



AB-ABD SERBEST TİCARET ANLAŞMASI VE TÜRKİYE'YE ETKİLERİ

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Öz

AB ile ABD arasında müzakereleri yürütülmekte olan Transatlantik Ticaret ve Yatırım Ortaklığı (TTIP), geleneksel Serbest Ticaret Anlaşması (STA) olmanın çok ötesinde daha derin ve kapsamlı bir işbirliğinin doğmakta olduğuna işaret etmektedir. Bu işbirliğinin gerçekleşmesi ile birlikte Atlantik'in iki yakası arasında yeni bir ekonomi ve pazarın doğacağı ve bu oluşumun tek başına dünya ekonomisine hükmetme gücüne sahip olacağı öngörülmektedir. Özellikle ihracata dayalı ekonomileri olan gelişmekte olan ülke ekonomilerinin önemli kayıplar yaşayacağı, Türkiye'nin de bu ülkelerin başında geleceği tahmin edilmektedir.

Türkiye'nin AB ile imzaladığı Gümrük Birliği (GB) anlaşması dolayısıyla AB ile STA imzalayan ülkelerin ürünleri Türk pazarlarına serbestçe girebilmekte ancak Türk malları için mevcut gümrükler devam etmektedir. GB'nin getirdiği bu yükümlülüğün TTIP'in yürürlüğe girmesi ile birlikte Türkiye'nin yükünü daha da artıracığı tahmin edilmektedir.

Bu makale çalışmasında AB-ABD Serbest Ticaret Anlaşması incelenecek ve Türkiye üzerinde ne gibi etkilere neden olabileceği açıklanacaktır. Makalenin birinci kısmında AB-ABD serbest ticaret anlaşması ve dünya ekonomisine etkileri anlatılacaktır. İkinci kısımda ise AB-ABD serbest ticaret anlaşmasının Türk dış ticaretine etkileri, Ab-Türkiye dış ticareti Türkiye-ABD dış ticareti, ve Türkiye için çözüm yollarına yer verilecektir. TTIP'in imzalanması ile birlikte sadece dış ticarete değil çevre, sağlık, istihdam, refah, kamu hizmetlerinin yürütülmesi gibi birçok alanda iki ticari ortağın piyasalarının birbirine açılması beklenmektedir. AB'nin STA imzaladığı her ülkenin ürünleri AB üzerinden Türkiye'ye gümrüksüz girerken Türkiye için aynı durum söz konusu değildir. Türkiye'nin de en çok kaybeden ülkeler arasında olacağı öngörülmektedir. Makale Türkiye'nin dış ticareti açısından bu nedenle önem arz etmektedir.

Anahtar Kelimeler: Serbest Ticaret Anlaşması, Transatlantik Ticaret ve Yatırım Ortaklığı, TTIP, Gümrük Birliği, Uluslararası Ticaret.

FREE TRADE AGREEMENTS OF EU AND USA AND ITS EFFECTS TO TURKEY

Abstract

Ongoing negotiations between the EU and the US Transatlantic trade and investment partnership (TTIP), traditional free trade agreement (FTA) indicate that beyond being a more extensive collaboration was born. The realization of this cooperation between the two sides of the Atlantic with a new economy and the market will rise, and this formation alone, it is projected that the world economy will have the power to rule. Especially export-oriented economies with the economies of developing countries will experience significant losses, Turkey is predicted the future of this country.

Turkey signed a Customs Union agreement with the EU, and consequently, the products of the countries that signed the FTA with the EU can freely enter the Turkish market, but the existing Turkish customs for goods continues. In conjunction of GB with the enactment of this obligation by TTIP, Turkey is estimated to increase the burden even more.

This article describes the work of the EU-US Free Trade Agreement may cause effects on Turkey will be examined and will be announced. In first chapter, Usa-Eu Free Trade Agreement, and its impact on world economy is explained. In second chapter, the impact of Usa- Eu free trade agreement on Turkey's foreign trade, Eu-Turkey foreign trade, Turkey-Usa foreign trade, the solution ways for Turkey are featured. With signing Transatlantic Trade Agreement, not only foreign trade but also environment, health, recruitment, prosperity,

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public services of two trade copartners will be opened each other. The products are gained entrance to Turkey free of duty because of free trade agreement. However this situation is not same for Turkey. Turkey is seen among the most loser countries. Because of this reason, this article has an importance for Turkey's foreign trade.

Keywords: Free Trade Agreement, Transatlantic Trade and Investment Partnership, TTIP, Customs Union, International Trade.

INTRODUCTION

Free Trade Agreement (FTA) is one of the most important concepts of international trade and economical relations from the past on nowadays. Transatlantic Trade and Investment Partnership (TTIP) between European Union (EU) and United States of America (USA) is one of the most important discussions of global economy for last year's because TTIP points that FTA is more than a classical agreement and much more than the definitions of the traditional cooperation. According to draft agreement mutually custom tariffs were decreased and extensive partnership relations will be established (Şahin, 2015: 60). TTIP is the development which is applied because of needed regulatory reforms and protection in the investments in the international trade as liberalization model. In the way of extent and scale, TTIP represents a new development in the trade politics of Europe trade and regulatory reforms. The relation which is established based on FTA between USA and some European countries that validate all over the world through TTIP (Khan vd., 2015: 5-6).

