

BORDER TRADE APPLICATIONS IN INTERNATIONAL TRADE: HABUR BORDER GATE¹

**Vicdan Songuralp, İstanbul Medipol University, vsunguralp@gmail.com
Yurdagül Meral, İstanbul Medipol University, ymeral@medipol.edu.tr**

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Abstract

Border trade, which is a special form of international trade, is an application permitted by the country administrators within the framework of a joint decision agreement to provide their daily needs cheaper and in a shorter time for the local people living in the border regions. Turkey has started border trade for the first time in 1978 after the oil crisis unfolding in the world against goods for Iran oil imports in Ağrı-Gürbulak Border Gate. This study aims to find out the economic added value to Turkey's economy via Habur Customs Gate which is located between Iraq and Turkey border. The methodology of this study is a literature review of border trade and through in-depth interview method with 10 local drivers who carry goods through borders, the in depth interviews were conducted during a three-month internship period between March-May, 2019. As a result of the literature review, it was observed that the export made by border trade decreased by approximately 3 billion dollars in 2014, 2015 and 2016 due to various reasons (security, political and terror etc.) that started in 2014. Among Turkey's borders, the most revenue has been earned from Habur Border Gate, which is a vital point, a commercial bridge between Turkey and Iraq, one of the largest export markets in the Iraqi border. Finally, it is observed that Habur Border Gate increased the value added to the country's economy with the right strategies in foreign policy, and when the relationships between the two countries are strained, export volume is decreased and country's economy and all cities in the region are negatively affected.

Keywords: International Trade, Border Trade, Habur Border Gate, Added Value to Economy

JEL Code: P45, N7, F13

Introduction

International trade or foreign trade in general; is the crossing of borders between the sovereign countries according to international rules of goods and services. Foreign trade consists of import and export. In a World, where globalization and regionalization are so common under today's conditions, it would not be a logical decision for a country to want to meet all the needs of its people living in its country, that is, to prefer closed economy. If the country chooses to do so, the diversity in the number of goods she will produce will be very low, which will lead to a decrease in her well-being, as the people in the country cannot access the desired goods. However, the main reason behind countries preferring international trade is to increase the level of welfare in the country.

The reasons of international trade can be summarized as follows; the natural resources in the world are not distributed in a balanced way, therefore they do not want to produce every product due to their limited resources, due to the different climates and geographical conditions, or even if they can produce some products, other countries might produce the same product cheaper

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and might export, local produced products might not be sufficient to the population in the country or if produced more than the necessity, the desire to export them and provide foreign currency inflows to the country.

Especially after the collapse of the USSR and the fall of the Berlin Wall in the 1990s, an increase was observed in the international goods and services movements all over the world. With the globalization phenomenon, the countries started to find new regional mergers and search for new markets and new ways to export more. Border trade, which is a special type of foreign trade, has become a new income method preferred by countries with borders due to their geographical proximity. Turkey has border trade applications like the other the various countries in the World. However, border trade applications in the world are mostly within the scope of cross-border cooperations due to regional mergers.

Turkey: When we look at Turkey in particular; border trade started for the first time in 1978 with the import of oil from Iran against goods exported through the Ağrı-Gürbulak border gate after the oil crises and foreign exchange bottleneck in 1978.

The purpose of starting border trade is to create income for the people in the region and increase the level of welfare due to the fact that the Eastern and Southeastern Anatolia Regions are socially and economically lagging and undeveloped compared to other regions in the country, there are no employment-generating activities, immigration from the region to other regions and the fact of terrorism. Border trade is permitted by those who manage the country to meet the daily needs of residents who live in border regions within two neighboring countries in a cheaper and easier way, to create employment, to develop mutual trade and cooperation, to provide a regional good neighborly and peace environment, to establish mutual trust among border peoples and to develop the region with a special form of trade.

In the provinces where border gates are located, border trade was considered essential because of the lack of production factors, unfavorable climatic conditions, unemployment, being away from big cities, not being able to attract investments due to terrorism, and per capita national income below the country average.

Border trade is seen as an opportunity to reach new export markets with the implementation of an export-based growth policy on January 24, 1980, instead of imported substitution policies that have been implemented since the Turkish Republic was declared. Accordingly, with the dissolution of the Soviet Union, the number of countries increased in our borders in the East. Thus, other provinces have been added under the title of neighboring provinces within the scope of border trade as it means new markets for the economy of the region especially for the national economy. Therefore, it was ensured that the income to be obtained from this trade was used not only in the border provinces but also in other provinces in the region.

