



REPUBLIC OF TURKEY
MINISTRY OF TRADE

TURKEY - BASQUE COUNTRY BILATERAL RELATIONS & BUSINESS OPPORTUNITIES

Intergune- 27 October 2022

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Commercial Office of the Embassy of Türkiye



- ✓ Institutional representation of the Ministry before the Spanish authorities.
- ✓ Promotion of collaboration between entities, associations and chambers of commerce of both countries.
- ✓ Coordination of bilateral committees, monitoring of the trade and investment agenda, general and sectoral reports, attendance to fairs and events, etc.



- ✓ Information and advice on the exportation or company establishments in Spain.
- ✓ Search and matchmaking with the commercial partners (importers, distributors, wholesalers, etc.)
- ✓ Support in the promotional activities of companies and exporters' associations.
- ✓ Monitoring of national aid and incentive programs.



- ✓ Assistance in locating potential partners in Turkey.
- ✓ Information on custom formalities and requirements.
- ✓ Information on major trade shows and trade related organizations to be held in Turkey.
- ✓ Buyers' delegations to Turkey



In 2021, according to Purchasing Power Parity GDP figures, Turkey ranks as the 11th largest economy in the World and 4th in Europe

Average annual growth rate (2003-2021): 5,5% ; 11,4% (2021)

GDP per capita : 3.608 US\$ (2002) → 9.592 US\$ (2021)
In PPP terms: GDP per capita exceeded 30.797 US\$ in 2021

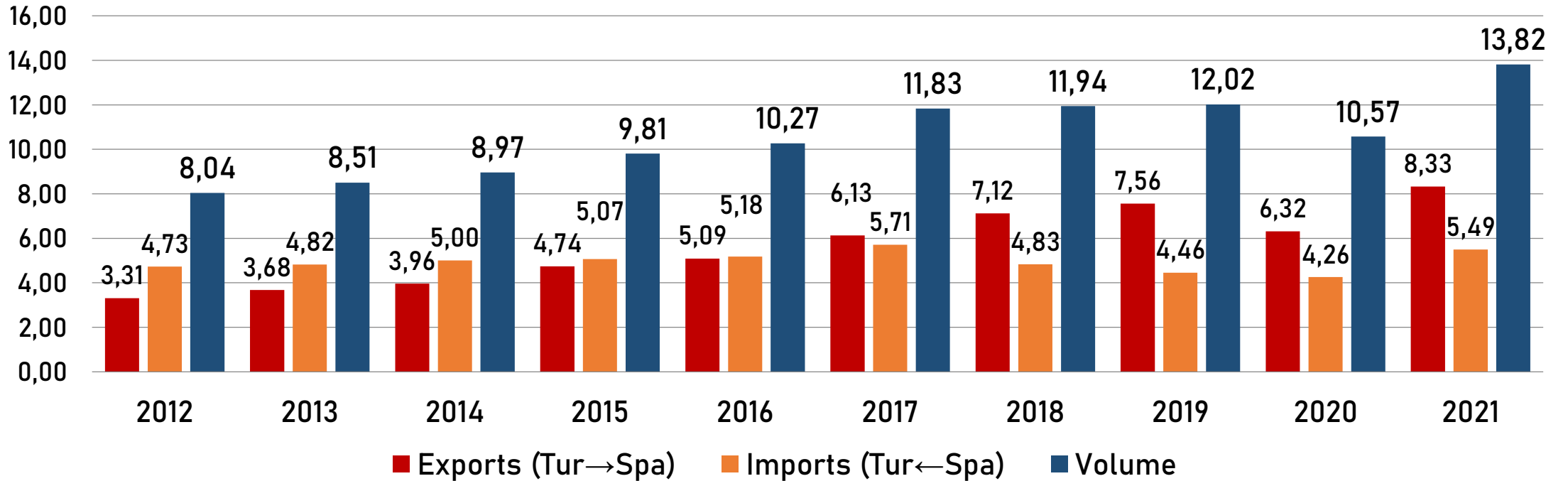
Sound and balanced public finances: Central Government budget balance/GDP ratio was 2,7% in 2021. General Government Debt Stock/GDP ratio, defined by European Union Standards, was 38,1% in 2021 (below the Maastricht Criterion (60%))

Foreign trade growth in 2021: exports (+32,8%) and imports (+23,6%) Exp/Imp ratio stood at 83% (98,2% if energy is excluded) In 2022 both exports and especially imports continue to grow.

