

## Bilateral Trade: Between India and Turkey

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### ABSTRACT

Bilateral trade between Turkey and India in import Turkey was the 44th largest worldwide cause and India was 47th major basis from Turkey. And in export Turkey was 16th largest and India was 9th largest global sources of export destination. In 2014 the amount US\$6.9 billion India exported to Turkey, and Turkey globally importers 2.8%. In 2014 India exported mineral fuels and goods dominate to Turkey. India was 7<sup>th</sup> main provider of petroleum lubricant crystal to Turkey.

For Turkey India is a major world-wide basis of import. India imports from turkey, Organic chemicals are in the 8<sup>th</sup> major universal basis, manmade staple fibres in the 3<sup>rd</sup> major world-wide source; and an automobile is in 11<sup>th</sup> major basis. From 2005 to 2014 India's imports has risen from US\$219.9 million. In 2019 at the G-20 summit, India representative Sanjay Bhattacharyya said in Ankara that recently Turkey and India trade and two-way investment were in much higher potential. He spoke on the title of invest in India that with the commitment of India economic Turkey growth has been increased and it has been reached from 22% to \$8.6 billion in 2018.

By 2020 the goal was to reached \$ 10 billion trade and till 2025 to be more resolute aim. The aim of the paper is to understand the relation of trade between Turkey and India.

**Keywords:** Trade, Export, Import.

### 1 Introduction

Indo-Turkish bilateral relations had its foundation in the Nehru-Pasha romanticism for a shared future. The cold war equation forked it in different directions before they made progress during the 1980s and 1990s. Now, they are diverging again.

In recent times by the exchange visits of the leaders of both countries bilateral trade has been strengthened. In India, 2008 these exchange visits included the visit of PM Recep Tayyip Erdoğan and in 2010 Turkish President Abdullah Gül and from India Hon'ble Vice President Shri Mohd H.Ansari visited to Turkey on Oct 10-15, 2011.

During 2012-13 numerous ministerial like Dr. Farooq Abdullah, Shri Salman Khurshid, EAM level visits were exchanged, of the invitation of President of Turkey in Oct 5-7, 2013 Rashtrapatiji Shri Pranab Mukherjee has also visited Turkey. President Erdoğan was separately called by the Vice-President and External Affairs Minister-President at the time of visit to India Erdoğan was deliberated an honorary degree by J M I University. During this visit, inter-

governmental agreements were signed in the education sector and with enterprises. In education sector Mou's were done between the universities were Jamia Millia Islamia & Kadir Has University, Turkey; University of Delhi & Kadir Has University, Turkey, Mevlana University, Turkey & University of Hyderabad, Jamia Millia Islamia University & Istanbul University, University of Delhi & Atatürk University, Turkey, Jawahar lal Nehru University & Kadir Has University, Turkey. And protocol between National Small Industry Corporation and SME Development Organization (KOSGEB). All India Radio & Turkish Radio & TV Corporation (TRT), DST (Department of Science & Technology) & Scientific & Technological Research Council of Turkey (TUBITAK), Doordarshan & TRT, Protocol in the field of Archives between Govt. of India & Govt. of Turkey. According to a board member of the Turkish Union of CCE (TOBB) Faik Yavuz. Turkey was focusing on the Western market for many years but now it has begun to move to Asia countries for an opportunity in international trade (Embassy of India, 2019).

In 2019 in the G-20 summit in Ankara India representative Sanjay Bhattacharyya said that recently Turkey and India trade and two-way investment were in the much higher potential. He spoke on the title of "invest in India" that with the commitment of India economic Turkey growth has been increased and it has been reached from 22% to \$8.6 billion in 2018. By 2020 the goal was to reach \$10 billion trade and till 2025 to be more resolute aim. Attractive opportunities have been provided to Turkish Investor by the Indian market to expand their assortment and for their operations in Asia to use it as a hub. Sisecam and Arcelik and Turkish firms are already active in India.

## **2 Objective of Study**

The aim of this study is;

To know the bilateral trade between Turkey and India

To know the relation between economic

To know the cultural relation

## **3 Research Methodology**

Research has been done through primary and secondary data through newspaper, journal, internet, and questionnaire by online Google form.

