

Take the Opportunity of Belt and Road Initiative to Promote China-Turkey Economic and Trade Cooperation

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China and Turkey are at the eastern and western end of Asia-European Continent, which are respectively the starting and end points of the ancient Silk Way. Both of them contributed significantly to the prosperity of human civilization exchange. It has been 2,000 years since China and Turkey started to carry out trade via the Silk Road. In today's world, peace, development, cooperation and win-win are the main theme of the era. China has proposed the "the Belt and Road initiative". This gorgeous conception is in line with the development trend of the era, which shall provide an open-end international cooperation platform. It is in accordance with the benefits of the countries and regions along the road, as well as offering new historic opportunities for Sino-Turkey economic and trade cooperation.

I. Sino-Turkey Economic & Trade Cooperation Owns Benign Foundations

Firstly, Turkey is richly endowed with a wonderful geological location and Sino-Turkey economic and trade cooperation boasts of a long history. Istanbul, capital of Turkey, became the only route of the Silk Road leading to Europe after the 5th Century, AD. Such commodities from China as silk, tea and porcelains were transported to Istanbul via the Silk Road and then transferred to Europe. In the future Sino-Turkey economic and trade cooperation, Turkey can make full use of its geological advantages, playing a role of bridge and bond. Turkey's economy has a strong radiation capability. Via Turkey, Chinese products can get access into the surrounding Middle East countries and Mediterranean countries and developed countries in Europe. At the same time, the two countries can jointly explore the third market. Over the time-honored exchange, China and Turkey have inherited and carried forward the Silk Road spirits of peace, equality, exchange and cooperation, as well as laying the historic and cultural foundation for promoting "the Belt and Road" construction.

Secondly, to jointly promote "the Belt and Road" construction is a necessary requirement for realizing the realistic development of Sino-Turkey relationship. Over the past 4 decades since the two countries set up diplomatic relationship, the two countries' mutual cooperation relationship has been going on continuously, especially since the two

parties announced to establish and develop a strategic and cooperative relationship in 2010. It marks that the two countries has entered into a new phase, seeing large-scale cooperation in such areas as trade, investment, finance, energy and infrastructure construction. The two parties have proposed to expand the current bilateral trade volume of US\$15 billion to US\$50 billion by 2015 and US\$100 billion by 2020. By then, China shall become Turkey's No. 1 trade partner. At present, the world's economic emphasis is transferring to Asia Pacific. Turkey has selected the "eastward development" policy while China is strengthening the "westward" openness. To jointly construct "the Belt and Road" has become an inevitable choice for China and Turkey in realizing the respective countries' strategic goal and national renaissance.

Thirdly, China and Turkey have supplementary merits in economic and trade relationship, possessing a benign cooperation foundation. Since the two parties established diplomatic relationship, they have been keeping a good economic and trade relationship. The two countries have been maintaining ceaseless top-end mutual visits, with exchanges and cooperation in all sectors being progressing smoothly. At present, China and Turkey have realized considerable scales in trade, engineering contract & labor cooperation, and mutual investment, and have entered

into a rapid-development phase. The two countries have become important partners.

In 2014, Sino-Turkey trade volume reached US\$27.78 billion. Turkey boasts of rich mineral resources including marble, natural stone, boron, and coal, etc. Turkey is also home to colorful tourism resources, with the landscapes of Aegean Sea, the Mediterranean Sea, and the Black Sea being extraordinarily beautiful. Three empires have left numerous humanistic relics. China boasts of thousands of years of brilliant civilization and a vast territory, with its humanistic landscapes and natural landscapes being reputed all over the world. Therefore, Sino-Turkey tourism has a broad cooperation potential.

Turkey's engineering contraction is well-known all over the world, with its contracted projects being of high quality and advanced in management. China owns many engineering construction companies, excellent technicians and cheap laborers. The two parties can carry out international engineering contraction cooperation. Besides, both China and Turkey are traditional textile countries with respective advantages. China's advantages lie in cheap raw materials and labor force, while Turkey's advantages lie in its ready-made garment manufacturing level with globally well-known brands. The two parties can carry out cooperation in ready-made garment manufacturing. In the field of energy,

Turkey will invest at least US\$120 billion in the coming decade, such as thermal power, hydropower, petroleum exploitation, refinery, and transportation, etc. Chinese enterprises can invest in these fields in Turkey. In the field of IT, Huawei has set up a plant in Turkey, keeping a close cooperation with Turkey's two major telecom operators, which has laid a solid foundation for the two parties' further cooperation.

II. Suggestions for promoting China-Turkey economic and trade cooperation

Firstly, improve the cognition of jointly building “the Belt and Road initiative”, explore and excavate the rich connotation and implementation approach in politics, economics and culture, strengthen the exchange and cooperation between the two countries' think tanks, and enable the construction of “the Belt and Road” to become a voluntary action of the two peoples. Highlight the three major principles of “jointly discussing, jointly establishing and sharing”, hitch the two parties' development plan, make full use of the respective comparative advantages, and promote the two parties' optimized allocation in terms of capitals, technologies, resources and market, in a bid to realize a joint prosperity. The bilateral governments should strengthen efforts to carry out multi-level economic

and trade exchange and cooperation, so as to create a social environment with its laws and policies being favorable for promoting the two parties' economic and trade cooperation.

Secondly, innovate cooperation ideologies and expand new areas of Sino-Turkey economic and trade cooperation. China and Turkey have apparent supplementary advantages in such aspects as capitals, technologies and market. The two parties should strengthen mutual cooperation in traffic, telecom and other infrastructure areas. The two countries should actively explore possibilities of cooperation in renewable energies, high-tech, minerals, etc. At the same time, the two parties should enlarge financing to motivate China's investment and cooperation in Turkey's infrastructure construction. The two parties should strengthen cooperation in such high-tech sectors as nuclear and aviation, create new pragmatic breakthroughs, as well as strengthening cooperation in energy reservation and emission reduction, green economy, and new materials etc., in order to realize the respective sustainable development.

Thirdly, resolve the imbalance of bilateral trade. In 2014, Turkey's export to China reached US\$2.86 billion while its import from China was as much as US\$24.92 billion, seeing a severe imbalance. In history, China underwent many years of adverse balance of trade against Turkey. However, China started to increase export to Turkey in 1995, resulting in

year-on-year increase of a favorable balance. In recent years, China has organized enterprises to make purchases in Turkey several times in a bid to enlarge import from Turkey, but with an ineffective result. Looking into the future, China shall continue to enlarge import from Turkey, encouraging more Chinese traders to purchase commodities from Turkey. At the same time, China shall enlarge investment to Turkey, especially in respect of infrastructure. With Turkey being in need while China owns the capability, the two parties can strengthen investment cooperation.

Fourthly, both China and Turkey are G20 member countries, as well as emerging economies and developing countries. This year, Turkey is serving as the chair country of G20 Summit, and next year, China shall take the chair. The two parties should jointly carry out effective cooperation in promoting the global administration mechanism reform and perfection. Emerging economies and developing countries are not being sufficiently represented in the current global administration mechanism, with their reasonable appeals not being fully considered. G20 Summit once played a key role in tackling with the global financial crisis, but G20 has been making little progress since 2010. Specifically, the IMF proportion reform has been delayed by the US once and again, which has not been implemented so far. This year and next, China and Turkey should work hand in hand to reverse the declining G20 authority.