FDI stock : 239.2 billion USD (2003-2021); 13.9 billion USD (2021)

BILATERAL TRADE(I)

TURKEY Vs SPAIN (BILLION EUROS)



RECENT FIGURES

	2021 (Jan-Aug)	2022 (Jan-Aug)	▲ 2022/2021(%)
Exports (Turkey→Spain)	5,26	6,83	+29,8%
Imports (Turkey←Spain)	3,31	4,25	+28,4%
Volume	8,57	11,08	+29,2%

(*) Data in Billion Euros



BILATERAL TRADE (II)

SPAIN - EXPORTS BY COUNTRY OF DESTINATION (2021)			
RANK	COUNTRY	BILLION €	(%)
1	France	50,48	15,9%
2	Germany	32,40	10,2%
3	Italy	26,57	8,4%
4	Portugal	24,87	7,9%
5	United Kingdom	18,82	5,9%
13	Turkey	5,49	1,7%
TOTAL		316,61	100,0%

Source: www.icex.es

SPAIN - IMPORTS BY COUNTRY OF ORIGIN (2021)			
RANK	COUNTRY	BILLION €	(%)
1	Germany	38,28	11,2%
2	China	34,83	10,2%
3	France	34,15	10,0%
4	Italy	22,62	6,6%
5	USA	17,09	5,0%
11	Turkey	8,33	2,4%
TOTAL		342,79	100,0%

Source: www.icex.es

2022 (January-August) Turkey has moved up one position in the ranking of Spain's suppliers (10th position; Share: 2,3%) No changes in its position as a client (13th position; Share: 1,7%)

TURKEY- EXPORTS BY COUNTRY OF DESTINATION (2021)			
RANK	COUNTRY	BILLION \$	(%)
1	Germany	17,99	8,4%
2	USA	13,69	6,4%
3	United Kingdom	13,30	6,2%
4	Italy	10,75	5,0%
5	Irak	10,00	4,7%
6	Spain	9,24	4,3%
TOTAL		213,60	100,0%

Source: www.tuik.gov.tr

TURKEY - IMPORTS BY COUNTRY OF ORIGIN (2021)			
RANK	COUNTRY	BILLION \$	(%)
1	China	30,95	11,9%
2	Russia	27,60	10,6%
3	Germany	20,51	7,9%
4	USA	12,39	4,8%
5	Italy	10,67	4,1%
9	Spain	6,02	2,3%
TOTAL		260,68	100,0%