That increasing the shares of Chinese and rising economies in world economy and becoming serious competitors for Western economies and Economic Crisis in 2008 is caused important perform loss in the Western economies made seeking for new cooperation. TTIP which was started its negotiations on July of 2013 and is been considering put into place in 2018 after 5-Year-Negotiation-Calender has become one of the most important discussions in the global economy during last years as objectified situation of quests (Çelebi, 2013: 219). Big renewals will happen to the direction of world trade within putting into place of agreement and firstly in Japan (- 5,90%) then many countries' GDP will reduce (Peterson, 2013: 6).

The cooperation structure which is USA and EU want to reach through this agreement, the environment which has not any improvement that World Trade Union (WTU) requires, intellectual properties, competition politics, investments, health, energy and raw material are not just standards of WTU, It is a temporization place. In case of signing this agreement by EU and USA, they would have super power all over world trade and do whatever they want and many countries concern about the consequences of it (Akman, 2014: 3)

This agreement has more wide-ranging than other free trade agreements until nowadays and will have big scale trade in it and they could make some effects in Turkey, such as; investments, quota, subventions, competition politics and trade conveniences (BİLGESAM, 2014: 34). Turkish markets will be free for products of USA but Turkish products will not be free as always, they will the barriers and the application which has been used for the recent years (Akman, 2013: 13).

Economic Crisis in 2008 caused permanent economical losses all over the world, It also influenced EU also like all developed economies, the crisis started in the financial system. Firstly in Greece the other countries it has become a long-term real crisis. This crisis damaged



the countries a lot and it is obvious to see that it has become global money crisis (Euro crisis). Europe that challenges with the crisis from 2008 on materialized new structural reforms and used signed free trade agreements as a solution way (BİLGESAM, 2014: 8).

It could be seen that there is no efficiency on Doha Development Round which was conducted from 2001 in WTU. Besides developed countries are trying to have some agreements each other to solve this problem because the completed liberalization in Uruguay was not that good in 1994 in the world trade (Güneş, Mavuş ve Oduncu, 2013: 2; Akman 3,7; Khan vd., 2015: 6). In this direction there are a lot of attempts from USA and EU. Mainly this movement has become a current issue among two old joints in TTIP. The main factor which makes TTIP being a current issue is logrolling of USA and EU. While USA do not get good efficiency under the roof of WTU, EU challenges with the crisis which resumes with its sustainability. EU and USA want to make their markets bigger. On the other hand, USA associated foreign trade which was run all over the world with security after 11th of September, 2011 makes them enter to the reliable markets like European markets. With the reason of new politics, while USA sign FTA with many countries, EU start signing FTA to stop inactivity and not to lose the market versus rising Asian economies (BİLGESAM, 2014: 37).

TTIP was discussed social and political effects of it, not just economic effects. Confidentiality of negotiation documents of the agreement and its related regulations and tendency of parties are seen as threat from especially the point of European democracy. Arguments about the subject of agreement transparency are questioned. There are some thoughts: the agreements will bring a lot of benefits and the agreement will bring much economic loss (Hilary, 2015: 9-10).

In the studies, TTIP was emphasized often that it is not a classical FTA. Although nevertheless Turkey focus the effect of import and export in the studies about that, especially it was being discussed in the different perspective because this agreement is not just about foreign trade numbers, it could influence also about environment, public health, income distribution, salaries, employment, access to resources, the method of representing of public services and other subjects. So, this agreement would influence Turkey in the way of export effect, all studies in Turkish literature is about the foreign trade. In this study, the effects of the agreement were discussed between economies of USA-EU and Turkey broad brush strokes.

CHAPTER I

EU – USA FREE TRADE AGREEMENT

1.1. EU-USA Free Trade Agreement

There are some concerns which are created by rising Far East Asian economies at the heart of TTIP. It is one of orders of the day in the economy environments. Fast economic rising like in China and South Korea caused very hard competitive foreign market for EU and USA economies. Both of parties started to sign new free trade agreements with third countries to protect their markets. This situation made these two partners being competitor in many markets and having a new collaboration. While China's market share was rising in both of



markets, the rates of export between EU and USA were decreasing. This important factor has accelerated the process (Akman, 2014: 6-7).

It has been considering that the agreement which has regulatory reforms for both side makes depression effects decreased after 2008. TTIP which has mainly more different content than other FTAs and tariff reforms and the gains of them are seem obviously for the regulation of future structure and reforms. Liberalization scale has become bigger with the agreement and it is been expected that Rising growth will continue through new regulations. The connection between growth and public health would exist alongside of economical growth for both sides are been considering (Khan vd., 2015: 6-7, 17-18). Products of EU and USA have entrance difficulties to the markets and both sides have important protections in some markets. EU and USA markets would open each other within TTIP which is called more than typical agreements. Public procurement in USA has high-level protection and public procurement in EU is liberalized significantly. On the other hand, EU has high-level agriculture protection and USA products have difficulties to entry to the European agriculture market. Notably these things, cooperation between EU and USA would be bigger and the protections which are out of tariff could decrease then the relation would be much bigger as economical and social (Messerlin, 2015: 13-17).

Office of the United States Trade Representative defines TTIP as partnership of investment, high-level standard and extensive trade between two partners. New staffing opportunities will born by increasing the access to European markets within the agreement for American products and services that is stated. Within agreement which has some expectations like international competition power, growth and staffing make new 13 million employment creating, harmony between partners would increase also by this. This agreement is seen as a strategic qualified partnership for both sides, too (www.ustr.gov, 01.08.2015).