To strengthen its position in the region in terms of geography where Turkey also needs to establish good relations politically and economically with neighboring countries. Therefore Turkey's policy namely 'zero problems with neighbors and soft power' which began in 2008 has improved the economic terms and Turkey's export record in subsequent years.

In this study, particularly in the field of export of where Turkey has the most advantages and gained the most revenue through Habur Border Gate, which opens to Iraq, where she earns the most income among neighboring countries will be investigated along with the value added to the regional and national economy, through peace economy and a win-win relationship with

the neighbours, and how employment and welfare increased, and how Habur Border Gate became a source of income for the other cities in the region as well. Furthermore how it was a trauma when the border gate has been restricted by legislation that has been constantly changing over the years. The contribution of the Habur Border Gate, which has a strategic importance in border trade, which is a special form of foreign trade is discussed within the framework of political and security events by the Ministry of Commerce, Turkish Statistical Institute Data, Development Agencies and related theses and articles published on this subject.

Border Trade Advantages

The basic and general objectives of border trade are as follows (Kökçe, 2005; Tan & Altundal, 2008; Yüce Dural & Göktepe, 2010; Çiftçi & Uğur, 2010; Turhan, 2012):

- To bring vitality to the economy of the region by supplying the needs of the people living in the border region from neighboring countries in a shorter time, cheaper and more easily.
- To ensure that the residents in the border region obtain cheaper goods through transportation costs and price differences due to reasons such as transportation and price differences compared to the regions that are not close to the border of the country,
- To expand the trade volume by facilitating the rules and conditions existing in import and export and via reducing bureaucratic obstacles,
- To prevent migration from border regions to other parts of the country,
- To add vitality to the economy of the border provinces as well as the regional economy and to turn these provinces into centers of attraction,
- To minimize activities such as smuggling of goods that may be illegal in the region and to ensure that these goods are imported legally by paying taxes,
- Overcoming the shortage of product shortage in the country by bringing the products that are not possible due to the lack of production factors in the country and geographical reasons, from border countries,
- To increase the export capacity and the amount of foreign currency entering the country by encouraging the development of export-oriented industries through exports to be made on the occasion of border trade,
- To help the employment problem and decrease unemployment both in the country and in the region as a result of the creation of new job opportunities by attracting new investments in the region by increasing exports and foreign currency inflows to the country,
- To reduce the processes required in foreign trade, to increase foreign trade and capital accumulation in the country through foreign capital investments,
- To reduce unemployment and increase the level of welfare of the people with the investments to be made
- To contribute to the formation of the entrepreneurial spirit of the people living in those regions of the countries on both sides of the border,
- To minimize the difference in development and development between regions that are very clearly seen in the country,
- To grant various privileges to the border trade in order to enable the local tradesmen in the region to trade and go into trade,
- To create an environment of mutual trust between the people living on both sides of the border by creating an environment of peace and tranquility in the border regions,
- To contribute to the competitiveness in the foreign markets by enabling domestic producers to supply the inputs at a lower cost at the price in the world markets,

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- To raise economic standards by bringing advanced production and management techniques from abroad to the country,
- To establish the infrastructure of regional collaborations and agreements that may be possible in the coming years,
- To contribute to the development of the established management system in the region and the establishment of a democratic understanding in the region with this system.

Requirements for border trade are less compared to normal trade, and the biggest aim of this trade is to increase the commercial potential with a trade free from high transportation costs (Yardimcioglu et al., 2012).

As imports through border trade increase at low costs and diversify in exports, the economy and trade of the region becomes lively. The aim of this situation is to help minimize the illegal trade. (Sonmez, 1995: 21; Ozturk, 2006: 109).

Border Trade Purpose in Turkey

Among Turkey's seven geographical regions, the Eastern Anadolu and Southeastern Anatolia Region which has no sea border, landlocked border, mountainous, with rugged terrain and which consists approximately 28.5% of Turkey's surface, biggest problem today is that the two regions are socially and economically lagging behind other regions. These factors are not the only reasons why industrialization develops very little in these regions, whether it's the climatic conditions or the geographical structure. Another reason we can see as the main element is the security problem, that is terrorism. For these reasons the main objective of the governments of Turkey is to increase the people's welfare living in the region which they deserve, which are according to the development index, at the lowest places in terms of lifestyle and economics compared to other regions, and which cannot attract investment due to terrorism, are almost at the top of unemployment rate.