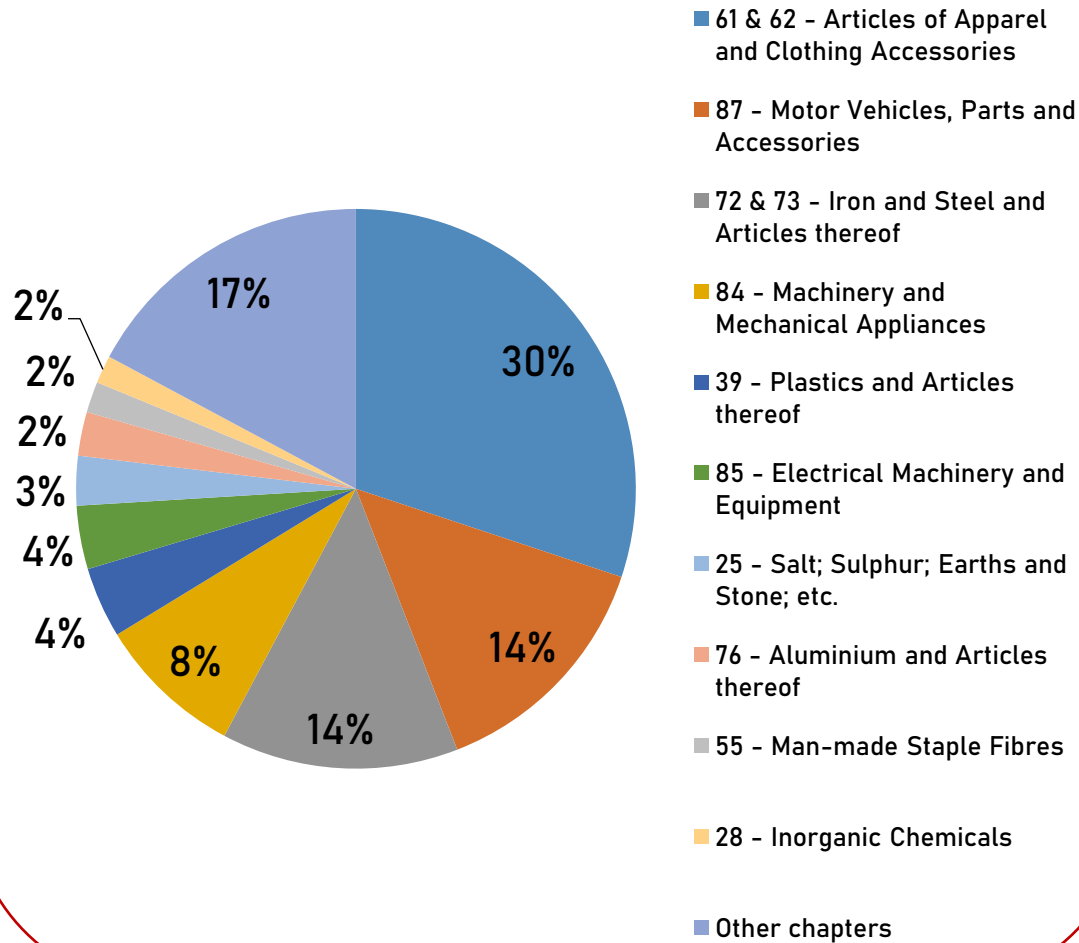
Source: www.tuik.gov.tr

2022 (January-August) Spain continues to be the 6th destination of our exports (Share: 4,1%). On the other hand, Spain has lost one position in the ranking of Turkey's suppliers (10th position; Share: 1,9%).