The partnership agreement which is sustained negotiations among two blocks was defined the cooperation which more than a classical FTAs by Kutlay and Keleş (2013: 25) and definition of geo-economic imagination was used by them. The agreement between two blocks aims that nullification of each custom taxation, removal of each obstacle of non-tariff, included agriculture, making the access to markets easier, to synchronize regulatory regimes, to strength of regulations about intellectual property and being transparency of public bidding process. In addition to these, liberalization is predicted high-level in many areas. The agreement creates the biggest free trade zone all over the World by the reason of its index and scale of the market.

TTIP is not just an agreement which provides liberalization of the trade between EU and USA, It must be considered as a widened commercial partnership because the trade between two parties from the past to nowadays is been conducted with quite low custom rates.

By the reason of these, the agreement would make custom tariff zeroing and removal of obstacle of non-tariff. On the other hand, other focal point of the agreement is service trade and investments and this points that it is a new cooperation and more than a classical FTA (Akman, 2014: 8).

The importance of the agreement is not just discount about tariffs and It makes the expenses of the relations lower than before. Mean custom tariff is around 3,5% in trade of EU-USA in



the existing situation. Main benefit of the agreement is not discount of tariffs, in recognition sectors, it has been calculated that the expenses of the trade would be considerably lower. Within the agreement, the expenses of many sectors' export have been calculated to be lower around 50% (Hasanov ve Macit, 2015: 18). While being lower of the expenses in many areas means rising profitability and totally means rising prosperity.

It is obviously seen that there is no monotony about the index of agreement in EU countries. For instance, France calls a spade a spade to veto the agreement If it is not suitable for national politics concerns about audio and visual services and cultural services. Other common politics problem is that environment, food security, agriculture products and geographical signs belonged agriculture products. Notably France, Spain, Italy and Greece and many countries have concerns about these. By the reason of this, negotiations maybe will not be completed and enter into force in expected time (5 years) (Öztrak ve Duvan, 2014: 17-18). In case, when the agreement entries into force, it is clearly seen that the agreement would change many things in the World economy and national economies.

1.2. Effects of Free Trade Agreement of EU and USA to World Economy

EU is trying to sign FTAs with many countries from last years to nowadays. EU wants to widen its markets and increase the internal prosperity by these agreements (Atılal ve Erçevik, 2013: 1). TTIP is one of these agreements; it was the first place of international trade agenda for past several years. EU and USA has started negotiations of TTIP in July of 2013 and these negotiations would be very important for World economy and without any doubt the created cooperation of two parties will reach the power to specify the game rules in World economy (Akman, 2013: 1). According to agreement, effect analysis shows that EU and USA took lesson from Economic Crisis in 2008 and started to look for seeking to economical growth leading up (Çelebi, 2013: 218-219).

That TTIP would create trade and trade variation effects are predicted. Also it is predicted that trade variation affect by agreement influence especially third World countries in a negative way but trade would be created in notably USA, England and Sweden from EU side and other countries. According to analysis about this subject shows that trade liberalization by this agreement makes the prosperity of USA increased more than 13%, the rate is 10% in England, 7% in Sweden and 5% in Germany. The agreements make the export of USA increased around 94% and notably China then India, Brazil, Russia and Turkey would lose prosperity significantly. Loss prosperity all over the World out of the agreement would be around 0,15 % (Çelebi, 2013: 222).

Petersen (2013: 2-3) who examines the result of Transatlantic agreement in the way of other countries, he specifies that USA, notably England and EU counties will have gains in per capita national income in his research which has 126 countries. According to findings of the study, the most rising per capital national income countries are respectively that USA (13,4%), England (9,7%), Sweden (7,3%), Ireland (6,9%) and Spain (6,6%). On the other hand, the agreement would cause very important national income loss in other countries. According to the calculation of national income loss, the countries are that Canada (9,5%) where has close trade relation since the past, Australia (7,4%), Mexico (7,2%), Belize (6,0%),



Japan (5,9%) and Chile (5,6%). It is predicted that notably the export of these countries and the export of other countries would have considerably loss to USA. According to calculation, the most decreasing countries and their export rates are that South Korea (-35,8%), Thailand (-34,2%), Indonesia (-34,2%), China (-33,4%), India (-30,8%) and Japan (-20,1%).

There are some this agreement's circumspect analysis and some scenarios available about possible effects by EU commission. This agreement belong tariffs provides a cooperation place and creates different effects. According to research of the Commission, If the agreement was signed like mentioned overall, It would contribute 68-120 billion Euros to national income of EU and 50-95 billion Euros to national income of USA. It is predicted that the agreement makes the disposable income increased 545 Euros in EU and 655 Euros in USA (Öztrak ve Duvan, 2014: 2).

According to results of other research made by Europe Commission, within the agreements, while rising of total annual national income of EU is 95 billions Euros, it is 120 billions Euros in USA. The agreements will make two parties being glad, it is predicted that it makes the export of motor vehicles, metal and chemistry sectors increased much. According to calculation, 40% in motor vehicle export, 12% in metal products export, 9% in processed food and chemicals export would be increased with these percentages (Europe Commission, 2013: 2-3).