Figure 1: The Year 2018 Year Unemployment Rate by Region in Turkey



Source:(<https://www.drdatastats.com/turkiye-bolgelere-gore-issizlik-oranlari-2017-ve-2018-yillari/>)

Figure 1, according to 2018 data based on the region where unemployment is the highest unemployment rate in Turkey TRC3 region known as Mardin, Batman, Şırnak and Siirt region

is located in the province. The unemployment rate in this region has reached 25%. TRB2 region located in Van, Mus, Bitlis and Hakkari provinces. With the unemployment rate to 21.5% in 2018 from 12.8% in 2017 was the second of which Turkey is experiencing the highest unemployment. 2018 was the third highest unemployment rate in the region is Turkey with 18.6% of Şanlıurfa and Diyarbakır. The unemployment rate of this region in 2017 is 13.8%. The unemployment rates of industrialized cities are lower compared to these regions. For this reason, border trade is permitted in border provinces in these regions in order to prevent the people living in the Eastern Anatolia and Southeastern Anatolia Regions from migrating due to financial impossibilities, to make these regions a center of attraction, to increase the living standards of the residents here and to ensure the safety of the people by legal means.

Furthermore along with the permission less controls and rules were applied, unlike normal trading. This privilege is based on the 1982 Constitution of Article 2 of this privilege "Republic of Turkey, public peace, national solidarity and justice; respecting human rights, loyal to the nationalism of Atatürk, initially based on the fundamental principles of a democratic, secular and social state of law." Due to the necessity of being a social state, the aim is to minimize inequality between regions.

Authorized Provinces and Customs to Process Border Trade (2016)

Number	Authorized Border City	Authorized Customs Gate	Related Border Country
1	Artvin	Sarp	Georgia
2	Ardahan	Türkçözü	Georgia
3	Kars	Dilucu	Naxçıvan
4	Iğdır	Dilucu	Naxçıvan
5	Iğdır	Gürbulak	Iran
6	Ağrı	Gürbulak	Iran
7	Van	Kapıköy	Iran
8	Hakkari	Esendere	Iran
9	Hakkari	Derecik	Iraq
10	Hakkari	Üzümlü	Iraq
11	Şırnak	Habur	Iraq
12	Mardin	Nusaybin	Syria
13	Şanlıurfa	Akçakale	Syria
14	Gaziantep	Karkamış	Syria
15	Kilis	Öncüpınar	Syria
16	Hatay	Cilvegözü	Syria

Source: Decision of the Council of Ministers, Official Gazette No. 2016/8478.

Border Trade in the World

Border trade between countries can be affected as per the rule of "Tariffs and Trade Agreement (GATT) for the border trade and with some adjustments in article 24 with the principle that will not threaten the "most favored nation" (Karluk, 2010). Border trade has been affected in different countries before Turkey. There is limited research and statistics about the applications of border trade in the world. It is known that the first research on this subject belongs to Womack in 1994, examining trade between China and Vietnam (Öztürk, 2006: 109).

It is possible to encounter economic relations based on border trade on different continents of the world such as Asia, Europe and America. Among these, the most prominent are; It is known as the Russian Federation and the Scandinavian countries (Norway, Sweden and Finland) on the European continent, Egypt, Sudan, Pakistan, the former Soviet Union and China on the Asian continent, and the USA, Canada and Colombia in the USA. In addition, after the new regulations in the economy in 1980, border trade is accepted to be institutionalized in countries such as Colombia, Indonesia, Malaysia and Egypt (Kökçe, 2005).

In general, the following conclusions can be drawn when looking at the border trade in the world: Developing countries try to export processed products in exchange for raw materials because they cannot produce with sufficient quality. Slightly industrialized countries import raw materials against industrial products. Countries with some regions less developed than other regions, that is, they have the appearance of dualist structure, perform border trade in order to bring economic vitality to the underdeveloped regions. Some countries, on the other hand, want to enter and stay in foreign markets by using import financing and foreign trade regime as tools (Kökçe, 2005). In addition, border trade practices were seen as a rational form of trade in order to minimize transportation costs. The principle of "mutual and balanced trade" has been applied in the applications of border trade in the world. Continuous trade surplus or deficit by one of the parties endangers the continuation of the trade (Gümüş, 1996).

