

INTERNATIONAL TRADE BETWEEN TURKEY AND CHINA

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ABSTRACT

Purpose- This study examines the development of China – Turkey international trade with the comparison of macroeconomic trends, global trade developments, bilateral agreements. Also, this study analyses the expected effects of de-globalization, broken global value chains after the Covid19 pandemic and Russia's invasion of Ukraine.

Methodology- The study provides a macroeconomic background for international trade developments between 2000 – 2021, focusing on China and Turkey. By comparing and examining world trade developments, the study sets a numerical background for potential future developments.

Findings- The analysis reveals that global developments, changing power structures and trade flows has been re-shaping the world economic outlook and causing few debates around the continuity of "globalization". Rising political nationalism, repercussions of Covid 19 pandemic, supply/demand mismatches, Brexit and Russia's invasion of Ukraine has shifted international trade paradigms and Great Powers that has been the cause and pioneers of globalization are now forming new partnerships. As one of the largest and most dominant players in global world trade, China has a pivotal role in determining the changing paradigms of international trade. Turkey also plays a critical role in current re-positioning of the world trade not because of the share it has from international trade like United States, European Union, China or Russia but because of the geopolitical importance it has and because of the bilateral relations it builds with other Great Powers.

Conclusion- Turkey's bilateral trade volume has been growing with China and is set to grow further with all the economic and politic steps taken. Covid19 pandemic and the shutdowns have shown to the world the importance of free trade, uninterrupted supply chains and global stability. The pandemic restrictions are finally over but the effects on worldwide economy and politic instability caused by Russia's invasion of Ukraine have forced new economic alliances.

Turkey, with its proximity to European markets and cheap labor, is becoming a new base of production for international players. Numbers prove that bilateral economic relations have grown with China, but the growth has been mostly fueled by exports from China, causing the trade gap to become wider. As Asia is becoming to be the center of global economic growth, it is certain that Turkey's international trade with China and it's partners will grow.

Keywords: China, Turkey, world trade, international trade, de-globalization, bilateral trade.

JEL Codes: M30, M31.

1. INTRODUCTION

Global developments, changing power structures and trade flows has been re-shaping the world economic outlook and causing few debates around the continuity of "globalization". Rising political nationalism, repercussions of Covid 19 pandemic, supply/demand mismatches, Brexit and Russia's invasion of Ukraine has shifted international trade paradigms and Great Powers that has been the cause and pioneers of globalization are now forming new partnerships. NYU Stern Center for the Future of Management measures globalization (Altman and Bastian, 2022) on the level of international flows of trade, which is the total exports and imports world makes, capital flows that is the level of foreign direct investment (FDI), information flow that represent connectedness globally through online channels and people flows that is the total travels of people for tourism or business purposes. At the beginning of Covid19 pandemic, international trade flows were interrupted, decreased, broken supply chains caused shortages but later surged and bounced-back to pre-pandemic levels. FDI stopped almost completely due to uncertainty, information flow sky-rocketed and online transactions gained momentum faster than ever where

people flows completely stopped for a long time and slowly recovered on leisure side. Disruptions in world trade caused by the pandemic were almost overthrown by Russia's invasion of Ukraine where Great Powers of the world took sides that had economic repercussions. As one of the largest and most dominant players in global world trade, China has a pivotal role in determining the changing paradigms of international trade. Turkey also plays a critical role in current re-positioning of the world trade not because of the share it has from international trade like United States, European Union, China or Russia but because of the geopolitical importance it has and because of the bilateral relations it builds with other Great Powers. This article evaluates the trade relationship between China and Turkey, administrative acts to encourage production and traded goods.

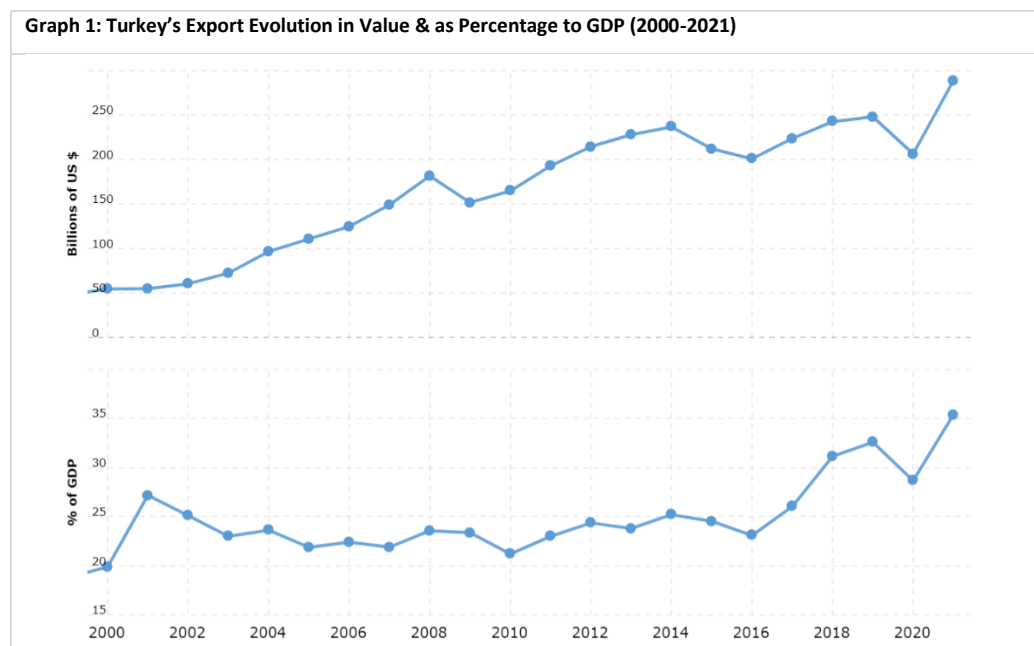
2. BACKGROUND

According to Jordaan (2022), there is a transition from globalization and trade integration to economic nationalism or de-globalization. De-globalization means diminishing integration or a disintegration of the world economy (Martin, 2018). Global Value Chains that were formed after the Cold War and led to tight globalization until 2010s have gone into an accelerated discontinuation phase supported by economic nationalism. Main economic actors of globalization, United States, China, European Union and Russia, have changed their policies in a loud and sharp manner in the recent years which renders de-globalization even though global flows of foreign direct investment recovered to pre-pandemic levels last year, reaching \$1.6 trillion (UN World Investment Report 2022).

FDI movements have been changing in line with the changing cross-border dynamics of world trade. According to Postelnicu, Dinu and Dabija (2015), the process of de-globalization can also be highlighted by measuring:

1. Dynamics of imports and exports of goods and services at a global or regional level;
2. Dynamics of expats' money remittances; and,
3. Inflows and outflows of foreign direct and portfolio investments.

