

The Impact of G20 On Turkish Foreign Trade¹

Assistant Prof.Dr. Hayrettin Kesgingöz*

Associate Prof.Dr. Serkan Dilek**

Abstract

Turkey accepted to become a member of international economic associations to have an important share in World trade, to increase foreign trade revenues and to export their products to developed countries. Becoming a member of economic associations started with IMF and World Bank in 1947 and it goes on with Organization for Economic Cooperation and Development (OECD), Organization for Islamic Cooperation (OIC), Economic Cooperation Organization (ECO), Organization of the Black Sea Economic Cooperation (BSEC), World Trade Organization (WTO), Custom Union (CU), D8 and G20. Foreign trade which was held by international firms replaced with trade held by international organizations in changing world. As the number of membership increases Turkey has started to behave as world countries with increasing foreign trade volume and opportunities. In this research we first looked at growth rate of export and import between Turkey and G20 countries to reveal performance analysis of foreign trade between these two groups which has the most important share in Turkish foreign trade. Then the analysis followed by a look at growth rate of total export and import of Tur-

* Karabük University Economics and Administrative Sciences Faculty Department of Economics / hayrettinkesgingoz@karabuk.edu.tr

** Kastamonu University Economics and Administrative Sciences Faculty Department of Economics / Serkan.dilek@gmail.com

1 This research is realized by using book of Hayrettin Kesgingöz whose name is “The impact of economic cooperations on Turkish foreign trade”.

key. Lastly, foreign trade balance and volume are investigated. At the end of research we searched export/import coverage ratio.

Keywords: *International Trade, International Economic Associations, G-20*

1- Economic Cooperation and G20 as International Economic Cooperation

The international organization refers to the merging of more than one country that does not have a commercial purpose operating at an international level, while the international economic organizations are having commercial purposes (Bozkurt et.al. 2004).

At first, countries couldn't meet their needs by themselves because of their unlimited needs after Second World War. Countries prefer to meet their needs by becoming members of economic organizations. Because of this reason, numbers of economic organizations have been increased day by day (Astaneh, 2000). There are many economic organizations in which Turkey has a membership on them. These are IMF, World Bank, Organization for Economic Cooperation and Development (OECD), Organization for Islamic Cooperation (OIC), Economic Cooperation Organization (ECO), Organization of the Black Sea Economic Cooperation (BSEC), World Trade Organization (WTO), Custom Union (CU), D8 and G20.

G20 is an international group which was registered in 1999. This group includes Turkey, Russia, United Kingdom, France, Germany, Italy, Japan, South Korea, China, India, Indonesia, Saudi Arabia, USA, Canada, Mexico, Brazil, Argentina, South Africa, Australia and European Union as members. G20 is occurred by both developed and undeveloped countries. If we consider the population and labor force of China we can become aware of the importance of this group (Apak, 2008).

2- Literature Review

In this study, articles done in the literature about G-20 countries are abstract in tables. In the literature review, G-20 countries generally focus on energy, research and development expenditures, energy consumpti-

on. But literature in G-20 countries and a way to make a detailed comparison are limited studies dealing related to Turkey's foreign trade. This study contributes to the literature in terms of the shortcomings in the literature.

Table 1. About G-20 Literature Articles

Author / Year	Sample / Method	Result
Ersel (2010)	Descriptive Analysis	Global financial instability and foreign trade deficits are seen.
Ayaz (2014)	2002-2012 Macroeconomic Analysis	Globally-scale solutions to the problems and crises in the world should be brought.
Selim-Purtaş-Uysal (2014)	2000-2011 Panel Data Analysis	Education expenditure and economic growth are positive and significant
Barutçu-Arslan (2016)	1981-2010 Co-integration and Panel Data Analysis	There is a bidirectional interaction between openness and financial development.
Bakırtaş-Çetin (2016)	1992-2010 Panel Data Analysis	Renewable energy consumption per capita increases real GDP
Yalçınkaya-Kaya (2016)	1992-2014 Panel Data Analysis	G-10 and G-9 the group during the sampling period has a significant effect the size of both quality and quantity of education.
Mike-Laleh (2016)	1991-1999 ve 2000-2012 Dönemleri Panel EGLS	Information and communication technologies had a positive and meaningful value. 2000-2012, however, it is negative.
Yalçınkaya-Yazgan (2016)	1996-2014 Panel Data Analysis	Effects of the institutional structure indicators on the economic growth have been positive and significant in statistical terms in the sub-group G-9, but G-10 has been negative.
Kurnaz-Özbek-Altunal (2016)	2010-2014 Macroeconomic Analysis	Human capital mobility needs to increase.
Sarıçoban-Kösekahyaoğlu-Erkan (2017)	1996-2014 Explanatory Comparative Advantages Analysis	Saudi Arabia, Russia, India, Turkey, South Africa, Japan, China and Britain has competitive products group.
Yalçınkaya-Aydın (2017)	1994-2015 Panel Data Analysis	The effects of the macroeconomic stability / instability index, which consider on the economic growth were positive / negative in the G - 9 and G 10 groups respectively and statistically significant.
Görgün-Karaoğlan-Barut (2017)	2000-2015 Co-integration	The increase in the unemployment rate caused the stock market value to decrease.