## **4 Relations between Economic & Commercial**

The bilateral relationship is an important measurement of the relations between economic and commercial between India-Turkey at the governmental. Turkey and India bilateral trade was signed in 1973. In 1983 India –Turkey Joint Commission on Economic and Technical Cooperation (JCETC) Agreement alternative meeting was held in India and Turkey under this Agreement, India-Turkey Joint Business Council (JBC) was set up in 1996 between the Federation of Indian Chambers of Commerce and Industry (FICCI) and Foreign Economic Relations Board of Turkey (DEIK). In January 2014 10th session of the JCETC was held in New Delhi. This meeting was led by from Turkish Delegation by H.E. Mr. Nihat Zeybekci, from Turkey and Ministry of Economy of the Republic Turkey and from Minister of Commerce and Industry from India Shri Anand Sharma, were from both countries to assist entrepreneurs for the first Turkish-English bilingual version issue of the "Doing Business with India" and

Turkey” was brought out peacekeeping initiatives in a public. In Istanbul 6-7 Dec 2013, the Turkish Chamber of Commerce and Industry TUSKON and the India-Turkey Business Association (ITBA) have organized the Indian Turkey CIS Business Forum. In this forum meeting around 29 entrepreneurs and 100 Turkish businessman has participated. “Izmir International Fair 2014” was held from 29 Aug to 2 Sept 2014 on the “Focus Country” status which was granted to India by the Turkish Government, under the FICCI huge quantity of enterprises in this fair (Embassy of India, 2019).

## **5 Turkey’s Focus on Asia**

As earlier Turkey’s focus was on western shops but nowadays it started to move towards Asian countries for foreign trade opportunities. Besides, in Europe, Central Asia, and the Black Sea, Turkey has its own market. The interior of manufacture and profession in inclusive geography in the Middle East, Turkey is in a suitable position in accessing the regions’ markets for Indian companies Turkey could be a production base.

In 2018 Turkey imported from India valued \$7.5 billion and exported to India around \$1.2 billion. Manufacture and industrial are the divisions that have the maximum prospective for association and India is a serious purchasing power country. Turkish Science and Technology Ministry Mehmet Yurdal Sahin, director-general of Encouragements and Foreign Investments said in Turkey India capital has been operating of 328 firms. Indian companies have been issued 6 investment certificates in turkey. FDI has been made in Turkey \$131 million since 2002.

## **6 India –Turkey Trade Relations and Economic**

In import Turkey was the 44th largest global source and India was 47th largest source from Turkey. And in export Turkey was 16th largest and India was 9th largest global sources of export destination. In 2014 the amount US\$6.9 billion India exported to Turkey, and Turkey globally importers 2.8%. In 2014 India exported mineral fuels and goods dominate to Turkey. Second side it was seen that India export to Turkey petroleum which is 3<sup>th</sup> largest supply and petroleum jelly mineral it is 7th-largest supplier.

The trade between Turkey and India the main export items for India are precious stones, pearls, (for jewellery) mineral oils, land vehicles, machines, nuclear reactors organic chemicals, and pharmacy. And the main items of imported items are crude oil, electronic items. The main export item from India is gold, marbles, oilseeds, raw material, and import items to India petroleum textile yarn-related product spare part items, etc. Another there is mutual economic agreement that has been signed between both countries is on the Avoidance of Double Tax (1996) and the Agreement on Mutual Assistance in Customs (2015). Between Turkey and India, there is no FTA agreement.

## **7 International Trade of Turkey**

Since 1980 Turkey is doing export. There was an economic reform policy for export and import it has been implemented in Turkey to focus on export and to be a restriction on import, liberalization on foreign exchange transactions, and reduced safeguarding practices. But in 2014 Turkey’s global export was 0.8% and import was 1.3%. There was growth in both trade

export and import. More than two-fold Turkey total trade (EXIM) increased. From 2005 to 2014 it was US\$ 190.3 billion to US\$ 399.9 billion.



**Figure 1:** Bilateral Economic and Trade Relation between Turkey and India.

Turkey ranked 32nd global export and 19th ranked of global import in 2014 according to the world trade organization. Turkey export low level of goods from normal properties, such as cuisine, clothes, stones, and metals, and also upper level product including automobiles and equipment. In 2014 Turkey's export hamper motor vehicles, machinery, iron and steel, electrical things, and gold.

In latest years' development pointed out that there is the substantial growth of export of high technology product and productions, which has been included automobile industry electrical and electronic items and moreover machinery and equipment. Over two-thirds of total imports. Were intermediate goods representing and industrialized countries were rapidly reflected by the Turkey import profile? In 2014 Turkey export electronic items steel and iron, motor vehicle and main was mineral fuel. Turkey upper import sources are Russia, China, Germany, Italy and USA. To make itself independent Turkey is an oil creator, although its manufacture is not much more, but trying to fulfil the demand of oil, imports and leaving it exposed to oil price instability. Since 1962 Turkey is in authorization contract, till 2014 it is in 82 bilateral agreements.