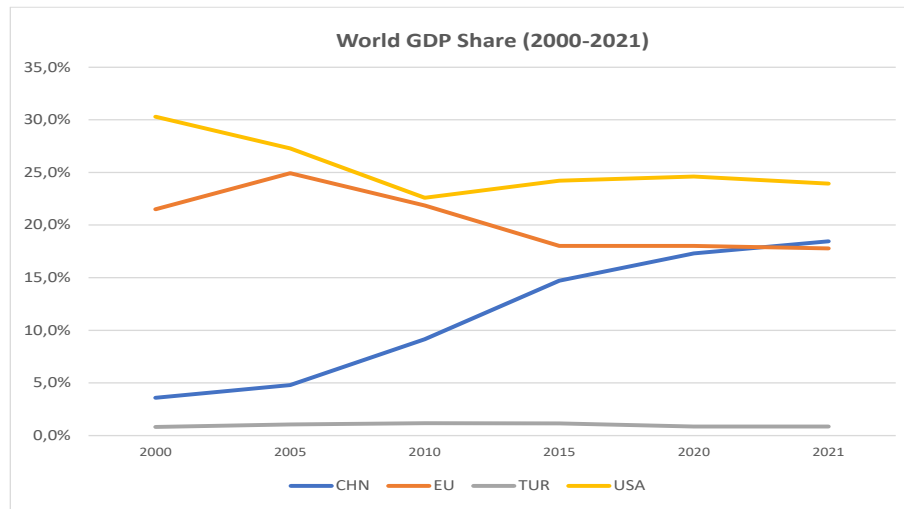
In this paper, we will be analyzing the macroeconomic developments since 2000 and the bilateral trade movements between China and Turkey, expounding the trade relations as an effect of de-globalization or reshaping Global Value Chains. Turkey has been fueling all channels on promoting exports, shaping government incentives as well as economic policies. Subject to some contradictions on the economic policy side, the growth engine of Turkey has been determined to be export growth and below graph clearly represents the clear evolution of export volume, even though there have been some disruptions in the continuous growth in 2008, 2016 and after Covid19 pandemic.



Source: World Bank Data

Below graph represents the gross domestic product (GDP) shares of China, Turkey, United States and European Union countries compared to total world GDP. In 2000, China represented only 3.6% of total world GDP where US output was 30.3%. Total world GDP was 33.8 trillion USD in 2000 and it almost tripled by 2021, reaching to a 96.1 trillion USD in 2021. Between 2000 – 2021, China continuously grew its share from world GDP, reaching to a very competitive 18.5% in 2021, surpassing European Union total which remained at 17.8% with 17 trillion USD.

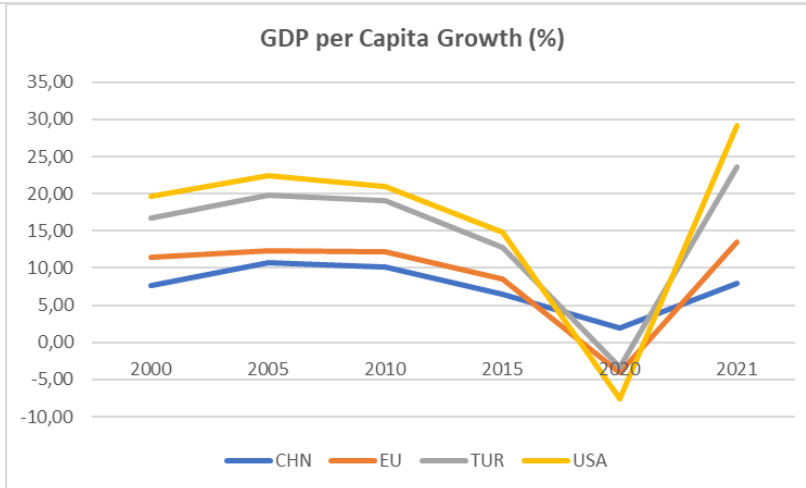
Graph 2: GDP Share Evolution of China, Türkiye, United States and European Union (2000-2021)



Source: World Bank Data

Between 2000 – 2021, population of China grew from 1.26 billion people to 1.41 billion people; representing 19% in average of the world population. Since 2010, China’s GDP per capita growth averaged 6.73%, slightly higher than Turkey’s 4.41% growth: highly exceeding USA’s 1.40% and EU’s 1.17%. One of the most distinctive determinants of economic growth and welfare of a country is GDP per capita growth. It hosts the GDP growth which gives the output of the country, it has the population growth which also reflects the consumption potential and also reflects how that population benefits from the country’s growth. Between 2000 – 2015, China, European Union, USA and Turkey all shared a similar GDP per capita evolution. China and Turkey having a higher growth in 2000 – 2005 period, USA being the most effected after 2008 Financial Crises. World has gone through a slow-down period, accelerating from 2015. The growth was still positive, but the beginning of 2000s had provided much more prosperity to the people. 2020 represents how Covid19 effected all geographies, especially USA. But even though USA show the fastest decline in GDP per capita growth in 2020, it also has the fastest recovery. China has a more stable graph compared to Turkey and rest of the world.

Graph 3: GDP per Capita Growth of China, Türkiye, United States and European Union (2000-2021)