3- The Impact of G20 On Turkish Foreign Trade

Turkey should give importance to foreign trade to overcome the middle income trap (Kesgingöz and Dilek, 2016). G20 has occupied the first place in Turkish foreign trade. To analyze foreign trade performance of G20 firstly the growth rate of export and import between G20 and Turkey are investigated. Then we looked at the growth rate of import and total import.

Reasons of changes on these variables are generally analyzed and then impacts on Turkish foreign trade are explained. In Table 1 total export, total import and growth rates of them between Turkey and G20 countries are given.

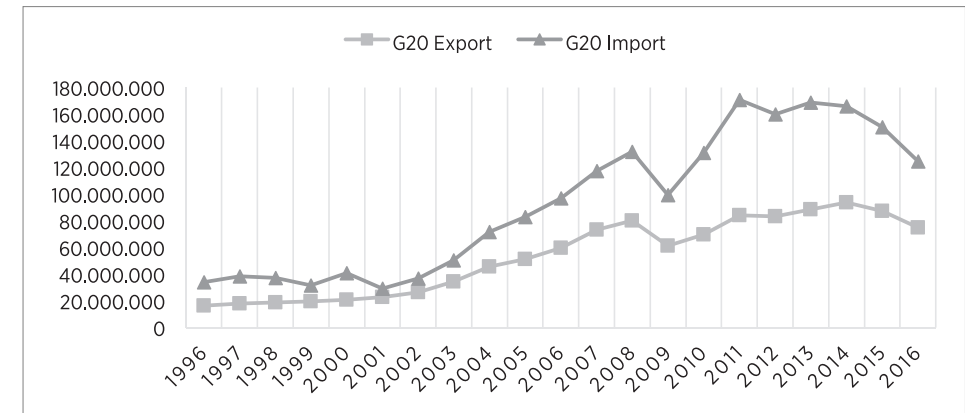
Table 2. Total Export- Total Import- Growth Rate of Export, Growth Rate of Import (Turkey-G20 Countries)

Years	G20 Export	Growth Rate of Export	G20 Import	Growth Rate of Import
1996	16 578 518	-	34 182 348	-
1997	18 039 004	8,09627184	38 420 090	11,03001572
1998	19 044 054	5,27749675	37 101 640	-3,553617157
1999	19 808 425	3,85881826	31 759 452	-16,82077932
2000	20 835 893	4,93124152	40 965 514	22,47271038
2001	22 859 177	8,85108103	29 461 786	-39,0462673
2002	26 516 584	13,79290432	36 883 745	20,1225748
2003	34 643 042	23,45769100	50 416 828	26,84239282
2004	45 671 785	24,14782592	71 746 942	29,72964836
2005	51 468 954	11,26342847	82 886 295	13,43931914
2006	59 666 327	13,73869215	96 803 948	14,37715364
2007	73 325 064	18,62765055	117 327 537	17,4925598
2008	80 143 824	8,50815385	131 730 276	10,93350716
2009	61 290 597	-30,76038928	99 512 431	-32,37569919
2010	69 655 564	12,00904266	131 129 834	24,11152526
2011	84 202 040	17,27568136	170 660 969	23,16354748
2012	83 230 249	-1,16759290	159 897 802	-6,731278763
2013	88 406 200	5,85473708	168 565 730	5,142164962
2014	93 846 221	5,79673916	165 855 539	-1,634067259
2015	87 223 424	-7,59291008	150 453 378	-10,23716474
2016	75 103 848	-16,13709184	124 601 525	-20,74762166