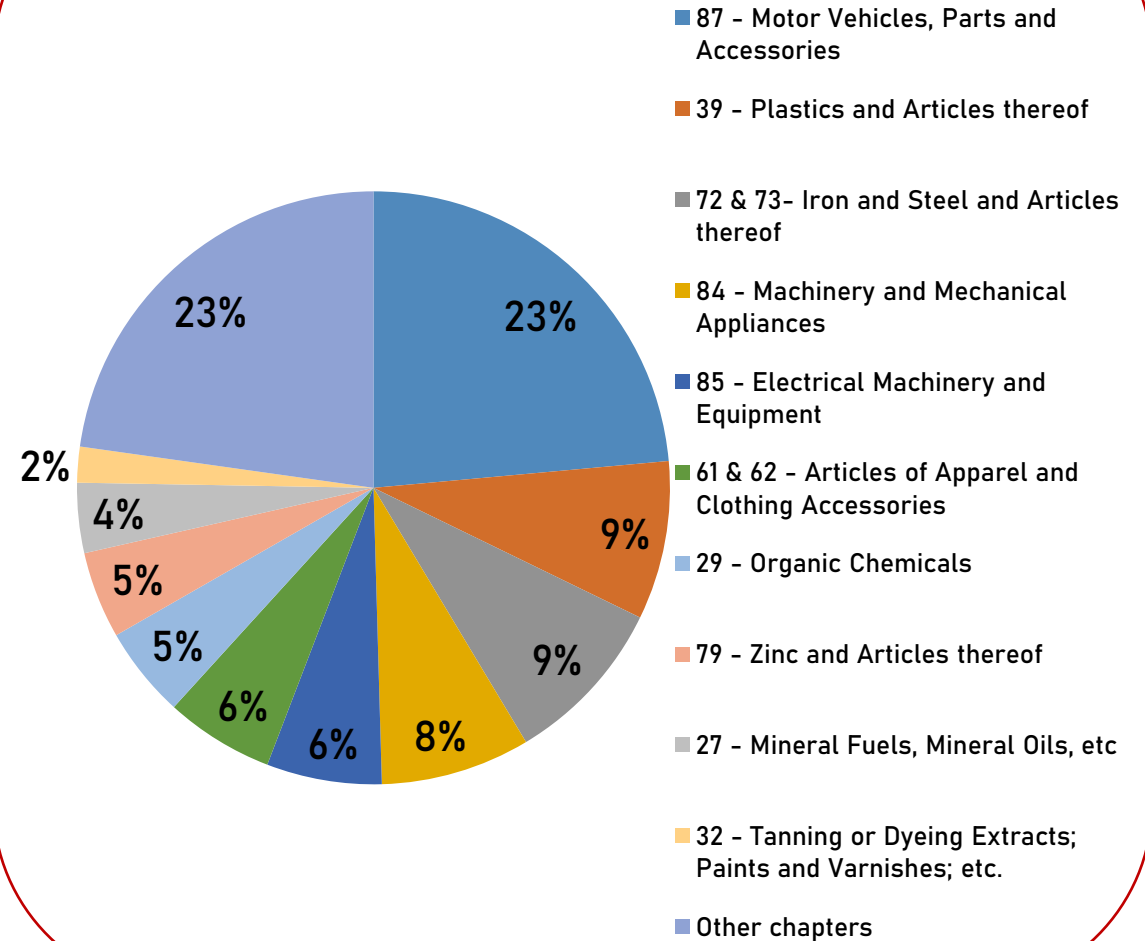


BILATERAL TRADE (III)

EXPORTS FROM TURKEY TO SPAIN (2021)



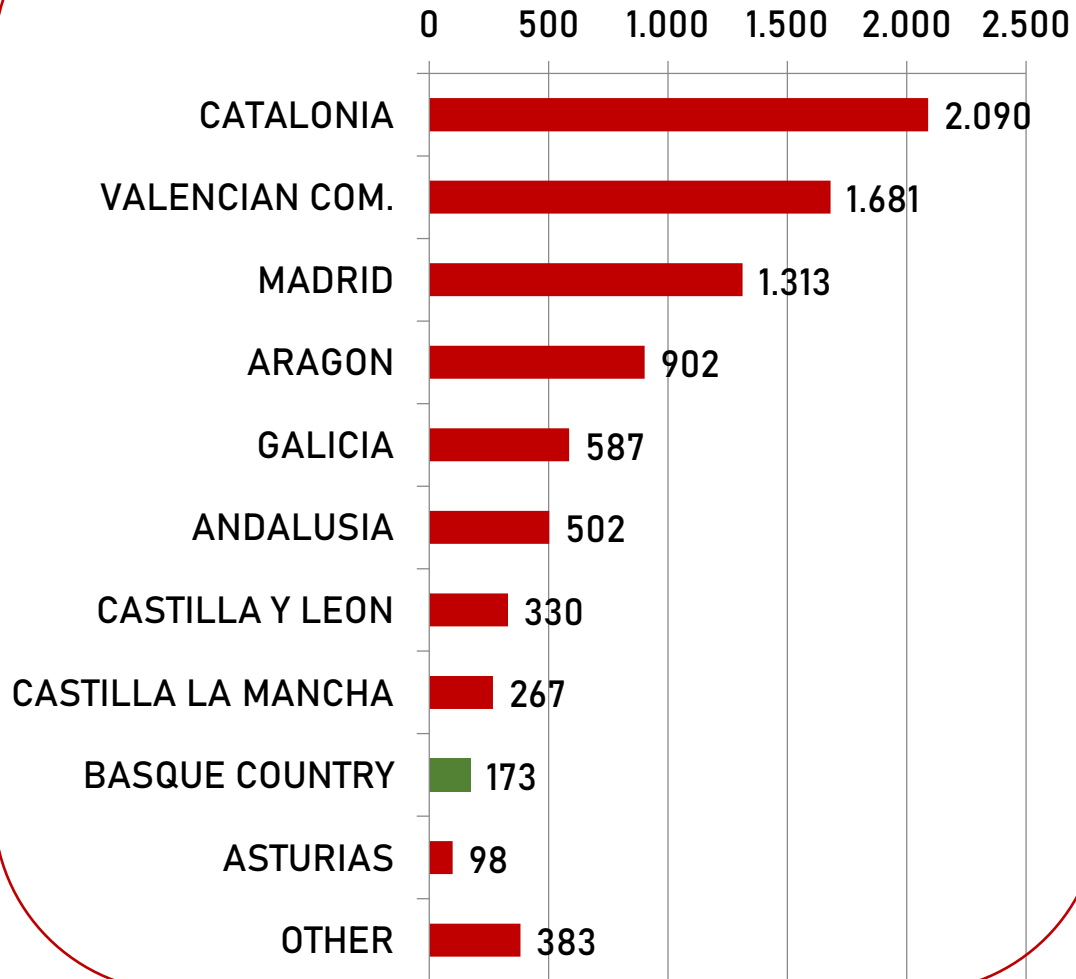
EXPORTS FROM SPAIN TO TURKEY (2021)