According to calculation of measuring the agreement's gains by Francois vd. (2013: 47-52), the agreement brings liberalization and market growth and makes them having gains in 2027 for two parties¹. (Please check calculations according to two scenarios which are assertive and limited assertive: Francois, 2015.) While rising of national income of EU become 68-119 billions Euros, rising of national income of USA become 49-94 billions Euros within the agreement.

Income of household depends on the scope of the agreement. Within entering into force of agreement on the largest scale, rising of income of household would be 545 Euros in EU and it would be 655 Euros in USA. Annual rising of the exports of parties within agreement as from 2027 is 3,37-5,91% in EU and it is 4,75-8,02% in USA.

It is possible to find these numbers in different resources but common opinion is that both of parties will have gains through the agreement. Also, it is predicted that the prices would be much higher than 0,5% in EU and 0,4% in USA based on economic potential by the agreement. The number of specific predictions would be more about this subject on upcoming period (Walker, www.bbc.com, 01.08.2015).

According to the information of the research which is attributed by Güneş vd. (2013: 3-4), the agreement would be rising of business partnership of EU and USA, significant income and prosperity, besides the agreement influences to economies of many countries in different levels. Notably Canada, Mexico and Turkey are the leading of much loss. According to the analysis of the authors, TTIP conducts with different scenarios, the rising of prosperity of both sides will happen with different levels. If the agreement was entered into force on largest scale, annual rising of real GDP would be 0,280% in EU and it would be 0,304% in USA. As obviously seen in many resources, it is predicted that USA will have more gain than EU.



There are a lot of negative and positive scenarios which are mentioned and discussed on this study. According to one of the opinions which the agreement causes many and big losses in the progressive period, it is possible to sum up shortly the economic losses of TTIP in the long term (the losses could be seen after 10 years) (Capaldo, 2014: 2-3);

- Net export losses will be shown after 10 years in Northern Europe countries. These losses will be 2,07% as annual in Northern Europe countries, 1,9% in France, 1,4% in Germany and 0,95% in England.
- GDP of countries will be decreased. This decreasing will be 0,50% in Northern Europe countries, 0,48% in France and 0,29% in Germany.
- 600.000 people will lose their job within agreement. Decreasing employment will be around 90.000 people in the Southern Europe, it will be 134.000 people in Germany and 223.000 people in France of Northern Europe.
- Labor income in total incomes will decrease and governments will support labor income.
- Income of taxation of all EU governments will decrease with TTIP. The rate of Public deficit will climb over the limit up of Maastricht Criteria all over Europe within decreasing income of the governments.
- Income of export, price shares and income of public will decrease within TTIP and because of these, demands and profits will decrease all over Europe and instability potential will increase in the economy.

EU is seen the loser party in the table which Capaldo (2014: 14) made because there will be some negative things between the agreement and EU but USA will have gains like employment, net export, national income growth. According to the scenario, GDP growth will be 0,36% and annual net export growth will be 1,2% at the end of predicted period. Also, 784.000 people will have new jobs and their income will increase around 699 Euros.

There are also other researches as the agreement brings a lot of benefits and economical losses. According to information based on some resources by Hilary (2015: 10-11), TTIP will cause very serious export and income losses and around a million people will lose their jobs. Also, the agreement has notably democracy and freedom then index which like a threat for food security, environment, etc.



CHAPTER II

EFFECTS OF FREE TRADE AGREEMENTS OF EU AND USA TO TURKEY

2.1. Effects of Free Trade Agreement of EU and USA to Turkish Foreign Trade

EU and USA make half of all world income (46,7%) and one of three of global trade(30,4%). By this reason, signing of this extensive FTA of these two partners would change many economic balances in very depth in all countries and it changes in Turkey, too. Within the economic partnership between USA and EU, they will have access capacity to guide to world economy themselves and several applications in this agreement will be an example for future agreements. On the other hand, within the reason of trade volume scale of these two parties, Turkey will be the first country most influenced from this agreement (Akman, 2014: 2; Şahin, 2015: 59).

If Turkey were out of TTIP, Turkey would have much damage in the foreign trade and economy. These opinions are started to be subject and other possible scenarios are being told. According to the research of Güneş vd. (2013: 8-10), If TTIP removes just the tariffs; it is possible to see that decreasing of GDP of Turkey would be 0,114% and its export would decrease 0,268%. According to the scope of the agreement, while the loss will increase, if removal of the tariffs and decreasing of handicaps of non-tariffs are applied, GDP loss of Turkey would be 0,561% and decreasing of the export would be 0,450%. If this agreement shows directly spillover effect, the losses of Turkey would be decreased significantly. If Turkey attends to this agreement, the scenario with Turkey seems positive and according to the depth of the agreement, the annual growth of GDP is calculated between 0,460% and 4,001%, the annual increasing of the export would be between 1,303% and 6,974%

The main problem of Turkey of sign the economic agreement by EU is that assuming of Customs Unions Agreement of EU. Therefore, the preferred trade system of the agreements which EU signs with third countries will oblige Turkey (Öztrak ve Duvan, 2014: 2) because Turkey has to open its market to the countries that signed free trade agreement with EU according to the articles of 16th and 54th of 1/95 numbered of Common Council Decision in Customs Unions Agreement (BİLGESAM, 2014: 33).