Source: Table 2 is created by using TURKSTAT data

It is observed that export continuously grow except years of 2009, 2012, 2015 and 2016 in Table 2. Global financial crisis affected not only Turkey but also all countries negatively in 2009 as it can be seen in 2009 data. Due to reductions in World economy in years of 2012, 2015 and 2016 export of Turkey decreased. Addition to these reductions extraordinary events such as FETÖ terrorist coup in 15 July causes decrease on Turkish exports. Also it is observed that import decreased except years of 1998, 1999, 2001, 2009, 2012, 2014, 2015 and 2016. Factors affecting import negatively are 1998 Russia crisis, 1999 earthquake, 2000 November and 2001 economic crisis. 2009 Global financial crisis affected Turkish import negatively like Turkish export. The reasons of reductions in import of Turkey in 2012, 2014, 2015 and 2016 are economic shrinkages in world and reduction of external dependence. To see total export and import better it is probable to look at Graph 1.

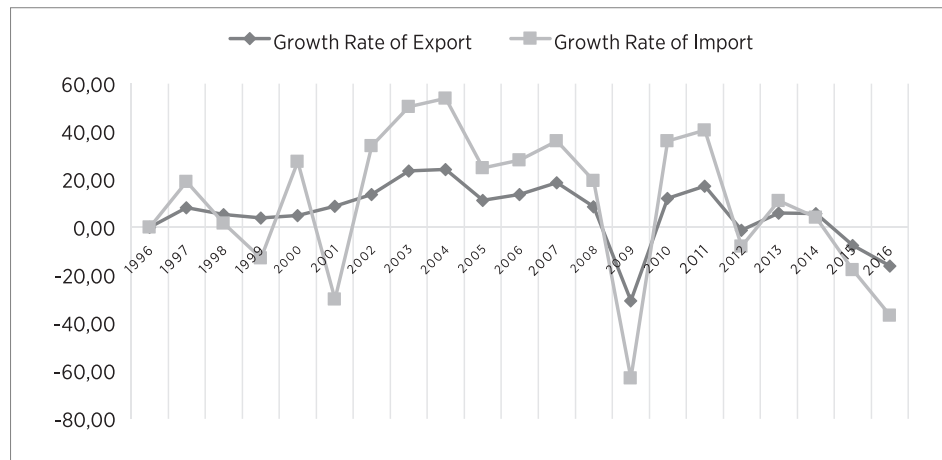
Graph 1. Total Export and Import (Turkey-G20 Countries)



Source: Graph 1 is created by using TURKSTAT data

As it is seen in Graph 1 Turkish export has increased in years of 1996 and 2016. Increase in export is experiencing lower grade than import. Generally, import is greater than export between these years. After 2001 Turkey experienced great economic growth and increase in foreign trade. However increase in import is greater than export. So the difference between export and import has increased. Shrinkages in import are bigger than shrinkages in export after 2013 and because of this reason the difference has started to close. To see the impact of export and import on economic growth and understand it better Graph 2 is drawn.