Habur Border Gate

Habur Border Gate is one of Turkey's four border Gates crossing to Middle East in Şırnak and Hakkari provinces. Habur Border Gate is located in Silopi town of Şırnak province. Habur Border Gate is the border gate where the most intensive transactions with the least disruptions are handled. Habur Border Gate is an indisputable vital issue for our country. In 1973, started as the Customs Administration and continued as the Customs Directorate in 1976, and as Habur Customs Regional Directorate in 1981 since 2011 serves as the Silk Road Customs and Trade Regional Directorate, the Habur Border Gate of Turkey.

Harbur Border Gate has been the only gate opened to Iraq till 2014. It is the land border gate 15 km away from the Silopi District of Şırnak Province, which is at the same the Middle East region opening to the European continent (DİKA Report, 2013). Mutual border trade with Iraq took place in Turkey in mid-1990. After authorizing Mardin, Şırnak and Hakkari provinces for border trade from the Habur Border Gate, the Habur border area of Silopi, named TRC3 opened trade with Iraq which is very important for the on the Silkway. Habur Border Gate is the largest among Turkish border gates in terms of trade according to research of SESA Institutes's (2016: 5).

Location of Habur Border Gate on the Map



Source: Ntv.com.tr (<https://www.ntv.com.tr/dunya/kuzey-irakta-ibrahim-halil-sinir-kapisi-bagdata-teslim-edildi,AmqN0DKjk0G81ZkUs5yQsw>)

Habur Border Gate's Contribution

The relations with Northern Iraq have started to be focused on economic and political cooperation since 2000's (Baysan, 2015).

For example,

- Turkey Consulate General 's opening in northern Iraq's capital Erbil in 2010,
- Turkish businessmen investments for structuring and development again and contracting services after the invasion in 2003 in northern Iraq District,
- activation of border trade with Turkey of a large portion of the goods being Turkish origin in this region
- first foreign bank to be opened in that region is being a Turkish Bank,
- direct flights starting with Turkish Airlines to the mentioned region,
- trade volume at the Habur-İbrahim Halil border has increased significantly and high level negotiations between Ankara-Erbil.

According to the description of the relevant ministries in 2018, among the main products exported by Turkey to Iraq are jewelery (jewelery and accessories), wheat flour, chicken meat, eggs, biscuits, furniture, eggs, hygienic towels and diapers, insulated cables and wires, citrus fruits, woven carpets, plastic packaging materials, tomato paste, iron-steel pipes and profiles , sunflower oil, plastic pipes, chocolate products, cigarettes, iron-steel bars, iron and steel construction and components, margarine, ready-to-wear, dry legumes, detergent and paper packaging were the most common. The main products Turkey has imported from Iraq are mostly gold, shale oil residues, cattle leather, scrap plastic and paper (<https://ticaret.gov.tr/yurtdisi-teskilati/orta-dogu-ve-korfez/irak/ulke-profil> of / turkey-and-trade).

Table 1: Turkey-Iraq Trade Value (million dollars) between 2009-2018

Year	Export	Import	Volume	Trade Balance
2009	5.123	120	5.243	5.003
2010	6.036	153	6.189	5.883
2011	8.310	86	8.396	8.224
2012	10.830	149	10.979	10.681
2013	11.958	146	12.104	11.812
2014	10.896	268	11.164	10.628
2015	8.558	297	8.855	8.261
2016	7.640	836	8.477	6.804
2017	9.057	1.528	10.584	7.529
2018	8.350	1.420	9.770	6.929

Source:<https://ticaret.gov.tr/yurtdisi-teskilati/orta-dogu-ve-korfez/irak/ulke-profil/turkiye-ile-ticaret>

In the table above, trade with Iraq is given along with Turkey's total foreign trade volume between 2009-2018. When we examine the trade volume realized through Habur Border Gate, the figures show that Habur Border Gate's contribution to the economy is very important. It can be seen that Turkey's trade through Habur, generally with Iraq and specifically with northern Iraq has started after first Gulf War, after the US's invasion of Iraq June 2003.