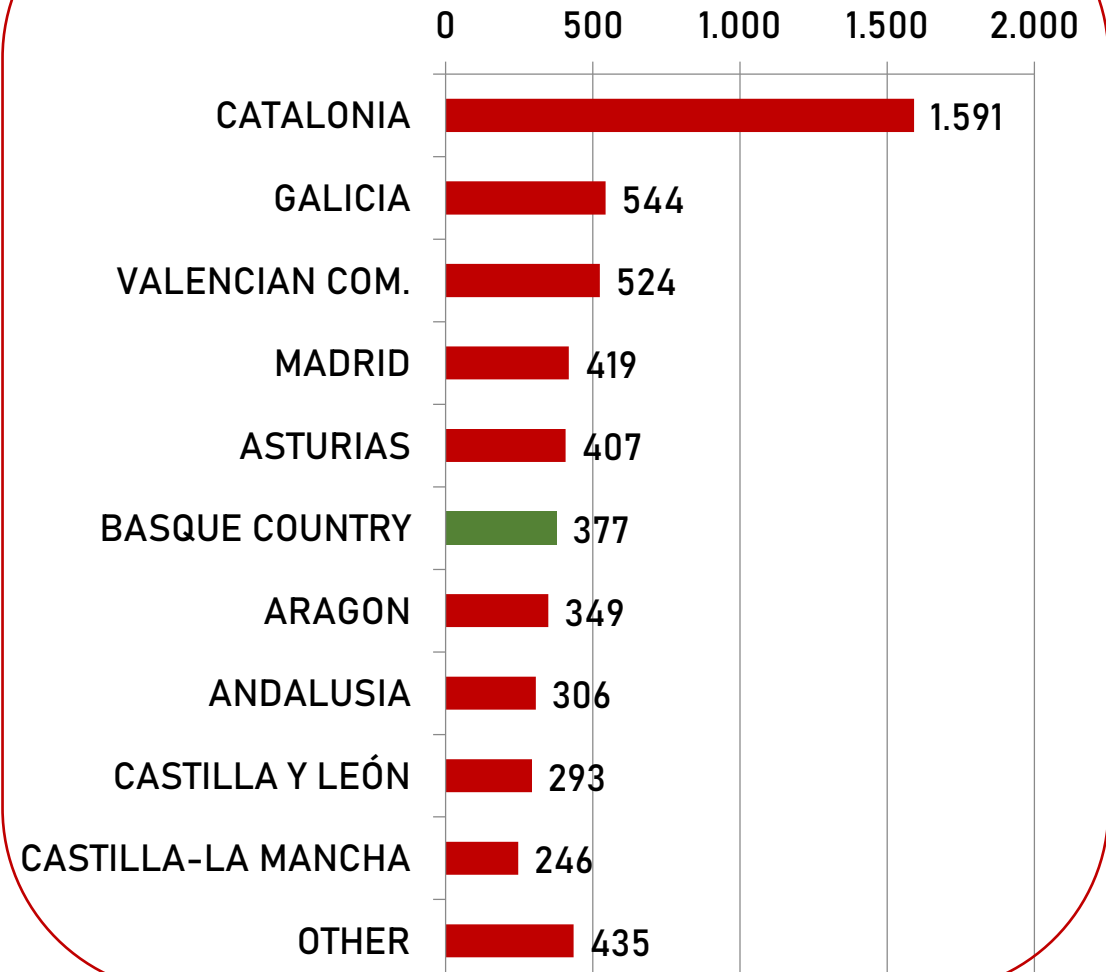


BILATERAL TRADE (IV)