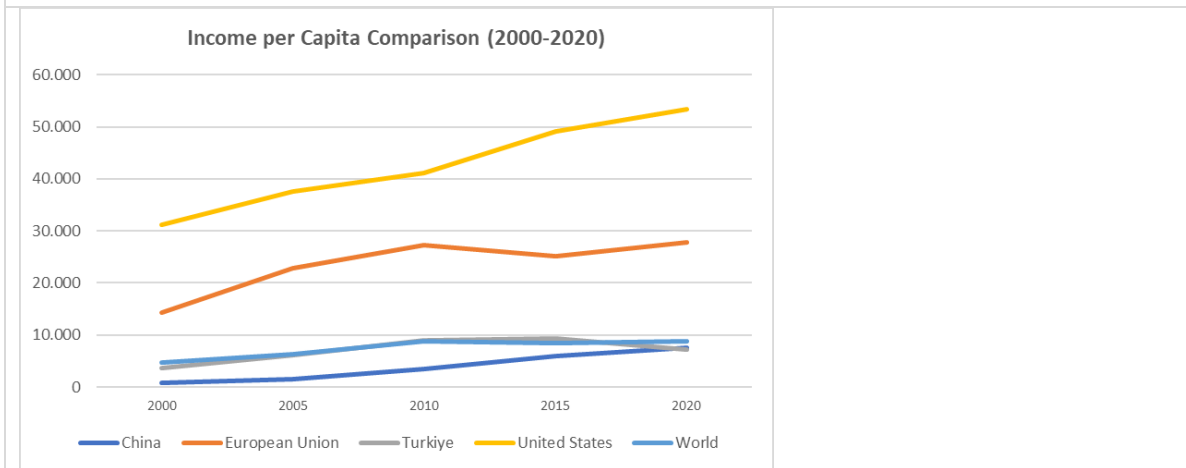


Source: World Bank Data

Global economic development has been driven by developed countries and even though the growth rates are fueled by developing and emerging economies, welfare still needs to develop. Below graph represents the income per capita evolution of the world from 2000 -2020, comparing China, Turkey, United States and European Union average. Average world income per capita has evolved from USD 4.636 to 8.806 in 20 years. China has grown from USD 801 to USD 7.572 and still has not reach the world average, which is still very behind EU with USD

27.744 and USA with USD 53.329. China and USA have similar growth patterns, whereas Turkey has a more dynamic graph, more in line with world average, falling slightly behind from 2017.

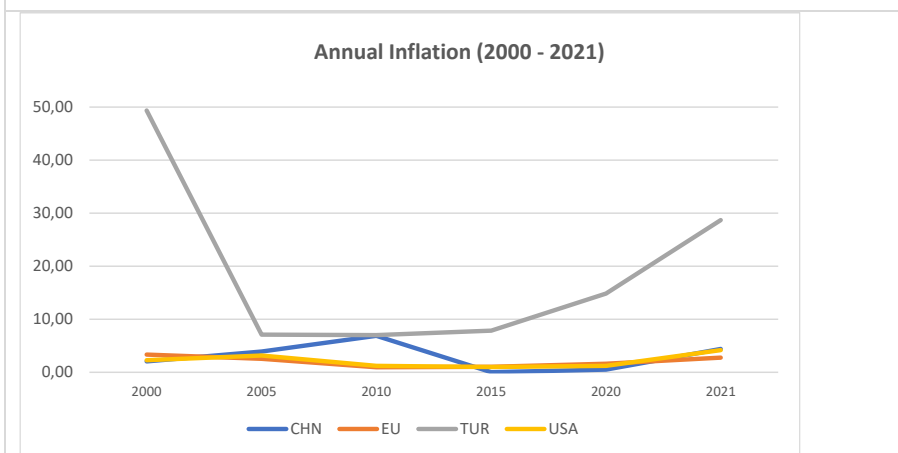
Graph 4: Income per Capita Evolution of China, Türkiye, United States and European Union vs World Average (2000-2020)



Source: World Bank Data

Global economic recovery from Covid19 pandemic has been quicker than most expectations, reaching to pre-pandemic projections by 2021. This growth was projected to continue until the Russian conflict, which potentially creates the biggest economic downturn since the Great Depression of the 1930s (Jordaan, 2022). Government incentives, disruptions in the supply chains of internationally produced products such as automobiles or computer chips, sinking demand due to uncertainty directly effected the prices globally, re-introducing inflation to all geographies. Turkey is the one of the most effected countries from inflation, starting from 2020. By November 2022, the annual inflation of Turkey reached 85.58%, the highest level since 1998.

Graph 5: Annual Inflation of China, Türkiye, United States and European Union (2000-2021)

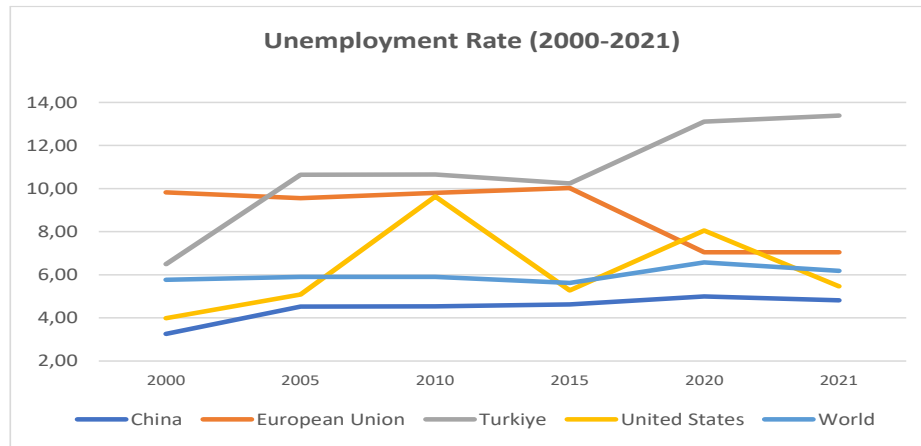


Source: World Bank Data

World has witnessed and staged different waves of globalization. Free trade moves started a wave that China successfully adapted to and kicked off it's fascinating rise since 1970s and eventually, China has transformed itself by becoming the workshop of the world. By utilizing a combination of foreign investment, experimental entrepreneurship and state-led stimulus, an export industry has emerged more massive in scale than any seen before (Garlick 2020). Free trade wave not only helped multinationals decrease their costs of goods sold by forming cross-border GVCs, but also allowed unlimited trade between countries without government-imposed restrictions such as tariffs or quotas that are imposed today. Free trade meant global production, which led China to become the workforce of the world – which also provided know-how and capital for China in return. During 2000s China has settled to become the largest trade partner of different countries in the world, acting as the production facility of the globe.

The graph below is the outcome of China's policy that has started in 1970s and provided job opportunities to hundreds of millions of people. With positioning itself as the "cheap producer", Chinese job market kept its unemployment rate at a stable >5%, below world average.