Graph 2. Growth Rates of Export and Import

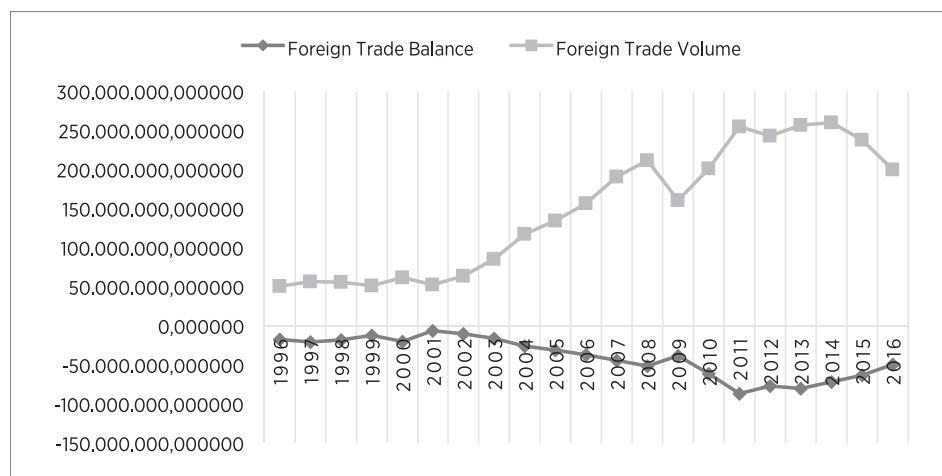


Source: Graph 2 is created by using TURKSTAT data

The difference between export and import has increased because of economic crisis between 1996 and 2001. From 2002 to almost 2016 the trend of increase in exports and imports are approximately similar. After 2012 it can be seen that the growth of export is slightly higher than growth of import.

After analyzing export and import it should be looked at foreign trade balance, volume and import dependency of exports. To observe developments in foreign trade balance and volume and analyze it better, the development of foreign trade and volume are given in Graph 3.

Graph 3. Foreign Trade Balance and Foreign Trade Volume

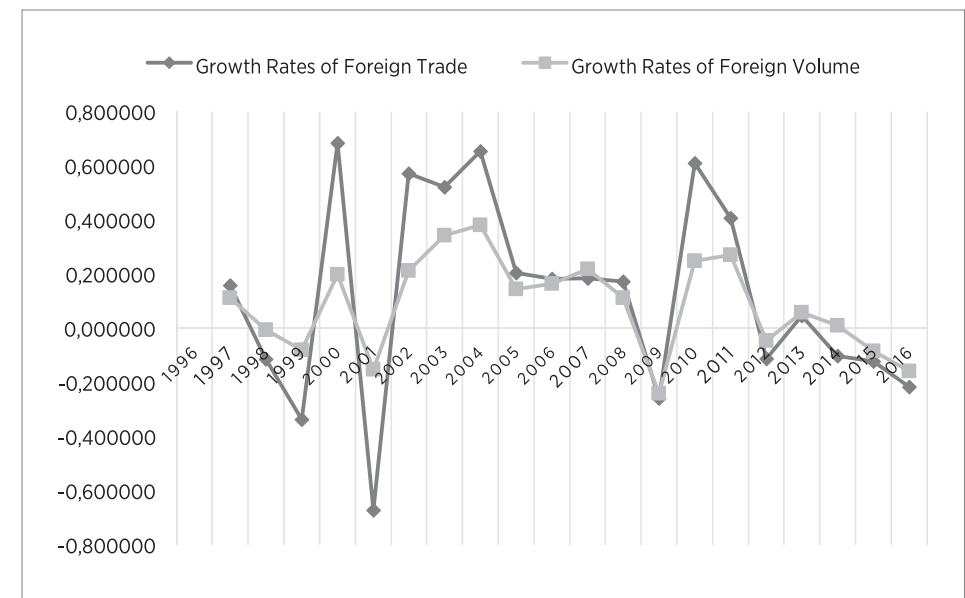


Source: Graph 3 is created by using TURKSTAT data

As it is seen in Graph 3 increase in foreign trade volume causes increase in foreign trade imbalances. After the economic crisis in 2001, the difference in foreign trade has started to increase. After 2002 due to continuous increase in foreign trade imbalances has increased except years of 2009, 2012, 2015 and 2016. By this way continuous foreign trade deficit has formed, foreign trade debt and costs have increased over the years.

After observing foreign trade deficit and volume to maintain integrity in analysis of Turkish foreign trade performance, we should investigate growth rate of foreign trade balance and volume. In Graph 4 growth rates of foreign trade balances and volume are given.

Graph 4. Growth Rates of Foreign Trade and Volume.