## 8 India and Turkey Natural Relation

One senior Turkish lawmaker recently said about both countries' natural relations that Turkey and India with a deep historical connection both are middle-income secular equalities. Due to Turkey's pro-Pakistan orientation, there is a lengthy weakness to growing much more fruitful bonding with India.

## 9 Uncertain Progress

In 1948 both countries relations establish with diplomatically. With the four decades both countries failed to develop a close partnership. Mostly for two reasons Turkey India relations in experienced in unstable.

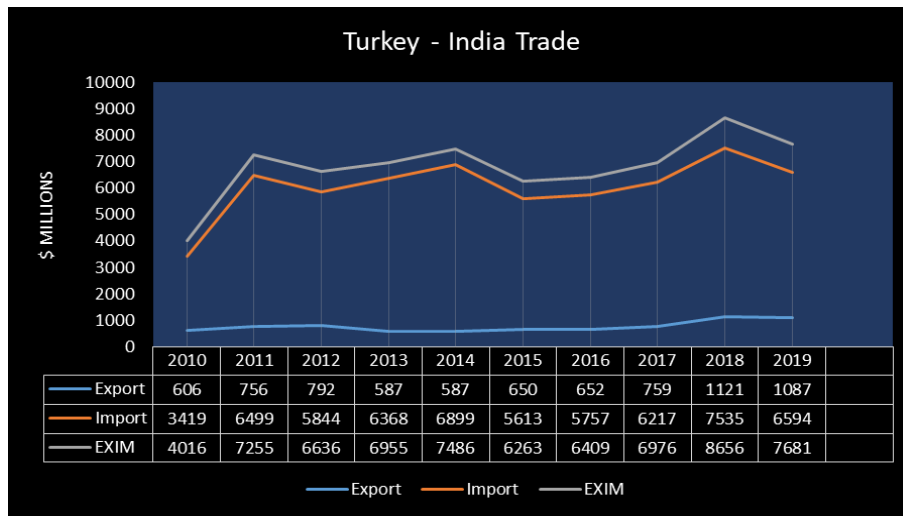
The main first issue was Turkey support to Pakistan of the position for Kashmir (Çolakoğlu, 2013). Next issue was Turkey membership in NATO and the Baghdad Pact was the differing cold war Strategic Orientations (Zorlu, 1955) To decrease this cold war, the P M Turgut Özal tried to develop the relations between Turkey and India. In 1986 Özal visited India to open two sides agreed on Defence attaché Offices in both country's capitals. After two years it was reciprocated by PM Rajiv Gandhi (Batur, 1988). Turkey and India's relation appearing in the graceful progress on multiline fronts with the starting from both countries' economic improvements. But the factor of Pakistan Kashmir conflict is confusing the relation of Turkey and India. In the assembly of Islamic cooperation in the August 1991 foreign ministers meeting, it was convicted in Ankara that due to the Kashmir issue there is stress between India and Turkey relationship (Imam, 2002). After that, in several years there were agreements from both sides were, collaboration with the the Council of Scientific and Industrial Research and Turkish Scientific and Technological Research Institute on preclusion of dual revenue system and travel (1995), both side investment campaign and defence, inhibition into transferring in tranquilizers (1998) (Dutt, 2007). Although bilateral relationship has been stuck with the deep efforts.

## **10 Engagement of a New Era**

The relationship between India and Turkey first Turkish Prime Minister Bülent Ecevit has tried to develop. In Pakistan Pervez Musharraf brought into the power due to his dissatisfaction of the coup d'état. In 14 years first time Turkish leader Ecevit refused Pakistan invitation and visited to India in April 2000. Before the visit to India, the traditional position on Kashmir has been revised by Ankara. He advocated resolution of the conflict on UN supervision and the mission of the dispute for a bilateral settlement (Ishtiaq, 2000). After that changes came and relationship increased between Turkey and India (Singh, 2000). After that in September 2003, Prime Minister Atal Bihar Vajpayee visited Turkey for the navigation of the bilateral relationship in encouraging and new directions. During the visit Prime Minister Atal Bihari Vajpayee from India and Turkish Ministry of Foreign Affairs of the centre for strategic research focused on the both country, to promote the trade and work together with the collaboration for the growth of capitals, and also both took oath to develop a Joint group to fight against violence (Times of India, 2003). P M Atal Bihari Vajpayee visit outcome result has developed and the relation between both countries—it two “rising middle powers,” (Çolakoğlu, 2018). — previous no one has took care to develop the relationship on multidimensional.