If Customs Unions Agreement is executed in TTIP, USA products will come to Turkey as duty-free through USA. In case USA continues to apply the custom tariffs to Turkey. The foreign trade of Turkey with USA will influence very badly for Turkey. For example, the rates of tariffs of USA in textile sector are quite high. This situation causes some disadvantages of competition on the sectors. On the other hand, while goods of EU will enter to USA market duty-free and Turkish goods continue to enter with custom process; Turkish producers that suffer in this competition will not survive against EU goods in USA markets (Akman, 2014: 17).

Main factor which caused this negative table for Turkey is that EU where sign FTA with third countries and level of development between Turkey and EU. Due to the level of development, obligation to obey the FTAs which signed by EU causes a new asymmetric market for Turkey (Güneş vd., 2013: 4-5). By the reason of this, while EU sign agreements with other countries where have developed economies or weak economies, they consider their market conditions



and specify the articles on the agreements. Competitive capacity of EU is stronger than competitive of Turkey because of being developed economy of EU and the agreements which are signed by competitive capacity of EU weakens the competitive capacity of Turkey. Turkey has a developing economy and many sector in Turkey must be protected and it is so hard to challenge with matured competitors for many sector in this duty-free environment of Turkey.

2.2. External Trade of EU and Turkey

Turkish economy has unfavorable balance of trade. By years, export figure increases considerably and import figure increases also and the rate of exports meeting imports is too low. From 1990 to nowadays, when the rate of export and import are checked, the rate of export meeting imports was seen less than 50 % at some years. Customs Union effectuated in 1996, within new big opportunities and European markets entering to Turkey markets was expected but it did not work actually.

Table 1. Figures of External Trade of Turkey (Thousand \$)

Years	Export	Import	Balance of External Trade	Volume of External Trade	The rate of exports meeting import(%)
1990	12.959.288	22.302.126	-9.342.838	35.261.413	58
1991	13.593.462	21.047.014	-7.453.552	34.640.476	65
1992	14.714.629	22.871.055	-8.156.426	37.585.684	64
1993	15.345.067	29.428.370	-14.083.303	44.773.436	52
1994	18.105.872	23.270.019	-5.164.147	41.375.891	78
1995	21.637.041	35.709.011	-14.071.970	57.346.052	61
1996	23.224.465	43.626.642	-20.402.178	66.851.107	53
1997	26.261.072	48.558.721	-22.297.649	74.819.792	54
1998	26.973.952	45.921.392	-18.947.440	72.895.344	59
1999	26.587.225	40.671.272	-14.084.047	67.258.497	65
2000	27.774.906	54.502.821	-26.727.914	82.277.727	51
2001	31.334.216	41.399.083	-10.064.867	72.733.299	76
2002	36.059.089	51.553.797	-15.494.708	87.612.886	70
2003	47.252.836	69.339.692	-22.086.856	116.592.528	68
2004	63.167.153	97.539.766	-34.372.613	160.706.919	65
2005	73.476.408	116.774.151	-43.297.743	190.250.559	63
2006	85.534.676	139.576.174	-54.041.498	225.110.850	61
2007	107.271.750	170.062.715	-62.790.965	277.334.464	63
2008	132.027.196	201.963.574	-69.936.378	333.990.770	65
2009	102.142.613	140.928.421	-38.785.809	243.071.034	72
2010	113.883.219	185.544.332	-71.661.113	299.427.551	61
2011	134.906.869	240.841.676	-105.934.807	375.748.545	56



2012	152.461.737	236.545.141	-84.083.404	389.006.877	64
2013	151.802.637	251.661.250	-99.858.613	403.463.887	60
2014*	157.610.158	242.177.117	-84.566.959	399.787.275	65

Resource: Risk Management and Audit General Management, Foreigner trade statistics by years, www.gtb.gov.tr, [Access: 01.08.2015].

* 2014 data is not certain data.

