

# Country overview: economic condition, foreign trade and current events of turkey



**ASSIGN  
BUSTER**

## Overview of the Country

Turkey's flag is a red rectangle field with a white star and a crescent slightly left of center. The country's capital is Ankara since 1923. As of 2016 the population of Turkey becomes 79. 51 million. The major three cities are Istanbul, Ankara and Izmir. The area is 302, 455 square miles. Turkey's neighbors are, Greece and Bulgaria are on the northwest; Armenia, Azerbaijan and Iran are located on the country's east. Georgia is on the northeast side, Iraq and Syria are at the south. The official language is Turkish and 75 million are speaking it. Major ethnic groups are 72. 5% of Turks, 12. 7% of Kurds, 4% of Zaza Kurds, 3. 3% of Circassia's, 2. 6% of Bosniak's, 1. 3% of Georgians, 1. 2% of Albanians and etc. Turkey has 98% of its population as Muslim. Turkey's labor force is about 30. 5 million people, which makes Turkey the third largest labor force market in Europe. Turkey's government is a secular parliamentary representative democratic republic where the Prime Minister is the head of government and president is the head of state.

## Current Economic Condition

As of 2016 the Grand Domestic Product (GDP) was \$10, 787. 61, annual household of income per capita was \$3, 831. 30 which was 157. 05\$ higher.

As of December 2017, the unemployment rate of Turkey became 9. 9%.

Furthermore, the exchange rate of Turkey is, 1 Turkish Lira equals to 0. 21

United States Dollar. International Monetary Fund categorizes Turkey's as emerging-market economy. Main economic sector of the country is

agriculture; it made up 29. 5% of the employment rate in 2009. Main

industries in Turkey are textiles, tourism food processing, autos, steel,

<https://assignbuster.com/country-overview-economic-condition-foreign-trade-and-current-events-of-turkey/>

construction electronics, mining (such as coal, chromate, copper, boron), lumber petroleum and paper. The natural resources in Turkey mostly consisting of arable land, antimony coal, magnesite, barite, borate, iron ore, chromium, pumice, mercury, gold, celestite (strontium), emery, feldspar, limestone, marble, perlite, copper, pyrites (sulfur), clay, hydropower. The major trading partners of Turkey are Germany followed by Russia and then Iran. Atlas Media classifies Turkey as 29th largest export economy in the world. In 2016, Turkey exported 156 billion dollars and imported 186 billion dollars. The top exports of Turkey are gold, cars, delivery trucks, vehicle parts and knit shirts. Its top imports are cars, refined petroleum, gold, vehicle parts and planes, helicopters and/or spacecraft. According to United States Department of State, Turkey is a member of the Organization for Economic Cooperation and Development (1921), the United Nations (1945), the International Monetary Fund (1947), the World Bank (1947), the Council of Europe (1949), the Organization of Islamic Cooperation (1969), the Organization for Security and Cooperation in Europe (1975), the Black Sea Economic Cooperation (1992) Council, the World Trade Organization (1995), and the Euro-Atlantic Partnership Council.

### **Foreign Trade Policy**

According to Hurriyet News (a Turkish newspaper agency), Turkey's foreign trade gap has been raised to 76.7 billion dollars in 2017, which was 36.8% increased from last year. Turkish Statistically Institute reported that the country's exports in 2017 were more than 157 billion dollars which is a little more than 10% with compared to the year before. Furthermore, the imports

of the country were more than 13.9 billion dollars which was 8.2% more than the previous year.

Also, the European Union's share in Turkey's exports increased to 47.1% as being stated before as of 2016 Turkey has been imported more goods and services than exported. The top exports are accounted for 3/5ths of its overall global shipment value. Turkey's top imports are accounted for more than 2/3rds of the overall value of its product purchases from other countries. Trade in general always been important to the country however, according to Trading Economics they have announced that trade in Turkey had decreased.

As we can see from the graphs above, from 2009 until 2015 Turkey was a net lender, from 2015 until now the country became a net borrower. Turkey's International investment position data has announced that the country had a decrease from the previous year, which is also a record low for the country as well. Once again according to the trading Economics Turkey's trade deficit amount increased by 5.7% as of May 2018. Balance of Trade of the country reached all-time high averaging \$-1694.71 million from 1957 until 2018.

### **Current Events**

In Turkey it used to be mandatory to men to become soldier unless they had a sickness, were in prison/jail, an elderly, in school, work with the government, permanently live in another country, or few more other rules however, that changed recently. From now on you can pay the ministry of defense a fee of 15 thousands Turkish Lira and be a soldier for only 21 days. Those 21 days will consist of main and basic training. If you are living outside

of Turkey for more than 3 years due to education or a job or etc. then, you can pay 2 thousand euros to skip being a soldier all together. However, this new law has only become valid for the people that were born before 1993.

Another recent piece of news is Fitch Ratings removed their on-the-ground office in Turkey as effective of June 30. They still announced that they will remain highly interested in Turkey and its market. As of July 13, Fitch Ratings also downgraded the country on its Dodd-Frank Rating Information Disclosure Form. The reasons were the following; high external financial vulnerabilities, geopolitical and political risks, high inflation and macroeconomic volatility. Fitch Ratings also said, the country had commitment to fiscal stability and strong growth performance.

According to New York Times, Turkey started to make its own airport in Istanbul, Yenikoy. It is predicted to cost around 12 billion dollars, have a size similar to Manhattan and also it's been expected to be completed in a decade. It has been said that the airport will transport around 200 million people per year, and become the busiest airport in the world.