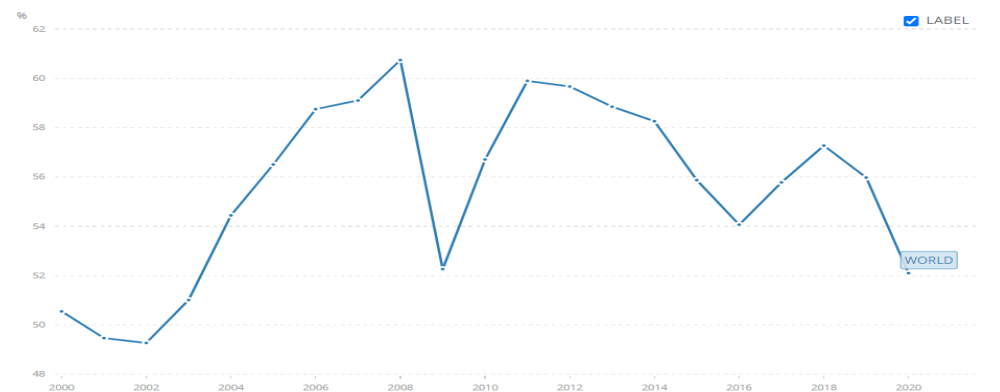
Graph 6: Unemployment Rate % of Total Labor Force of China, Türkiye, United States and European Union vs World Average (2000-2021)



Source: World Bank Data

Turkey had highs during the banking crises in 2002, global financial crises of 2008 and the pandemic where EU and USA suffered through similar periods. The free trade era introduced by the West had started having bumps along the road with Hu Jintao’s term in China, between 2002 – 2012. Starting from his term, Hu reintroduced state control in some sectors of the economy that were relaxed by the previous administration, and was conservative with political reforms (Shashank, 2022). From the end of the Cold War to 2008, world trade grew faster than world GDP, which meant the international trade played a bigger role in world GDP, especially from the late 1990s to the beginning of 2000s, where dramatic growth levels were seen under “hyper-globalization”. After the global financial crisis in 2008, the growth was interrupted, and World GDP was no longer fueled by international trade. World trade grew faster with the four cornerstones of globalization (Hoffman and Kumar, 2013): transport, telecommunications, trade liberalization and international standardization. These four evolved in an intertwined manner, feeding each other, enabling faster and faster movement of goods, where the speed and cost of production to consumption were the primary concerns.

Graph 7: World Trade as % to World GDP (2000-2021)

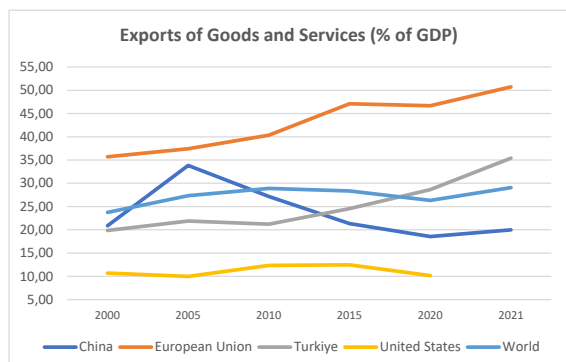


Source: World Bank Data

Even at the most advanced production hubs, a product is fed by raw materials from different locations. An exported good depends on imported components; probably assembled with cheaper labor. Countries that established plants where labor is cheaper and/or had other advantages such as proximity to the market or technological know-how built their economies on global trade integration. Until the winds have changed and key supply hubs such as China has adopted and administered economic nationalism rules.

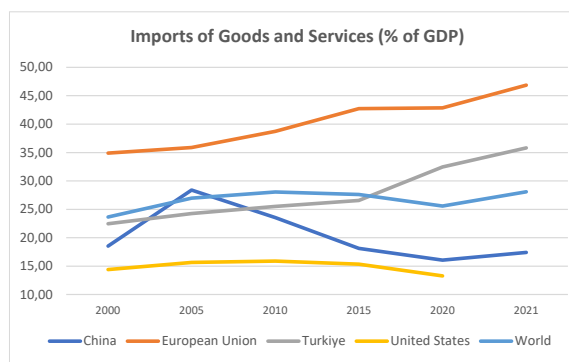
Graphs 8 and 9 below show the evolution of international trade looking at its two main components: Exports and Imports.

Graph 8: Exports of Goods and Services (2000-2021)



Source: World Bank Data

Graph 9: Imports of Goods and Services (2000-2021)



Source: World Bank Data

World export ratio to GDP grows at a steady rate surpassing 30% until 2008, when the Global Financial Crises hit the world. Imports had a very similar looking graph, imitating and feeding export goods and services. After 2008 hit, it takes 2-3 years for the EU and US to fully recover, faster for Turkey who was not hit as hard due to their solid banking system. On the other hand, China's graph changes where the state-controlled regime shows its reflections, growing China's GDP and internal consumption, distancing China from the "global act" that they were one of the leading players. Similar to exports, China's imports of goods and services shows a downward trend after 2010, in line with China's systematic policy makings to diminish policies resulting in economic interdependence and economic dis-integration. Even with the so-called trade war that has accelerated especially after Covid19, United States still remains as the largest trade partner of China.

3. MACROECONOMIC INDICATORS OF CHINA AND TURKEY (2000-2021)

China and Turkey are very different countries as in size, demography, governmental bodies, and economy. The subject countries have some similar macroeconomic patterns and some very different. This part of the study provides a general overview of the evolution of some main indicators. Table 1 represents the comparison of China and Turkey starting from year 2000.

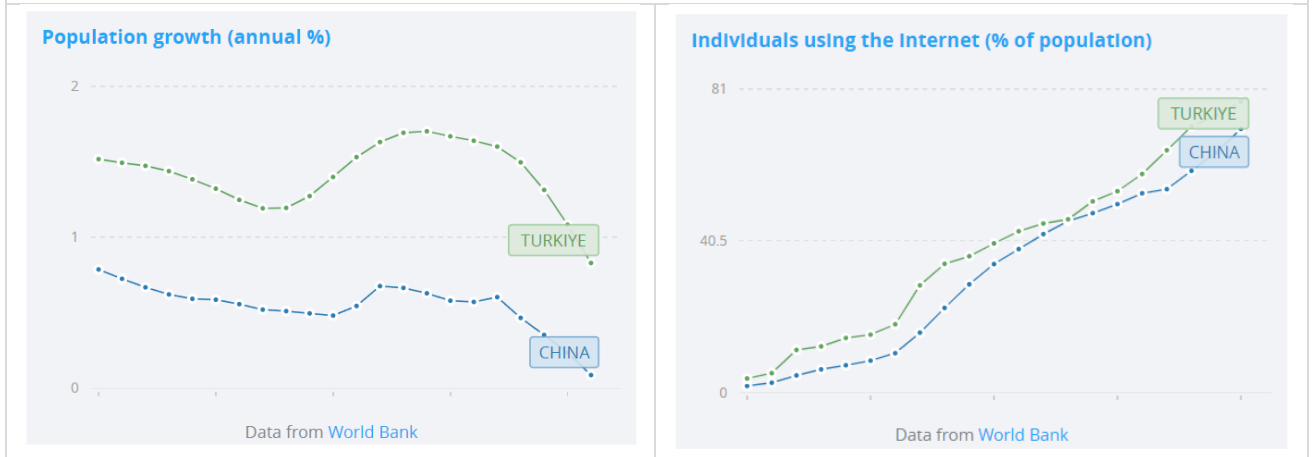
Table 1: China and Turkey Macroeconomic Indicators