EXPORTS FROM TURKEY TO SPAIN
(YEAR 2021)(MILLION €)

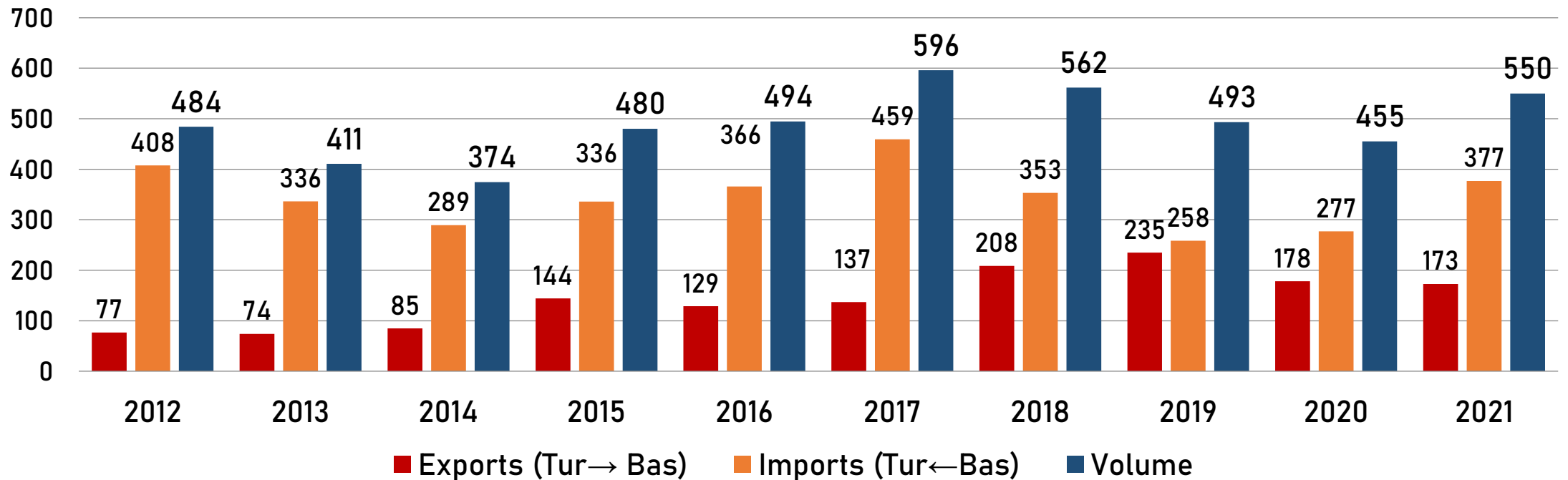


EXPORTS FROM SPAIN TO TURKEY
(YEAR 2021)(MILLION €)



BILATERAL TRADE (V)

TURKEY Vs BASQUE COUNTRY (MILLION EUROS)



RECENT FIGURES

	2021 (Jan-Aug)	2022 (Jan-Aug)	▲ 2022/2021(%)
Exports (Turkey→Basque Country)	114	174	+52,7%
Imports (Turkey←Basque Country)	230	341	+48,0%
Volume	344	515	+49,5%

(*) Data in Million Euros



BILATERAL TRADE (VI)

BASQUE COUNTRY - EXPORTS BY COUNTRY OF DESTINATION (2021)

RANK	COUNTRY	MILLION €	(%)
1	France	4.120	16,1%
2	Germany	4.092	15,9%
3	United Kingdom	1.695	6,6%
4	USA	1.592	6,2%
5	Belgium	1.362	5,3%
6	Italy	1.351	5,3%
7	Netherlands	1.294	5,0%
8	Portugal	1.117	4,4%
9	China	664	2,6%
10	Poland	602	2,3%
13	Turkey	377	1,5%
TOTAL		25.663	100,0%

