,833	6,008
SK - Personal, cultural and recreational services	139	146	126	176	154	193	143	131	108	184	255	302
SL - Memo item: Government goods and services n.i.e	907	731	777	796	365	341	1,308	1,112	1,082	1,203	956	1,026

Source: TURKSTAT, CBRT.