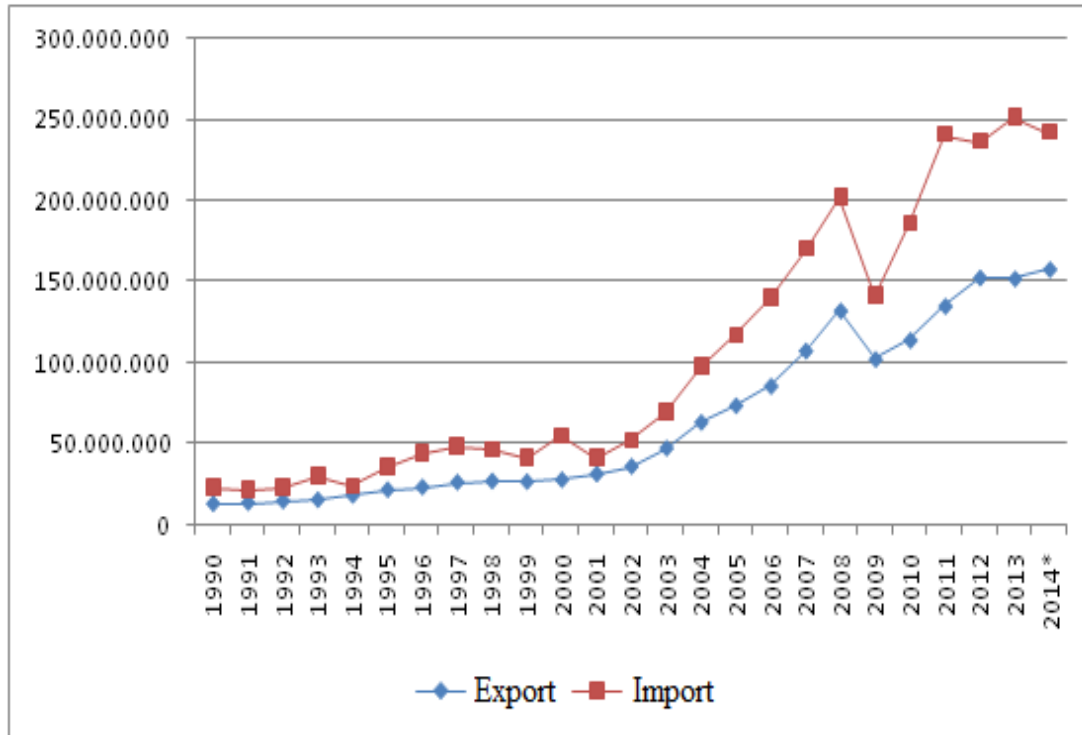


Figure 1. Variation of Export and Import by years (1990-2014)

Resource: Risk Management and Audit General Management, foreign trade statistics by years, www.gtb.gov.tr, [Access: 01.08.2015].

Greatest partner of Turkey is European Union. Turkey exports more than half of its export to EU for a long time. In the same way Turkey imports mostly from EU. Even though these trading relation would be high level within Customs Union, statistical data shows that trade with EU reduces considerably in all external trade at last years. While export to EU and import from EU in 1990s were more than 50 % of total rates, the rate of import and export were decreased to 36%. When checking the trade between Turkey and EU, Turkey has deficit always on trade with EU. Although the trade with EU was reducing fairly, the deficit has reached from 11,75 billions \$ in 1996 to 31,25 billions \$ in 2014 on trade with European Union.

When checking the rates, the rates of export and import with EU increased significantly but it is clearly seen that EU trade in total trade decreased. It's important reason is that Turkey has



established new partnership last years and trade with non-European countries increased more than trade with European countries.

Table 2. Foreigner Trade of Turkey and EU By Years (Million \$)

Years	Total Export	Export to EU	The Rate of EU in Total Export (%)	Total Import	Import from EU	The Rate of EU in Total Import (%)	The Deficit of the Trade with EU
1996	23.224	12.590	54,21	43.627	24.349	55,81	-11.759
1997	26.261	13.470	51,29	48.559	26.128	53,81	-12.658
1998	26.973	14.837	55,01	45.921	25.297	55,09	-10.460
1999	26.587	15.454	58,13	40.671	22.538	55,41	-7.084
2000	27.774	15.688	56,48	54.503	28.552	52,39	-12.864
2001	31.334	17.575	56,09	41.399	19.841	47,93	-2.266
2002	36.059	20.458	56,73	51.554	25.698	49,85	-5.240
2003	47.252	27.479	58,15	69.340	35.157	50,70	-7.678
2004	63.167	36.699	58,10	97.540	48.131	49,34	-11.432
2005	73.476	41.533	56,53	116.774	52.781	45,20	-11.248
2006	85.534	48.148	56,29	139.576	59.448	42,59	-11.300
2007	107.271	60.754	56,64	170.063	68.472	40,26	-7.718
2008	132.027	63.719	48,26	201.964	74.513	36,89	-10.794
2009	102.142	47.228	46,24	140.928	56.616	40,17	-9.388
2010	113.883	52.934	46,48	185.544	72.391	39,02	-19.457
2011	134.906	62.589	46,39	240.842	91.439	37,97	-28.850
2012	152.461	59.398	38,96	236.545	87.657	37,06	-28.259
2013	151.802	63.039	41,53	251.661	92.458	36,74	-29.419
2014	157.610	57.524	36,50	242.177	88.783	36,66	-31.259

Resource: Risk Management and Audit General Management, Foreigner trade statistics by years, www.gtb.gov.tr, [Access: 01.08.2015].

Deficit of foreigner trade of Turkey with EU was around 11 billions \$ until 2008 Crisis but after that crisis, the deficit increased more and more. It has become 3 times bigger in a few years after the crisis, it has reached around 30 billions \$ and it means that deficit of foreigner trade of Turkey will be permanently 30 billions \$ that causes by EU each year in next years of trade. Also during this research, American products will enter easily to Turkey within TTIP factor and it will make the deficit higher and higher.

