

Export and Investment Promotion Planning System

87/88 Trade and Economic Overview

Mission: 401 ANKARA

Country: 548 TURKEY

THE OVERRIDING OBJECTIVE OF THE TID PROGRAM FOR TURKEY IS TO BROADEN AND DEEPEN TRADE RELATIONS BETWEEN CDA AND TURKEY. IN SUPPORT OF THIS OBJECTIVE, THE TID PROGRAM IS STRUCTURED TO IMPROVE MUTUAL UNDERSTANDING BETWEEN THE TWO COUNTRIES, ESPECIALLY CONCERNING WAYS IN WHICH THEIR RESPECTIVE ECONOMIES MAY COMPLEMENT EACH OTHER. IMPROVED UNDERSTANDING WILL, IN TURN, SUGGEST NEW AREAS FOR MUTUALLY BENEFICIAL TRADE AND INVESTMENT INITIATIVES. HISTORICALLY, CANADA HAS ENJOYED A SUBSTANTIAL FAVOURABLE TRADE BALANCE WITH TURKEY. THE TURKISH ECONOMY CONTINUED ITS RECENT PATTERN OF VERY RAPID GROWTH IN 1986. THE GOVT HAS MAINTAINED ITS CONCERN WITH SHOWING RESPONSIBLE FISCAL AND MONETARY RESTRAINT, EVEN AT THE EXPENSE OF SOME LOST POLITICAL SUPPORT AT HOME. NEVERTHELESS, A 3% DROP IN EXPORT EARNINGS, INCREASED IMPORTS AND A FALL IN FUNDS REPATRIATED TO TURKEY BY "GUEST WORKERS" ABROAD, HAVE ALL LED TO A PROJECTED INCREASE IN BOTH THE CURRENT ACCOUNT AND TRADE DEFICITS. THIS SITUATION HAS FOCUSED THE GOVT'S ATTENTION ON TRADE RELATIONS WITH THOSE COUNTRIES SUCH AS CANADA WHO ENJOY A PARTICULARLY HIGH FAVOURABLE BALANCE WITH TURKEY. IN 1985 CDN EXPORTS TO TURKEY TOTALLED \$219M, AGAINST IMPORTS OF APPROX. \$36M, OR A RATIO OF 6:1. AGAIN THIS YEAR, TURKISH ECONOMIC DEVELOPMENT IS CHARACTERIZED BY MANY LARGE SCALE CAPITAL PROJECTS. IT IS THE EXPRESSED INTENTION OF THE TURKISH GOVERNMENT TO PURSUE OVERALL ECONOMIC DEVELOPMENT BY MAJOR INVESTMENTS IN INFRASTRUCTURE, ESPECIALLY IN ELECTRICAL POWER DEVELOPMENT, OTHER ENERGY PROJECTS AND TRANSPORTATION. CAPITAL-INTENSIVE PROJECTS, SUCH AS LARGE-SCALE THERMAL POWER PLANTS, PLACE HEAVY DEMANDS ON FOREIGN CAPITAL MARKETS. AS IN PREVIOUS YEARS, THE PROVISION OF ADEQUATE FINANCING IS FREQUENTLY AN IMPORTANT DETERMINANT IN THE SELECTION OF THE WINNING BIDDER. WHILE EXPORTERS SHOULD BE AWARE OF THIS FACTOR, THEY SHOULD ALSO REALIZE THAT THERE ARE ALSO MANY SMALLER SCALE BUSINESS OPPORTUNITIES IN TURKEY IN WHICH THE AVAILABILITY OF FINANCING IS A LESS SIGNIFICANT FACTOR. AS A DEVELOPING COUNTRY, TURKEY HAS NEED FOR MOST GOODS AND SERVICES WHICH ARE PRODUCED IN TECHNOLOGICALLY-ADVANCED COUNTRIES SUCH AS CANADA. THE OPPORTUNITIES OFTEN REQUIRE IMAGINATION, PERSISTENCE AND FLEXIBILITY. AN EVER-EXPANDING NUMBER AND DIVERSITY OF CDN BUSINESS VISITORS WOULD TEND TO INDICATE THAT TURKEY IS, BEING DISCOVERED MORE BY CDN BUSINESSMEN. THIS TREND IS EXPECTED TO CONTINUE INTO THE COMING PROGRAM YEAR.