In Turkey Justice and Development (AKP) time passed to positive momentum. In the emerging stage and determinedly AKP had a strongly pro-EU and growing agenda. To escape the “middle-income trap” and tried to diversify Turkey’s trade network in this manner India was offering a growing economy and an important benefit to Turkey although Pakistan was providing very low gains. Without damaging his relation with Pakistan Turkey wants economic co-operation. In such a type of cooperation, G-20 is an international platform for growing collaboration. Between Turkey and India, Free Trade Agreement (FTA) was permitted by Prime Minister, Recep Tayyip Erdoğan in 2008. By the Indian Space Research Organisation, and next year Turkey's first Nano satellite (ITUpSAT1) was sent to space on a PSLV C-14 (Embassy of India, 2018). In 2008 President Abdullah visited India and discussed for New Delhi space research, biotechnology, and IT of cooperation (Ministry of External Affairs, 2010). Since then the partnership growth has been progressed very speedily. In fact, in 2018

bilateral trade volume was increase from up to \$8.7 billion from \$505 million. For this partnership after China, India becomes Turkey’s second-largest trade partner in East Asia. Far outstanding the trade s with Pakistan in 2019 was (\$803 million). More over Turkey’s trade volume with India was around \$7.7 billion (TURKSTAT, 2020).



**Figure 2:** Turkey – India Trade (2011-2019).

In 2017 President Erdoğan’s visited India as a Turkish policymaker to emphasized India’s increasing significance. Around 100 member business delegation was accompanied by the president. The visit focus was largely economy. In this visit, Interest was shown by Ankara for the “smart cities” initiative, and hopeful to benefit from the construction and infrastructure sector by the expertise of Turkish firms (Basu, 2017).

## 11 Economic Commitment Between India and Turkey

In recent years, new momentum was seen in India’s economic engagement with Turkey. In 2018 overall Turkey’s import to India ranked was 6th. To cross US\$8.6 billion to grow bilateral trade 22% in 2018.

In 2018 to cross the US\$8.6 billion bilateral Trade grew 22%. India ranked was around 6th Turkey’s imports in 2018. From India export to Turkey is – organic, chemicals dyes, fabric, aircraft & spacecraft parts, petroleum, man-made yam, industrial machinery, etc. and import from Turkey is mineral elements, gems, and valuable/semi-precious gravels and jewellery, manufacturing equipment, broken/unbroken poppy seeds; brickwork and marble, machinery and automatic applications, iron, and steel, etc. In Turkey, various industries are registered. Such as Indian companies are Wipro, Jain Irrigation, Sonalika, Tata Polyplex Merrill Lynch, TAFE, Mahindra, Punj Lloyd, etc. According to Turkish data, Indian companies have invested around USD 125 million and Turkey companies have invested in India around USD 223 million. Dogus Holding Dogus Construction, Koç Holding, Arçelik, Celebi Holding, Orhan Holding, etc. Turkish companies operating from Turkey.

## 12 Cultural Relations

In 2017 after the renewal of CEP in recent years’ culture exchanges have grown both country shares historical culture overlap. Exhibitions, seminars, film shows outreach to universities are



being organized regularly in cultural performance. In March April 2019 major cities of Turkey India by the Bosphorus a festival of India was showcasing Indian dance, music, food, and fashions. Many of the Indian events were organized in Turkey in April 2019. For school children “Glimpses of India Tagore Painting Competition” has been organized in four cities of Turkey. A lecture was sponsored in Ankara and İstanbul which was organized by ICCR.

There is an MoU between Turkey and Indian universities. Ankara University has been operating the Indology department since the 1930s. In various universities, Indian studies have been started at METU, Giresun, Koç universities. By the ICCR for the deputation Indian professor in the Hindi language has been gone to Turkey and Turkish professors have been sending for the Turkish language in JNU and Jamia Millia University since 1995.

### 13 Conclusion

Over the past year, relations between Turkey and India have curdled, mainly the outcome is the Turkey relation with Pakistan and the response on the Indian policies of Kashmir. In present for the future growth of both countries dealing not look to promise well. Even sacrifice the relation between Pakistan and Turkey.

Although a diplomatic relationship between India and Turkey, Turkey has not given importance to these ties. And it was seen during the cold war Turkey gave the importance of the relations toward Pakistan. Overall in the area of trade Ankara has tried to primarily success, moreover, then also there is a problem between both countries.

Although under the Özal administration, the Turkish economy providing the initial up of an opportunity for combining relationship between Turkey and India. To get future assistance from the possibility of India's economy. By the AKP energetic has been accelerated in the several sectors which seek cooperation with India in space, science, and technology, including defence. Under the AKP Turkish foreign policy, Ankara is interested in looking for superior collaboration with India and wants to outcome ostensible revolution. However, between both countries, there have been developing high-level bilateral visits.

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