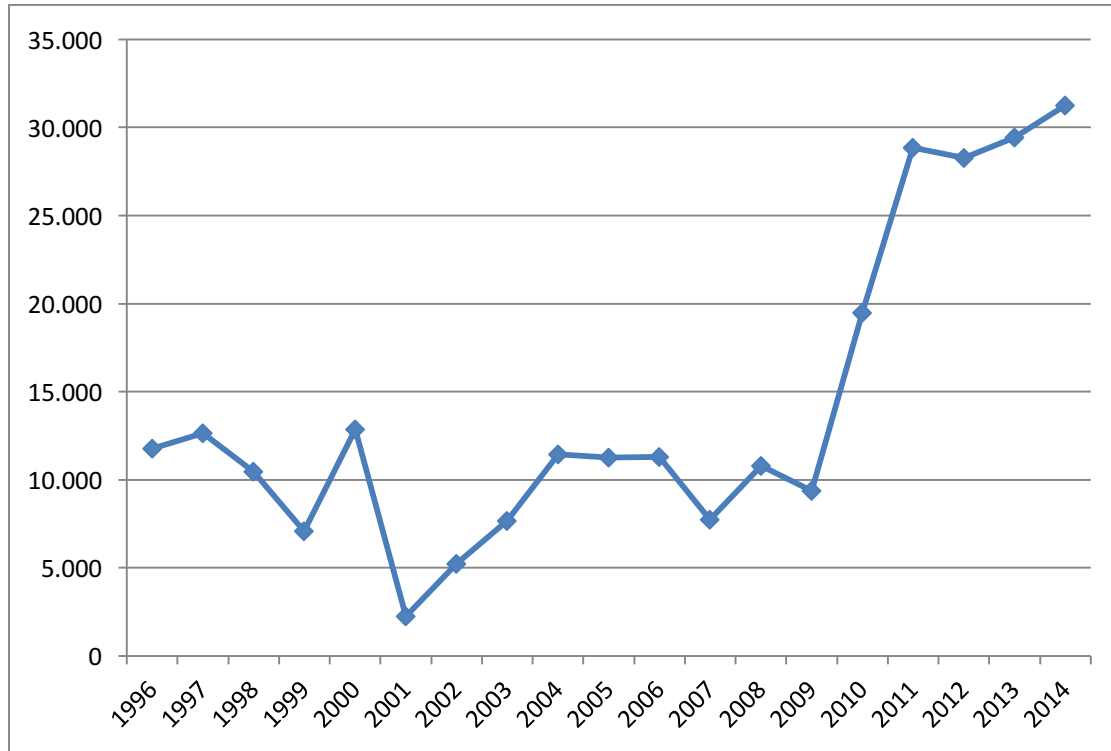


Figure 2. Direction of the Deficit of Trade between Turkey and EU by Years (Million \$)

Resource: Risk Management and Audit General Management, foreign trade statistics by years, www.gtb.gov.tr, [Access: 01.08.2015].

2.3. Foreign Trade of Turkey and USA

USA got behind after EU countries on the gradation of trading partners of Turkey. When it is checked that rates of foreign trade for last 10 years, annual average of foreign trade of Turkey to USA is between 5 and 6 billions \$. According to numbers, It is not possible to see some changes about export from Turkey to USA but there are some changes on the rates of import. The import increases from USA since 2008 like foreign trade to USA and foreign trade deficit to USA increases also. On the other hand, rate of USA of total export decreased from 6,68% to 4% and rate of USA of total import increased from 4,6% to 5,26%. Factors that cause these situations must be checked on these two partnerships.

Table 3. Foreign Trade of USA and Turkey by Years (Thousand \$)

Years	Total Export	Export to USA	Rate of USA of Total Export (%)	Total Import	Import from USA	Rate of USA of Total Import (%)	Foreign Trade Deficit of Turkey to USA
2005	73.476.408	4 910 715	6,68	116.774.151	5.375.548	4,60	464.833
2006	85.534.676	5 060 854	5,92	139.576.174	6.260.873	4,49	1.200.019



2007	107.271.750	4 170 688	3,89	170.062.715	8.166.068	4,80	3.995.380
2008	132.027.196	4 299 941	3,26	201.963.574	11.975.929	5,93	7.675.988
2009	102.142.613	3 240 597	3,17	140.928.421	8.575.737	6,09	5.335.140
2010	113.883.219	3 762 919	3,30	185.544.332	12.318.745	6,64	8.555.826
2011	134.906.869	4 584 029	3,40	240.841.676	16.034.121	6,66	11.450.092
2012	152.461.737	5 604 230	3,68	236.545.141	14.130.546	5,97	8.526.316
2013	151.802.637	5 640 247	3,72	251.661.250	12.596.170	5,01	6.955.923
2014	157.610.158	6 341 841	4,02	242.177.117	12.727.562	5,26	6.385.721

Resource: Risk Management and Audit General Management, foreign trade statistics by years, www.gtb.gov.tr, [Access: 01.08.2015].

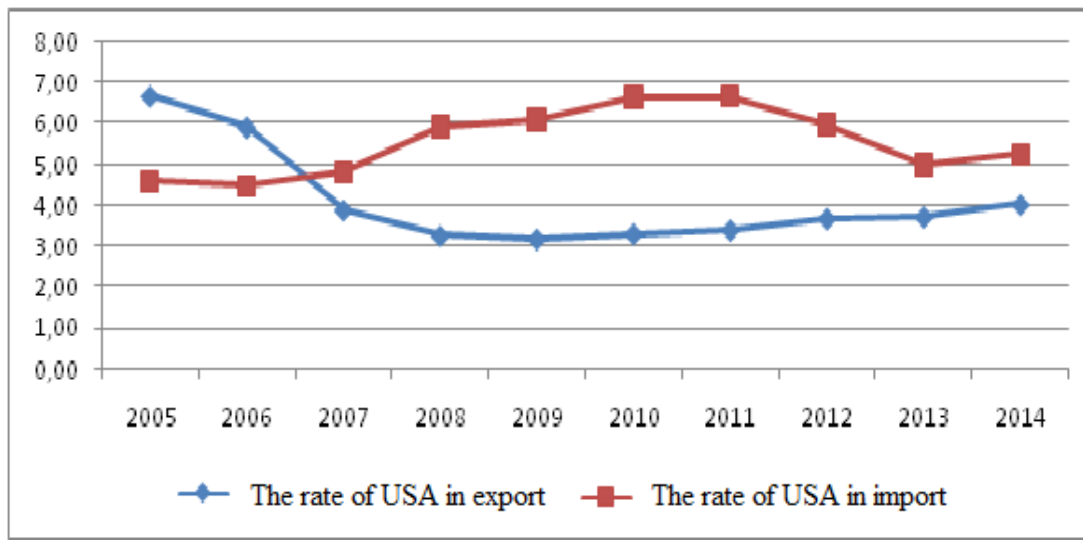


Figure 3. Direction of Foreign Trade of Turkey to USA (Thousand \$)