The most noticeable point in trade relations with Turkey and Iraq is that exports ratio is higher compared with other countries. Turkey's exports to 233 countries and regions that include Iraq, which was commenced in 2003 show that Iraw has increased to 12. Rank in such a short period of 7 months.

The reason for this is mainly Turkey's investment in various fields in the Regional Iraq Kurdistan Management's (namely IKBY/Irak Kürt Bölgesel Yönetimi). These investments include the construction sector, the banking sector, highway, infrastructure works used as an import and export route, and airline and railway investments. Turkey's largest investment is the construction industry. It is known that Turkish contracting firms carried out 495 projects in total between \$ 7.5 billion in Iraq between 2003-2009 (Ekici, 2016).

Following with Turkey's external relations policies adjacent zero problems pursued under the name soft power with the right strategies in 2011, Iraq has become the second country Turkey's highest export income derived following the first country Germany. Therefore, the Habur Border Gate plays a key role in trade relations for both countries. Because Turkey's, Iraq's and Regional Iraq Kurdistan Management's (namely IKBY/Irak Kürt Bölgesel Yönetimi) economic and trade relations will depend on Habur Border Gate.

As of 2015, 80% of Turkey's export to Iraq is affected to the Regional Iraq Kurdistan Management's (namely IKBY/Irak Kürt Bölgesel Yönetimi). In addition, approximately 80% of the products consumed in Iraq and in the Regional Iraq Kurdistan Management's (namely IKBY/Irak Kürt Bölgesel Yönetimi) are Turkish goods that are consumed safely by the people living in this region. Furthermore, tens of thousands of Turkish companies continue their existence there with all kinds of activities and services (Dalar, 2015, p. 59).

Turkey's total import and export's figures are given in the table 1 covering the years 2018 and 2009. Export volume exceeding \$ 5 billion has been affected through Habur Border Gate to Regional Iraq Kurdistan Management (namely IKBY/Irak Kürt Bölgesel Yönetimi) in 2009. After the start of border trade with Iraq in the 1990s, it was obvious that its effect would not only remain at the local level but would spread at the national level. Today it is known that 1400 of 3000 foreign companies are of Turkey origin in the region. At the same time the total volume of 12 billion dollars trade volume with Iraq in 2013 of which 9 billion dollars of this total was realized only with this region. Furthermore, as the land border trade with Iraq was provided through Habur, as the trade volume increased it was difficult for the Habur Border Gate to meet the needs and then the opening of new customs gates was also on the agenda (Sesa Institute, 2016: 3; Beceren and Koç; 2016).

It is seen that it reached the highest export value recorded in 2013 so far. Parallel to the reduction of tensions between the two countries and the improvement of political relations, it has also improved economic relations and the volume of trade has increased continuously with a rising acceleration. The reason of export's increase was due to Turkey's internal politics both in its foreign policy with its neighbours on both sides and to the significant steps taken to live in peace and harmony. The volume of exports in 2013 amounted to \$ 11.9 billion with Iraq and 65% of this export was carried out by road through Habur Border Gate to Regional Iraq Kurdistan Management (namely IKBY / İraçî Kurdish Regional Management). Looking at the data in the table today both Regional Iraq Kurdistan Management (namely IKBY / İraçî Kurdish Regional Management) and Turkey are at a very strategic location in terms of the trade balance.

It can be said that in terms of economic contribution, İraçî Kurdistan Regional Management ((namely IKBY/Irak Kürt Bölgesel Yönetimi) is the only candidate which has the potential to add economic contribution to Turkey among her potential border neighbour countries, In addition, it is seen that Turkey has a strong position in the economy of İraçî Kurdistan Regional Management's (Bölükbaşı, 2016).

As per Turkey's Statistical Institute (TSI) 's of 2019, the annual export figures by country it is possible to say that Iraq has become Turkey's second largest trading partner after Germany between 2011-2014 but decreased to the fourth in the rank due to security problems in following years. It can be seen that Iraq has always been in the top five after EU member countries since 2010. Therefore Regional İraçî Kurdistan Management's (namely IKBY/Irak Kürt Bölgesel Yönetimi) importance is obvious, and that because of these economic relations both Turkey's and the Barzani administration has gained because of these appropriate policies. Trade potential is so high that tension between relations will put economies in a very difficult situation on both sides of the border and the people who live in the region of both sides as well.