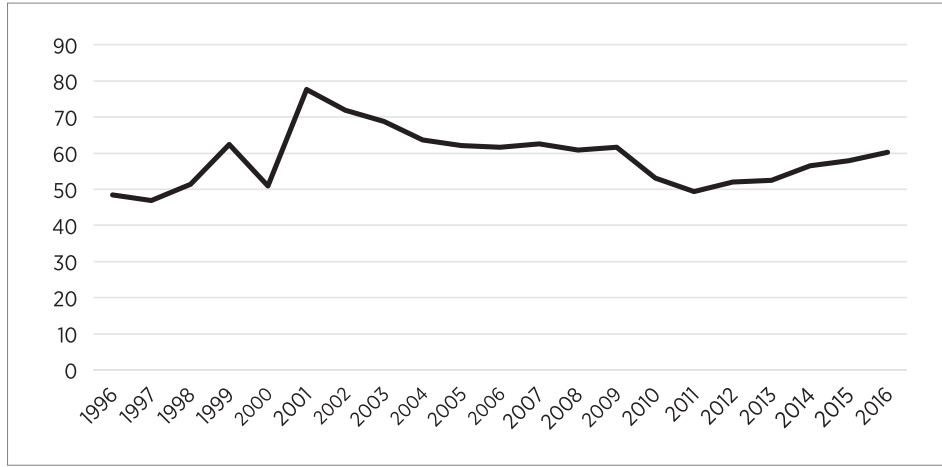


Source: Graph 4 is created by using TURKSTAT data

According to Graph 4, rate of change in foreign trade balance is faster than the change in foreign trade volume. This shows that in the coming years Turkey can live difficulty in funding deficit. This is also the reason for the unstable economic growth rates. Slow pace of change in foreign trade volume has positive impacts on economy. Growth of foreign trade volume also causes growth in foreign trade balances.

To complete our analysis we can look at the ratio of imports to exports in Graph 5.

Graph 5. Ratio of Imports to Exports %



Source: Graph 5 is created by using TURKSTAT data

In Graph 5, ratio of imports to exports is analyzed. The highest ratios are observed in years of 2001, 2002, 2003 and 2004. Turkey has experienced economic crisis in 2001 and this year has the highest imports to exports ratio. In the years after the crisis, import has decreased more according to export and because of this reason difference between export and import has decreased more. After 2002, the growth rate of import was higher than the growth rate of export until 2011. However, because of fluctuations in exchange rates the growth rate of export has performed better.

Conclusion

When we look at foreign trade between Turkey and G20 countries, almost an increasing process can be observed. Turkey's foreign trade has experienced better performance after participating G20 group. If we make general evaluation it can be seen that G20 countries have the highest share in Turkish foreign trade volume. This situation sourced from the power of G20 countries in World production and consumption. Until 2012 the most important trade partner of Turkey is G20 Group, however after that foreign trade with G20 countries have entered a tendency to decrease. Since 2012 Turkey has been looking for alternative countries and groups and by this way other country groups has started to occupy important place in Turkish foreign trade.

In the 21st Century when the new world order was established and to get success in economy Turkey should create new alternatives for himself. Generally Turkey has experienced decrease in export and import differences while economic crisis has occurred and has experienced increase in this difference while there is not economic crisis. Turkey should live away from this table in new world order. To realize this, Turkey should not live crisis due to external dynamics such as fluctuations in exchange rates of Euro or Dollar but should prefer to live crisis supported by internal dynamics if necessary. Because controlling internal dynamics is easier for policy makers. Addition to this, Turkey should not care only about being a member of international economic organizations but also look for ways to realize effective foreign trade with other economic organizations.

REFERENCES

- Apak, S. (2008). " Küresel Finansal Kriz, G-20 Konferansı ve Türkiye". Beykent Üniversitesi Stratejik Araştırmalar Dergisi, 1 (2), 2008, 1-11.
- Astaneh, H.,(2000). "Kuruluşundan Bugüne Ekonomik İşbirliği Teşkilatı", Ekonomi Dergisi, Sayı:52.
- Ayaz, Sühelb (2014). Küresel Ekonomik Yönetişimde G-20 ve Türkiye. Bilge Strateji, Cilt 6, Sayı 11, Güz 2014, ss.7-13
- Bakirtaş, İ., & Çetin, M. A. (2016). Yenilenebilir Enerji Tüketimi ile Ekonomik Büyüme Arasındaki İlişki: G-20 Ülkeleri. *Sosyoekonomi*, 24(28).
- Barutçu, E., & Arslan, Ü. (2016). Dış Açıklık ile Finansal Gelişme Arasındaki İlişki: G 20 Ülkeleri Örneği. *İtobiad: Journal of the Human & Social Science Researches*, 5(3).
- Bozkurt, E. ve, M. A. Kütükçü, Y. Poyraz. (2004). Devletler Hukuku, Genişletilmiş 4. Baskı, Asil Yayın Dağıtım, Ankara.
- Ersel, H. (2010). Bir küresel kamusal mal olarak mali istikrar ve g20. *İktisat ve Toplum Dergisi*, Yıl, 1.
- <http://www.tuik.gov.tr/DışTicaretİstatistikleri/>
- https://www.g20.org/Webs/G20/DE/Home/home_node.html
- Kesgingöz, H. (2017). "Uluslararası Ekonomik Kuruluşların Türkiye'nin Dış Ticaretine Etkisi", Detay Yayıncılık, Ankara.
- Kesgingöz, Hayrettin and Dilek, Serkan (2016), "Middle Income Trap and Turkey", *The Empirical Economic Letters*, 15(7)
- Kurnaz, N., Özbek, A., & Altunal, I. (2016). Afro-Avrasya Bölgesindeki Ülkelerin Sosyo-Ekonomik Gelişmişlik Seviyelerinin Değerlendirilmesi: G-20 Ülkeleri Üzerine Bir Çalışma. *Dumlupınar Üniversitesi Sosyal Bilimler Dergisi*, 347-360.