China	2000	2005	2010	2015	2020	2021
Population (000)	1.262.645	1.303.720	1.337.705	1.379.860	1.411.100	1.412.360
Inflation	2,06	3,90	6,88	0,00	0,49	4,37
Unemployment %	3,26	4,52	4,53	4,63	5,00	4,82
GDP (mio US\$)	1.211.347	2.285.966	6.087.164	11.061.553	14.687.674	17.734.063
GDP per Capita	959	1.753	4.550	8.016	10.409	12.556
Income per Capita	801	1.435	3.511	6.040	7.572	
Exports (mio US\$)	253.095	773.339	1.654.816	2.362.093	2.723.250	3.548.553
Imports (mio US\$)	224.309	648.712	1.432.416	2.003.257	2.357.106	3.089.623
Reserves (mio US\$)	171.763	831.410	2.913.712	3.405.253	3.357.241	3.427.931
Internet Usage (%)	1,8	8,5	34,3	50,3	70,4	
Turkey	2000	2005	2010	2015	2020	2021
Population (000)	63.240	67.903	72.327	78.529	84.339	85.043
Inflation	49,36	7,09	7,01	7,84	14,83	28,70
Unemployment %	6,50	10,64	10,66	10,24	13,11	13,39
GDP (mio US\$)	274.303	506.308	776.993	864.317	719.955	815.272
GDP per Capita	4.337	7.456	10.743	11.006	8.536	9.587
Income per Capita	3.586	6.201	8.998	9.263	7.147	
Exports (mio US\$)	54.535	110.761	164.677	212.028	206.374	288.571
Imports (mio US\$)	61.645	122.861	198.136	229.539	233.811	292.007
Reserves (mio US\$)	23.515	52.494	85.959	110.490	93.512	109.535
Internet Usage (%)	3,8	15,5	39,8	53,7	77,7	

Source: World Bank

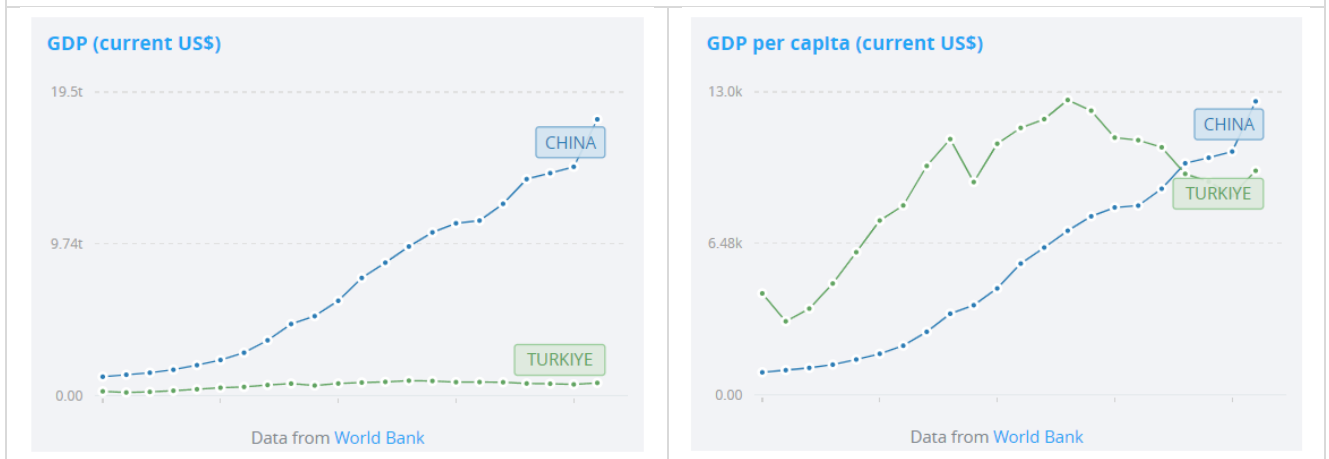
Graph 10 shows the population growth of China and Turkey between 2000 – 2021. There is a similar trend between the two countries, where the line is descending until 2010, slightly increases until 2015 and both population growths slowdown from there onwards. Graph 11 represents the ratio of individuals using the Internet compared to total population. By 2020, 70.4% of Chinese population has access to Internet where the number is 10% higher in Turkey, with 77.7% of the population. Communication technologies and access to Internet is one of the main indicators of globalization, since information flow acts as a catalyzer for international trade flow and both countries are above world average, which is 60%.

Graph 10&11: Population Growth and Internet Usage, China vs Turkey (2000-2021)



Starting from 1990s, China became World’s production plant and one of the main drivers of globalization. By 2021, China’s gross domestic product (GDP) surpassed USD 17.73 trillion; positioning China to a higher level than all European Union countries combined. Capital mobility provided by free trade after the end of the Cold War meant higher welfare and earnings for all working people. Graph 13 represents GDP per Capita evolution of China and Turkey from 2000 and China shows a steady growth from USD 959 in 2000 to USD 12.556 in 2021. Turkey also has an increasing progress, but the country has been affected by a few financial crises.

Graph 12&13: Gross Domestic Product Evolution, China vs Turkey (2000-2021)