As per DİKA report of 2013, the importance of the Habur Border Gate was stated as follows: Habur Border Gate is a very important border crossing where approximately 1.2 million vehicles enter and exit during the year, when 43% of the major vehicle road transport in our country and exports of \$ 10.8 billion affected. The momentum our country has caught up in development, the increasing trade volume in international trade, and with the advantages of the new incentive law to the provinces in the TRC3 region and the projection of 500 billion dollars export volume for 2023 increase the importance of the Habur Border Gate every day. For these reasons, it was stated that Habur Border Gate is a very important border gate especially for TRC3 region, provinces on the silk road line and our country. In addition, it is stated that the operation at the relevant door is healthy and the vehicle traffic is walking at the desired speed,

and it will contribute to the satisfaction and export increase of exporters receiving service through the door.” (DİKA Report, 2013).

Habur Border Gate’s Losses Caused by Security and Political Issues

With Turkey's moderate approach, replacing the tension between Turkey and the Regional Iraq Kurdistan Management’s (namely IKBY/Irak Kürt Bölgesel Yönetimi) in 2008 followed with the peace settlement process that began in 2010 are the periods when the economy peaked in the sense of the political and economic bilateral relations.

With the destruction of the terror problem, people wanting to live in peace and prosperity in the region were very pleased from the positive relations between Turkey and the Regional Iraq Kurdistan Management’s (namely IKBY/Irak Kürt Bölgesel Yönetimi) and invested securely in the region and also contributed to the increase of trade volume.

This situation was damaged by the ISIS terrorist organization that emerged in 2014. In the statement made by the Ministry of Trade; It was stated that our exports to Iraq increased by 11.5% in the period from January to May, until ISIS took Mosul in June 2014. It was reported that our exports in this period increased in all the months compared to the same month of the previous year, but after Mosul was taken over by ISIS, our exports started to decrease due to the political and military crisis in Iraq.

Table 2 : 2011 - 2016 Turkey-Iraq Export Volume (Billion Dollars)

Year	2011	2012	2013	2014	2015	2016
Export	8.31	10.82	11.95	10.90	8.56	7.64
Import	0.87	0.15	0.15	0.27	0.30	0.26
Volume	9.18	10.97	12.10	11.17	8.86	8.85
balance	7.44	10.67	11.80	10.63	8.26	6.80

Source: <http://www.mfa.gov.tr/irak-ekonomisi.tr.mfa>

As can be seen from Table 2, the export value that emerged in 2014 decreased significantly in 2015 due to the ISIS attack. After the extinction of the ISIS danger in 2015 trade, although it was expected that trade would increase between the two countries, Turkey's one of the biggest problems PKK terrorist Southeastern Anatolia Region of the organization 's close to the border starting to ditch politics in the provinces has led to both material and moral losses. The solution process has actually ended as of July 2015, PKK's youth structuring under the name of youth structuring has been declared so-called self-government and they have started civil wars, on 14 December 2015, in Silopi and Cizre district of Şırnak, which led to the curfews in Nusaybin district of Mardin.

Accordingly, due to road safety, the closure of Silkway to traffic also led to the closure of Habur Customs Gate to reciprocal entrances and exits. The border gate, which was not operated for about 25 days, was reopened on January 5, 2016, but it was stated that it could close again if security problems persist (Becerren and Koç; 2016). Habur Border Gate remains closed for about a month due to terrorist acts and political problems and has caused both exporters and local people’s loss of millions of dollars.

According to the data of the Ministry of Commerce, it was stated that 575 thousand trucks in

2013 and 685 thousand trucks in 2014 entered the Northern Iraq Region through the Habur Border Gate. It was announced that in 2015, there was a decrease in crossing the border due to terrorist incidents and this number decreased to 606 thousand. In addition, when all vehicles are considered, while there were an average of 2500 vehicles output from Habur, it decreased to an average of 1800 vehicles in June 2015 and an average of 1300 vehicles in July 2015 due to recent events (Becerren and Koç; 2016). These emerging security problems due whilst in 2013 about \$ 12 billion trade volume has decreased to 10.8 billion dollars between in 2014, and to 8.5 billion dollars in 2015 and 2016 shows that the decline is as much as \$ 7.6 billion (Ekici, 2016 Sesa Institute 2016). Considering that the second largest export partner of our country after Germany is Iraq, and that all of the exports are made through the Habur Border Gate, it is clear the huge loss of our country. During this short period of time when the events started and Habur was closed, due to the terror and conflict environment, which caused the people to be 50 percent poor in the whole region, to lose tens of thousands of jobs, and to leave hundreds of thousands of people from their homes, is not only affected the planned tourism as the leading sector in the region it also caused serious problems in production and brought shipments to a halt.