- Mike, F., & Laleh, M. M. (2016). Bilgi ve İletişim Teknolojilerinin İstihdam Üzerine Etkisi: Seçili Ülkeler Üzerine Bir Uygulama. *Atatürk Üniversitesi Sosyal Bilimler Enstitüsü Dergisi*, 20(2).
- Sarıçoban, K., Kösekahyaoglu, L., & Erkan, B. G20 Ülkelerinin Teknoloji Yoğunluklarına Göre İhracat Rekabet Güçlerinin Belirlenmesi, SOBİDER Sosyal Bilimler Dergisi / The Journal of Social Science / Yıl: 4, Sayı:11, Haziran 2017, s. 594-609
- Selim, S., Purtaş, Y., & Uysal, D. (2014). G-20 Ülkelerinde Eğitim Harcamalarının Ekonomik Büyüme Üzerindeki Etkisi. *Optimum Ekonomi ve Yönetim Bilimleri Dergisi*, 1(2).
- Yalçınkaya, Ö., & Aydın, H. İ. (2017). Makroekonomik İstikrarın ve İstikrarsızlığın Ekonomik Büyüme Üzerindeki Etkileri: G-20 Ülkeleri İçin Bir Panel Veri Analizi (1994-2015). *Siyaset, Ekonomi ve Yönetim Araştırmaları Dergisi*, 5(4).
- Yalçınkaya, Ö., & Vedat, K. (2016). Ekonomik Büyümenin Sürdürülebilirliği, Eğitim ve Verimlilik İlişkisi: G-20 Ülkeleri Üzerinde Bir Uygulama (1992-2014). *Siyaset, Ekonomi ve Yönetim Araştırmaları Dergisi*, 4(4).
- Yalçınkaya, Ö., & Yazgan, S. (2016). Kurumsal Yapının Ekonomik Büyüme Üzerindeki Etkileri: G-20 Ülkeleri Üzerinde Bir Uygulama (1996-2014)/The Effects of Institutional Structure on Economic Growth: An Application on G-20 Countries (1996-2014). *Business and Economics Research Journal*, 7(4), 31.

The Principle of Confidentiality In Mediation and the Role of Confidentiality In Commercial Mediation

Att. Dursun Al

Abstract

Mediation alternative dispute resolution method, which is considered as one of the ADR (Alternative Dispute Resolution) methods primarily in foreign countries and in Turkey along with the adoption of the LMCD (Law on Mediation in Civil Disputes), has begun to be implemented, and it still rapidly continues to improve. In this method, parties want to settle their disputes with the resolutions they created on a voluntary basis with the participation of a registered mediator. The most important principle of commercial mediation is the principle of confidentiality because the parties do not want their trade secrets to become public, and lose out their advantages at the end of this process due to the explicitly confessed interests. Accordingly, it is required to comprehend the concept of trade secret and specialize in the commercial mediation field.

Keywords: *Alternative Dispute Resolution (ADR), Mediation, Basic Principles of Mediation, Confidentiality, Commercial Mediation.*

1. Introduction

Social and commercial relations developed with globalization have become multi-dimensional and complex. As a result of this developed relations, the number of disputes has increased and still continues to inc-