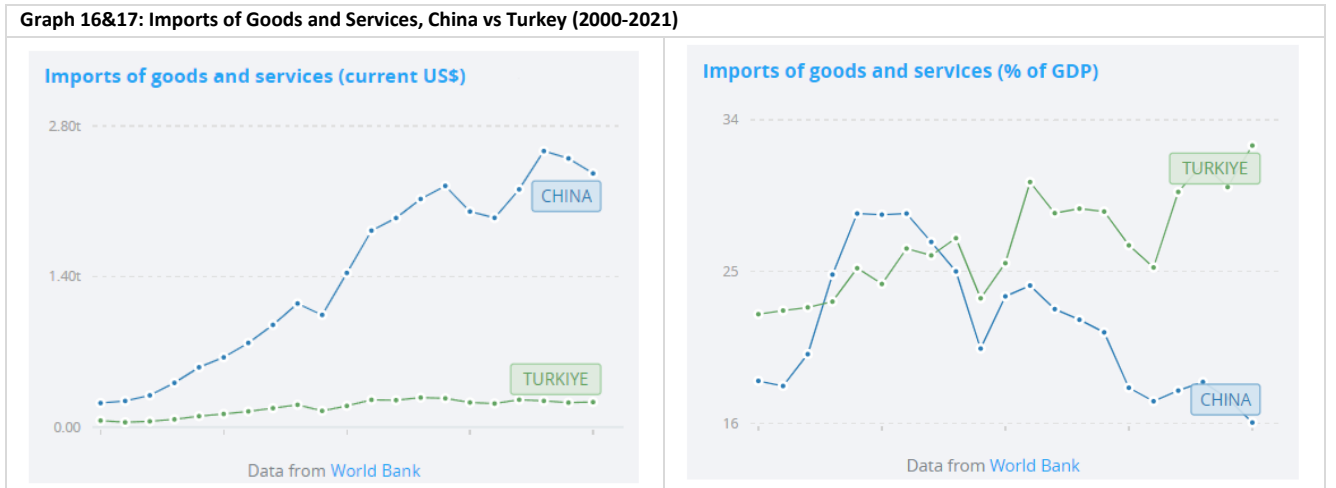


Following graphs represent export growth of both countries. With USD 3.5 trillion export share, China represents 13% of world’s total export volume. Graph 14 shows that in 2021, Turkey has reached its maximum export volume with USD 288 billion. Parallel to its export share, China plays an important role in global import volume. Since import goods are widely used as input for export products, there is a similar relationship with import volume growth. With USD 3 billion export volume, China represents 11% of world’s total import volume. On the other hand, Turkey’s import volume reached USD 292 billion in 2021, creating trade deficit.

Graph 14&15: Exports of Goods and Services, China vs Turkey (2000-2021)

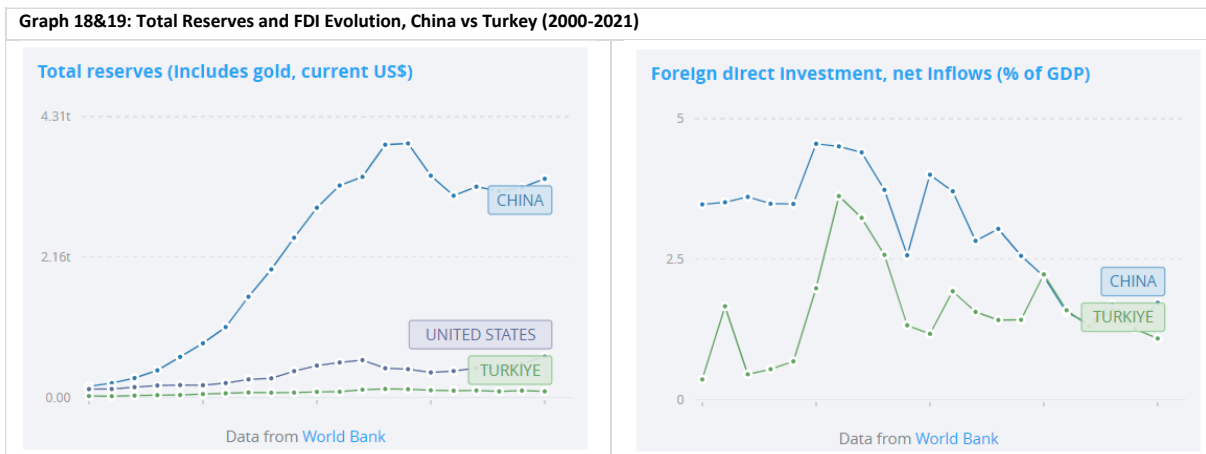


Graph 16&17: Imports of Goods and Services, China vs Turkey (2000-2021)



Graph 18 shows the total reserves in USD, including gold reserves. China has one of the richest reserves in the world. It has been building up reserves -as a state-owned country- and had USD 3.42 trillion of reserves in 2021. FDI inflows as a percentage of GDP is represented in Graph 19. China and Turkey had a similar looking pattern for foreign direct investments. Especially after Covid 19, global FDI shrank but started to recover from 2021. Global financial developments affect both countries' FDI in a similar manner.

Graph 18&19: Total Reserves and FDI Evolution, China vs Turkey (2000-2021)



4. CHINA AND TURKEY TRADE RELATIONS

China's economic relations with Turkey's geography goes back to centuries. Bilateral trade between countries shape according to government policies and when government allows free trade and steps back, there is unrestricted flow of goods and services between countries and suppliers without government-imposed restrictions. On the other hand, government interventions or restrictions may include taxes and tariffs, non-tariff barriers, quotas, and like, with free trade opposing any such measures (Fouda, 2012).

One of the most important and structural incentive that China took in 2013 and has played a role in re-shaping world trade and global value chain structures was the introduction of Belt & Road Initiative (BRI). BRI is a multi-national effort to revive Silk Road and carry out trade through Far East Asia and Europe, with feeding different continents and countries along the way.

According to European Bank for Reconstruction and Development (EBRD), the BRI comprises a Silk Road Economic Belt – a trans-continental passage that links China with southeast Asia, south Asia, Central Asia, Russia and Europe by land – and a 21st century Maritime Silk Road, a sea route connecting China's coastal regions with southeast and south Asia, the South Pacific, the Middle East and Eastern Africa, all the way to Europe.

The initiative defines five major priorities:

1. Policy Coordination,
2. Infrastructure Connectivity,
3. Unimpeded Trade,
4. Financial Integration,
5. Connecting people.

Shape 1: Map of China's Belt & Road Initiative



Turkey has signed BRI Memorandum of Understanding (BRI MoU) in 2015 and officially became a part of BRI initiative that also built upon the already existing economic and trade relations. Below are a few milestones announced by the Turkish Ministry of Foreign Affairs¹:

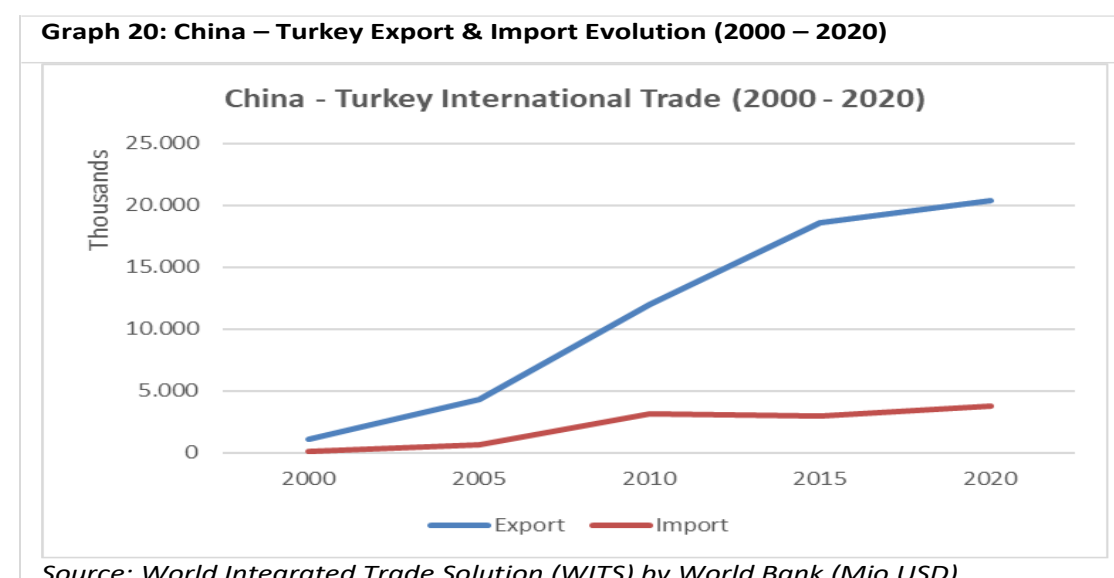
- China is Turkey's second largest trade partner as of 2021.
- Efforts continue to increase the export of Turkish food and agricultural products to China. Currently, mainly fruit, animal and vegetable fats and oils, pistachios, grains, flour, starch and its preparations, seafood and dairy products are exported from Turkey to China.
- Chinese investments in Turkey are around USD 4 billion in total. Energy, infrastructure, logistic, finance, diving, telecommunication and livestock are the main invested sectors.
- A swap agreement between the Central Banks of Turkey and China was signed in 2012 and has been renewed in May 2019.

¹ [Türkiye-Republic of China Economic and Trade Relations / Republic of Türkiye Ministry of Foreign Affairs \(mfa.gov.tr\)](https://www.mfa.gov.tr/Turkiye-Republic-of-China-Economic-and-Trade-Relations/Republic-of-Turkiye-Ministry-of-Foreign-Affairs)

- Located at a key position in the Belt and Road initiative, Turkey aims to realize “Trans Hazar- Middle Corridor” Project, complementing the North Line from China to Europe and opening a new connecting corridor between China and Europe.
- 2018 had been celebrated as the “Turkish Tourism Year in China” and various cultural events were organized on this occasion.
- Yunus Emre Institute was established in Beijing in May 2021.

5. BILATERAL TRADE BETWEEN CHINA AND TURKEY

China and Turkey have been building on their bilateral relationship, finding more and more areas of common interest. In 2009, both countries co-signed 8 different agreements, pledging to increase trade volume to USD 50 billion in 5 years, build a high-speed rail system connecting Ankara and Istanbul and other areas on culture and technology exchange. Turkey became a key participant in BRI, grew its trade volume with China (not as much as to USD 50 billion) and made efforts to capitalize its proximity to Europe markets for Chinese goods. From Graph 20, the evolution of the volume of exports from China can be seen clearly. Starting from 2005, there is a clear acceleration of trade growth, mainly direct exports from China to Turkey. As of 2021, China became the top destination for Turkish export goods with USD 3.7 billion.



The volume of trade grows but the trade deficit with China remains as a major pain point for Turkey. In 2020, 41.5% of Turkey's trade deficit came from China. Turkey mainly exports agricultural products, raw materials, minerals and labour-intensive goods to China and imports largely capital-intensive and high-tech products from China (Yilmaz, 2022). Turkish export goods are low-cost and labor intensive compared to Chinese exported goods based on advanced technology and innovative manufacturing. From 2000 to 2020, the biggest growth we observe is in capital goods. Chinese capital owners started to invest heavily in Turkey especially after 2010. Export product share of capital goods goes from 30% to 44% in 2015 and 53% in 2020. More and more Chinese brands bought assets from Turkey. One of the most important relationship items between the two countries is FDI. Since 2001, economic ties have improved along with swap agreements between China and Central Bank of Turkey (CBT), along with Chinese investors' interest and direct investment to Turkish companies. Both public and private sectors have been opportunities for Chinese investors, especially telecommunication, infrastructure, and financial sectors. Below are the largest acquisitions completed by Chinese capital in 2015 – 2020.

Table 2: Largest Acquisitions by Chinese Capital 2015-2020

Asset	Year	Acquirer Company	Target	Industry	Share %	Transaction Value (mio USD)
1 Fina & Kumport Ports	2015	Cosco Pasific, China Merchants, CIC	Fina Holding	Ports	65	940,1
2 Trendyol.com	2018	Alibaba Group Holdings	Various Investors, EBRD, Tiger Global	E-commerce	75	728,0
3 Yavuz Sultan Selim Bridge	2019	Zhejiang, Jiangsu, Sichuan, Anhui, China Merchants Expressways	ICA	Transportation, Infrastructure	51	688,5
4 Netaş Telecom	2016	ZTE Corp	One Equity Partners LLC, Rhea Equity	Technology	48	101,3
5 TekstilBank	2015	Industrial and Commercial Bank of China (ICBC)	Public Shares	Banking	24,5	76,9
6 Demirer Cable	2018	Jiangsu Zhongtian Technology	Saudi Cable Company	Industrial Production	100	66,7
7 Boyracı Construction	2017	Evershine Group Holdings	Osman Boyracı	Construction	30	6,6

In line with China's global trade strenghts, exported goods from China are mainly machinery and electrical goods, intermediate goods in line with Turkey's production and consumer goods. Chinese technology brands like Huawei, Xiaomi and Lenovo have invested heavily to have direct consumer presence. Below table represents the top traded goods between China and Turkey, showing the trade gap as well.

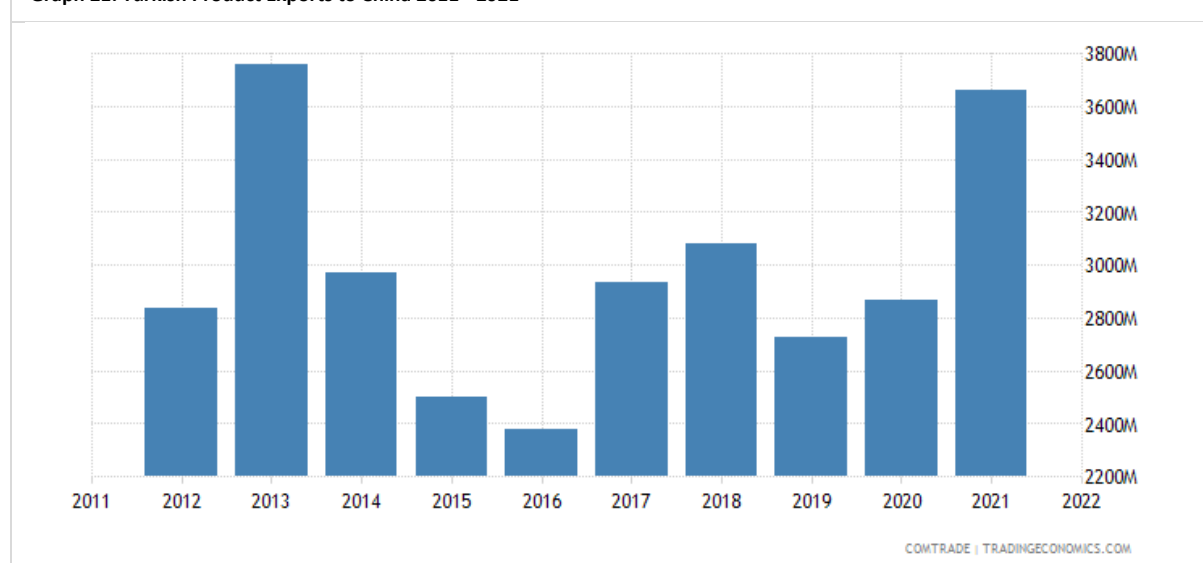
Table 3: China Product Exports and Imports to Turkey 2020