Today, Iraq is in number one among the Middle East Region group of countries of which GAP provinces export most. In recent years, there has been a remarkable increase in the level of exports from the GAP Region, and it has been reported that the export amount, which was 3.3 billion dollars in 2007, rose to 8.7 billion dollars in 2018. It is also stated that the share of exports from this region has increased from 3.1% to 5.2% (<http://www.gap.gov.tr/gap-ta-son-durum-sayfa-32.html>). While Silopi and Cizre in Şırnak, Nusaybin and Kızıltepe in Mardin have a significant share in the border trade, Gaziantep has the most important share on the city basis with an export of approximately 2 billion dollars (Sesa Institute, 2016: 9). Limiting the border trade with legislation and regulations that have been changed since the day it started across the country and making it no longer possible is another dimension of the processes that put the people at the border in a difficult situation. Border trade, which has been banned day by day due to some irregular transactions that have caused illegal profits in the country's economy via smuggling at the border, imaginary export, heroin trade, has led to the conclusion that it does not realize its real duty among the group carrying out this trade. Therefore, the restriction or cessation of such trade in the Southeastern Region has adversely affected, and obviously, the exporters that produced goods, the transportation companies that mediated the transportation business of these productions, and everyone in the region from Şırnak to Antep.

CONCLUSION

With the border trade starting in border provinces, which requires less formalities than normal trade, not requiring capital and creating employment have made a remarkable increase in these areas such as quality of life, health, education, self-confidence, and investment, and contributed greatly to regional development.

However, with the abuse of border trade in the following years brought bans. Regardless of whether it is a ban or a reflection of political and security problems on trade relations with the border trading country, the people of the region are no longer able to yield from border trade.

When we look at the Habur Border Gate, which is the subject of the study, it is the largest land border gate in the country, it is the gate with the highest income in terms of its neighborhood, being the region's place where the residents' earns bread, opening to Middle East geography, and with Turkmens living in Iraqi lands with oil fields is extremely an important issue for Turkey, because of its proximity to the region where the PKK camps. Habur's opening of the

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Northern Iraq territory, which was under the Barzani administration until 2017, has played a major role in the improvement of Turkey's relations with northern Iraq. With the common sense policy beginning in 2008, has affected commercial and political relations between Turkey and Iraq and northern Iraq positively, which stimulate the economy in the region, has provided investment opportunities, the reduction in terror which shows the importance of Habur Border Gate for the related parties.

When political relations with neighboring countries are managed with the right policy, the real potential of trade with that country makes a very positive contribution to the country's economy.

Likewise, when the relations are bad, this time it will reflect negatively on the economy of the country and the region.

As a matter of fact, it is understood from the efficiency of the Habur Border Gate during the peace period and its low volume potential during the most tense periods of terrorism or political relations. It is obvious how the events that took place affected thousands of people in the region and the economy of the country. Thus, Turkey has to get along well with their neighbors because of difficult geography. However when we look at the other side of the coin, the planned income was not achieved because

- due to continuous interventions of the border trade which started in 1978,
- local people were not fully informed,
- Şırnak, the city where Habur is located, and the surrounding cities, it is understood that they could not show the expected increase in trade due to insufficient infrastructure.

There are also opinions that the people of the region who suffer from terrorist incidents and have no source of income other than the border, and that Habur being used as a threat during the periods when political relations deteriorate will affect everybody, especially the border people, and this situation creates anxiety in the region.

While the trade between these countries increased continuously in the first years, it was supported by in-depth interviews with 10 resident drivers who carried cargo between the borders in that region where the restrictions made with the recent legislative amendments decreased due to instability and security problems. In the interviews, they stated that as a driver in the early 2010s, their income and investments were at a higher level, their quality of life was higher and the unemployment in the region decreased visibly. However, it was stated that the security and political events experienced had a negative impact on every segment of the region.

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