Resource: Risk Management and Audit General Management, foreign trade statistics by years, www.gtb.gov.tr, [Access: 01.08.2015].

As the numbers explained clearly, foreign trade deficit of Turkey to USA grows up quickly since 2008. On the other hand, this deficit will be irrecoverable if USA products comes to Turkey easily through EU within entering into force of TTIP and the deficit will be much bigger.

2.4. Solutions for Turkey

When GB was signed, it was success for Turkey but after some time its effects to Turkish Economy become a subject for many resources. Regardless GB which is signed by Turkey with EU, it has no that return capacity to handle some changes of global economy. GB which has a lot of limitations and responsibility is reported many lacks nowadays. On the other hand, within Eastern Europe countries attending to EU, trading and economic relations between Turkey and EU need some changes. Also there is not any result from Doha Negotiations by WTU of EU because of this, Turkey try to sign new FTAs and the losses will be much bigger.



TTIP causes same asymmetric situation last years and Turkey has no power to say anything on the agreement and has much responsibility (Ateş, 2014: 1-2).

TTIP has become concern before application starts, a serious problem about TTIP became to prevent damages. A lot of discussion about this subject and plenty of scenarios also made. Among these, outstanding scenario is that Turkey will have a FTA with USA and take a part of TTIP. Besides some opportunities are discussed that making relations with EU different and Turkey will take a part of TTIP (Akman, 2014: 18-21).

If the agreement is signed, main exit for Turkey would be taking a part of the agreement or signing a different trade agreement with USA that agreed with EU and other countries. Turkey has to obey rules of trade agreements which EU signed with third countries because of GB. Turkey has responsibility within terms of sign of agreement of TTIP and American products can be exported to Turkey through tariffs of agreement without any problem. In case, export from Turkey to USA will have custom taxations as before. This situation will damage Turkish Economy, it is predicted that Turkish Economy can lose annual 20 billions dollars (Atılal ve Erçevik, 2013: 2).

Signing of FTAs which will give responsibility to Turkey from EU and GB which is removed on application that make the application entering into force again. Application of origin rules has been removed at trade between EU and Turkey but as things stand, while goods belong to the countries which signed FTA with EU enter to Turkey through EU and Turkish goods cannot enter to those countries and custom will continue for Turkish goods. A solution is said that origin controls must be restarted to make balance of those countries that signed FTA with EU which makes customs to Turkish goods and enters to Turkish Market easily. Besides that, ‘‘Turkey’’ paragraph must strengthened on FTA that signed by EU that helps the solution (Ateş, 2014: 3).

CONCLUSION

Notably USA and other countries look for improvement of liberal trade because World Trade Union do not work properly. Beside economic crisis that started at 2008 was tough for all countries and caused the problem of their markets. USA and EU started to look for a new partnership in a different way for last terms within these two main factors’ effect. TTIP that is thought as a bridge of a new trading and economic of both coasts of Atlantic shows aiming to solve these problems as an agreement.

Two trading partners open their markets each other, not just in foreign trade, in environment, health, employment, prosperity and public services within signing TTIP. Nowadays 30 % of trade all over world is between USA and EU and this partnership by TTIP dominates to world economy itself within entering into force this agreement.

Although USA and EU will get a lot of profits, the agreement causes concern all over the world because several calculations makes trade variation and notably China, Japan, India, Malaysia, Indonesia, South Korea will lose of GDP and export. Turkey will be one of the most losing countries because 36% of foreign trade to EU and more than 5% to USA. By this reason, Turkish Markets will be custom without any custom within this agreement and trade



gap will be much bigger than today's. When data of this term after 2008 Crisis is checked, trade gap to both sides shows that growing more and more. These gaps will be bigger if American goods enter to Turkey without custom through this agreement.

The main problem of foreign trade of Turkey to EU is that the conditions of Customs Unions Agreement. Accordingly Turkey will not apply any custom to goods that came through EU. On the other hand, GB forces Turkey obey the rules of FTAs which are signed by EU. Under these circumstances the goods of any country that signed FTA of EU can enter easily to Turkey without any custom, same situation it is not available for Turkey. On the other hand same countries do not agree FTA which Turkey signed because the conditions of FTA that signed by Turkey is tough.

There are several choices for Turkey under these circumstances. First thing is that reconsidering the conditions for Turkey. Other choice is that origin rules which are not needed within GB. By the reason of GB, Turkey do not ask origin query to coming goods from EU. The goods enter to EU from some countries where FTA of EU signed and they become EU origin then enter to Turkey without any custom. In this point, Turkey must create an application of separation of EU goods and non-EU goods. This application would be beginning of solution of this problem.

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