Product Group	Export (US\$ 000)	Import (US\$ 000)	Export Product Share (%)	Import Product Share (%)
Capital goods	10.822.870	460.264	53,19	12,34
Mach & Elec	9.751.208	350.798	47,93	9,4
Intermediate goods	5.368.744	991.382	26,39	26,57
Consumer goods	3.632.052	721.039	17,85	19,33
Miscellaneous	2.365.191	61.755	11,62	1,66
Chemicals	1.829.051	251.352	8,99	6,74
Metals	1.630.374	566.585	8,01	15,19
Textiles & Clothing	1.558.755	509.823	7,66	13,66
Plastic or Rubber	953.171	85.267	4,68	2,29
Transportation	811.658	47.964	3,99	1,29
Stone and Glass	536.060	34.031	2,63	0,91
Raw materials	308.233	1.553.150	1,51	41,63
Wood	284.478	86.477	1,4	2,32
Vegetable	262.414	76.477	1,29	2,05
Footwear	141.533	3.831	0,7	0,1
Food Products	105.409	124.998	0,52	3,35
Minerals	38.188	1.430.378	0,19	38,34
Hides and Skins	35.201	44.669	0,17	1,2
Fuels	33.081	47.910	0,16	1,28
Animal	10.648	8.712	0,05	0,23
ALL Products	20.346.420	3.731.027	100	100

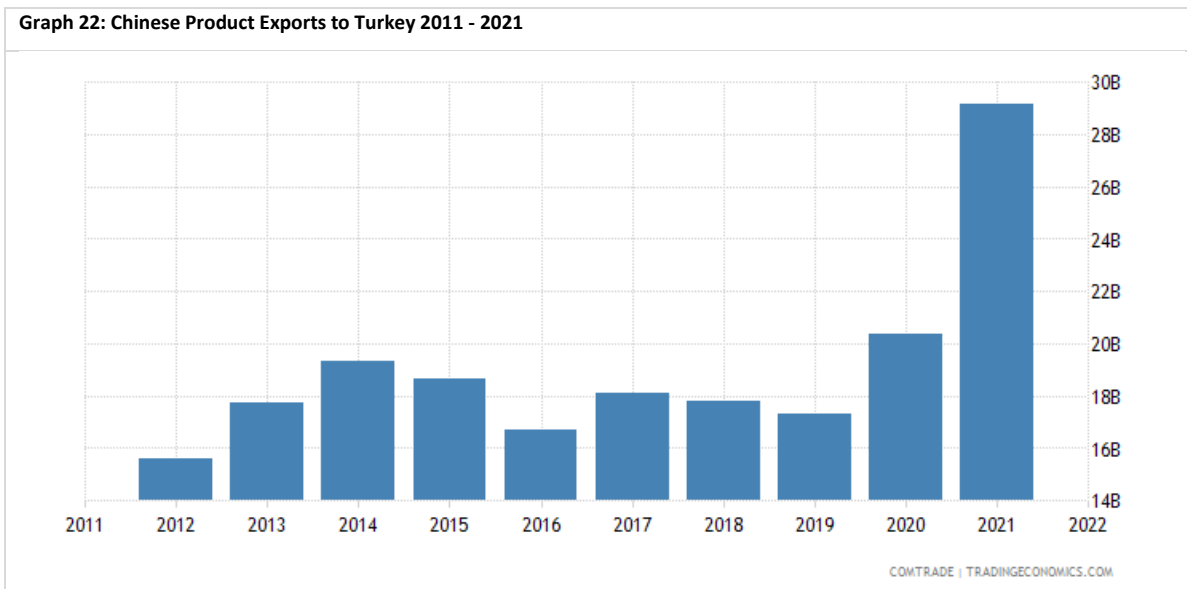
Source: World Integrated Trade Solution (WITS) by World Bank

Graph 21 show the Turkey Exports to China evolution, according to the United Nations COMTRADE database on international trade.

Graph 21: Turkish Product Exports to China 2011 - 2021



Graph 22 represents the evolution of Chinese exports to Turkey in the last 10 years. According to TUIK numbers, bilateral trade surpassed USD 35 billion for the first time in 2021.



6. CONCLUSIONS

There is economic proof that China is becoming to be one of the largest economies globally, if not the largest. The production capacity is now also being fed with consumption capacity, enabling Chinese people to be natural consumers of the Chinese output. Turkey's bilateral trade volume has been growing with China and is set to grow further with all the economic and politic steps taken. Covid19 pandemic and the shutdowns have shown to the world the importance of free trade, uninterrupted supply chains and global stability. The pandemic restrictions are finally over but the effects on worldwide economy and politic instability caused by Russia's invasion of Ukraine have forced new economic alliances. Turkey, with its proximity to European markets and cheap labor, is becoming a new base of production for international players. Numbers prove that bilateral economic relations have grown with China, but the growth has been mostly fueled by exports from China, causing the trade gap to become wider. As Asia is becoming to be the center of global economic growth, it is certain that Turkey's international trade with China and it's partners will grow. Turkey still needs to grow its export product mix, by investing on value-added technology product output. Government incentives provided by both governments will result in production of more products that will fuel consumption, as well as forming tighter bonds between Turkish and Chinese business people. A greater vision envisioned by China through Belt and Road Initiative both invests into Turkey and Turkey's geopolitics. The physical reality of becoming a bridge between Asian and European markets will be realized with BRI, benefiting both countries. It is concluded that the acceleration of economic growth between China and Turkey is there to stay. Two countries are open to bilateral agreements that will benefit their trade growth, forming closer bonds with each other.

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