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International Financial Bodies Boost Growth Forecasts for Turkey

Despite pandemic-driven bottlenecks in the global supply chain, Turkey's rapid economic recovery, its progress in vaccinating its population against COVID-19, and its strong industrial production trends have resulted in international organizations revising their 2021 growth forecasts for the country.

Turkey's economy grew by 1.8% in 2020, even as the global economy was battered by the coronavirus pandemic, and has maintained this recovery momentum this year, especially with double-digit rises in industrial production.

According to data from the Turkish Statistical Institute (TurkStat), the economy, which grew by 7.2% in the first quarter of 2021, grew by 21.7% over the second three months with the help of the base effect, enjoying its highest growth rate in the new series announced since 1999.

Turkey, along with China, was among the few countries that managed to expand its economy last year, becoming the country with the second-highest growth rate in the OECD after the UK in Q2 this year.

In August, calendar-adjusted industrial production in Turkey surged by 13.8% annually and by 5.4% on a monthly basis.

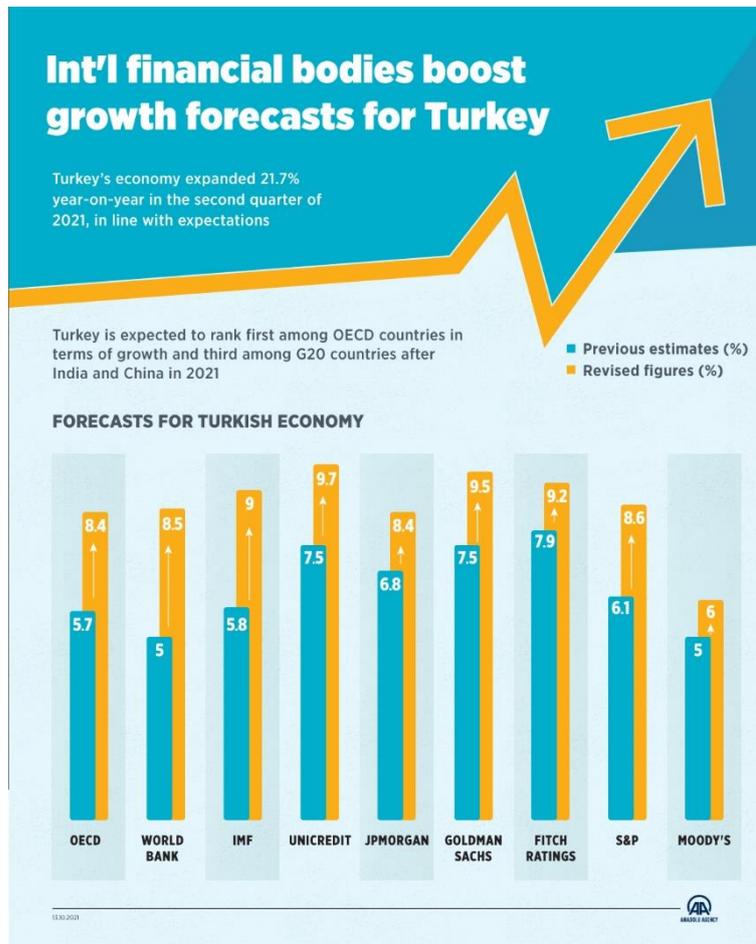
Analysts expect this upward trend to continue and have a positive effect on growth, with the possibility of bringing more upward growth forecast revisions in the future.

Leading international organizations have started, one after another, to revise their 2021 growth forecasts for Turkey amid the ongoing global economic recovery from the pandemic's economic fallout and progress in vaccination.

The OECD revised its economic growth projection for Turkey up by 2.7 percentage points, with the country's GDP expected to rise 8.4% in 2021.

Turkey is expected in 2021 to rank first among OECD countries in terms of growth and third among G20 countries after India and China.

For detailed information, click [here](#).



Modernised EFTA–Turkey Free Trade Agreement Enters into Force

A new free trade agreement (FTA) between EFTA and Turkey entered into force on 1 October 2021 after the EFTA States and Turkey ratified it. A modernised FTA was signed in Iceland on 25 June 2018 after six rounds of negotiations, which started in September 2014. The new FTA replaces the agreement from 1992 on the same day.



The agreement covers trade in goods (industrial products, fish and marine products and processed agricultural products), trade in services, the protection of intellectual property rights, government procurement, competition, trade and sustainable development, institutional provisions and dispute settlement. In addition, updated bilateral agricultural agreements between the individual EFTA States and Turkey continue to form part of the instruments creating the free trade area.

The FTA with Turkey is EFTA's sixth most important preferential trade agreement. Since 2001 exports from the EFTA States to Turkey have increased by 20.9%. In the same period imports increased by 18.4%.

For detailed information, please click [here](#).

International Trade is Back, But Not for All



International merchandise trade is booming. Exports of many countries are growing at double digit rates and global trade has already surpassed the pre-pandemic levels of 2019. However, the global trade recovery hides an important asymmetry: small economies and the poorest countries are falling behind. Their recovery is not yet in sight.

Global trade is expected to continue growing during 2021. Preliminary data for the first half of 2021 indicates an increase in the value of merchandise trade of about 30% compared to 2020 and of about 15% compared to 2019. UNCTAD projects trade to further recover during the second half of 2021. Overall, for 2021 the value of global trade is forecasted to be about 20% and 28% higher than 2019 and 2020, respectively.

This strong and rapid trade recovery was largely unexpected. However, a significant worry has been that differences in financial resources could result in an uneven recovery. This could further exacerbate existing inequalities. As time has gone by, this concern has become a reality: there is an uneven recovery in international goods trade. While in the first half of 2021 many economies saw their exports surpass pre-pandemic levels, for many others, exports were still substantially below pre-pandemic levels. Interestingly, the differences in the recovery patterns of international trade do not play out as most would have imagined: economic size seems to have a stronger influence on trade recovery than income levels.

For detailed information, please visit [UNCTAD website](#).

Turkey's Participation at Expo 2020 Dubai Marks New Era of Co-operation, Says Ambassador

Turkey's ambassador to the UAE says his country's participation at Expo 2020 Dubai signifies a new era of co-operation and a strengthening relationship with the UAE.

Tugay Tuncer said the event presented an opportunity to show off Turkey's robust and diversified economy, which is based on many sectors, including tourism, jewellery, technology and construction.

He said that Turkey's trade with the UAE stood at \$8.5 billion and was increasing.



"In the first six months of this year, we saw close to a 100 per cent increase," he said.

Mr. Tuncer said the Expo would contribute to this growth, especially with the further export of processed food, fruit and vegetables, and construction materials, which Turkey has in abundance.

The world's fair is also expected to contribute to Turkey's tourism sector, he said. Many people in Turkey depend on tourism, whether they are guides, hotel employees, or working in food production or processing.

"We welcomed approximately 30 million tourists annually before Covid-19," he said. "We will show that Turkey is ready and willing to accommodate more tourism during our participation."

Mukerrem Aksoy, commissioner general of the Turkey pavilion at Expo 2020 Dubai, spoke of the strength of the country's food and agriculture sectors.

"Turkey produces organic foods and we are ready to supply the world with these foods," he said.

He said that Turkey had a strong car manufacturing sector, especially electric cars.

Located in the Sustainability District, the Turkey pavilion's theme is "Creating the Future from the Origin of Civilisations". It was designed to reflect the history of Anatolia and tell about the country's nature and its sustainability goals.

For more information, please click [here](#).

Paris Agreement Ratification Ushers Turkey into New Era

The Turkish Parliament ratified the Paris Agreement unanimously on October 6, and put it into effect following its publication in the Official Gazette on October 7. Turkey has been a signatory to the agreement since April 22, 2016 within the framework of the UN Climate Change Conference. Turkey's parliamentary adoption of the decision by consensus came in ahead of the COP26, slated to take place from October 31 to November 12, 2021 in Glasgow, Scotland.

The Paris Agreement aims to strengthen the global response to the threat of climate change by stopping global average temperatures from rising more than 2 degrees Celsius above pre-industrial levels by the end of 21st century, and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius if possible.

As a first step, Turkey has committed to reduce of 21 percent by 2030, from a projected emission of 1,175 million tons to 929 million tons, and to achieve "net-zero carbon emissions" by 2053, as announced by President Recep Tayyip Erdoğan.

Turkey is expected to update its national climate action plan, officially known as the Nationally Determined Contribution (NDC), including emission reduction targets in the energy, waste, transportation, buildings, and agriculture sectors and submit them to the UN Secretariat.

Turkey also plans to organize a council in January 2022, attended by representatives from the private sector, non-governmental organizations, universities, industrialists and international organizations, to examine the long-term strategy.

As part of its efforts to contribute to the fight against climate change, Turkey is now renaming its Environment and Urbanization Ministry as the Environment, Urbanization and Climate Change Ministry, announced President Recep Tayyip Erdoğan.

For the source of information, please click [here](#).

SECTORS

Turkey's Auto Production and Exports Up in January-September Period

Turkey's automotive production, including light commercial vehicles, tractors, and automobiles, amounted to 921,619 units during the first nine months of this year, an association report said on Monday. The January-September figure was up by 8% versus the same period of 2020, according to the Automotive Manufacturers Association. Meanwhile, passenger car production posted a decline of 1% to stand at 571,108 units in the same period. The capacity utilization rate in the sector was 63% from January to September.



On the sales side, the auto market, including light trucks and other vehicles, expanded 15% compared to the same period last year, reaching 582,083 units in the same period. Automotive industry exports also increased by 24.5% to \$21.7 billion on a value basis. The sector exported 671,674 vehicles during the nine-month period. In September, auto production decreased by 24.7% on an annual basis to reach 107,029 units.

For the source of information, please click [here](#).

The Coffee Guide



The International Trade Centre (ITC), through its Alliances for Action initiative, unveils the fourth edition of the world's most comprehensive, practical source for the international coffee trade, [The Coffee Guide](#).

This new edition updates the latest trends of the last decade, especially for quality, digitalization, climate change, finance and risk and consumer preferences. It presents fresh industry data that classify production and consumption numbers by coffee quality segment (standard, premium and specialized) rather than the traditional Arabica/Robusta classification of data.

This guide is designed to be a practical tool for producers, exporters and other value chain stakeholders to support a positive transformation of the sector. It can be accessed globally and free of charge.

The book builds on collaboration with more than 70 coffee industry actors from across the globe, from seed to cup, to chart a path towards a more sustainable future for the industry. A focus on sustainability, inclusiveness and partnerships steer its content.

For detailed information, please visit [ITC website](#).

Send Us Your Inquiry

For your inquiries about Turkish exports,
please contact << ihticari@trade.gov.tr >> by indicating
the Harmonized System (HS) Code of the product/sector of your interest.

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