Source: www.icex.es

BASQUE COUNTRY - IMPORTS BY COUNTRY OF ORIGIN (2021)

RANK	COUNTRY	MILLION €	(%)
1	Germany	3.102	14,7%
2	France	2.025	9,6%
3	China	1.649	7,8%
4	Russia	1.379	6,5%
5	Italy	1.145	5,4%
6	Mexico	991	4,7%
7	Netherlands	816	3,9%
8	USA	682	3,2%
9	United Kingdom	678	3,2%
10	Ireland	668	3,2%
25	Turkey	173	0,8%
TOTAL		21.054	100,0%

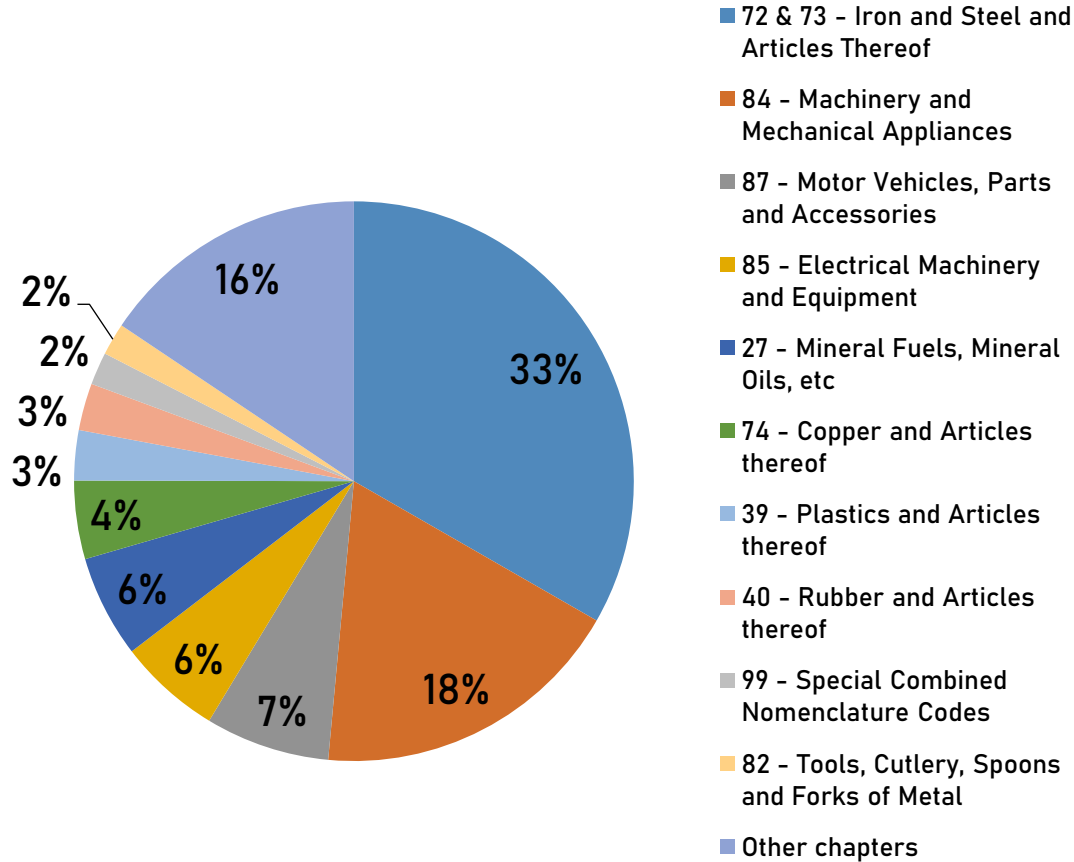
Source: www.icex.es

2022 (January-August) Turkey has moved up one position in the ranking of clients of the Basque Country (12th position; Share: 1,6%) Turkey is currently the 27th supplier of the Basque Country (Share: 0,9%)

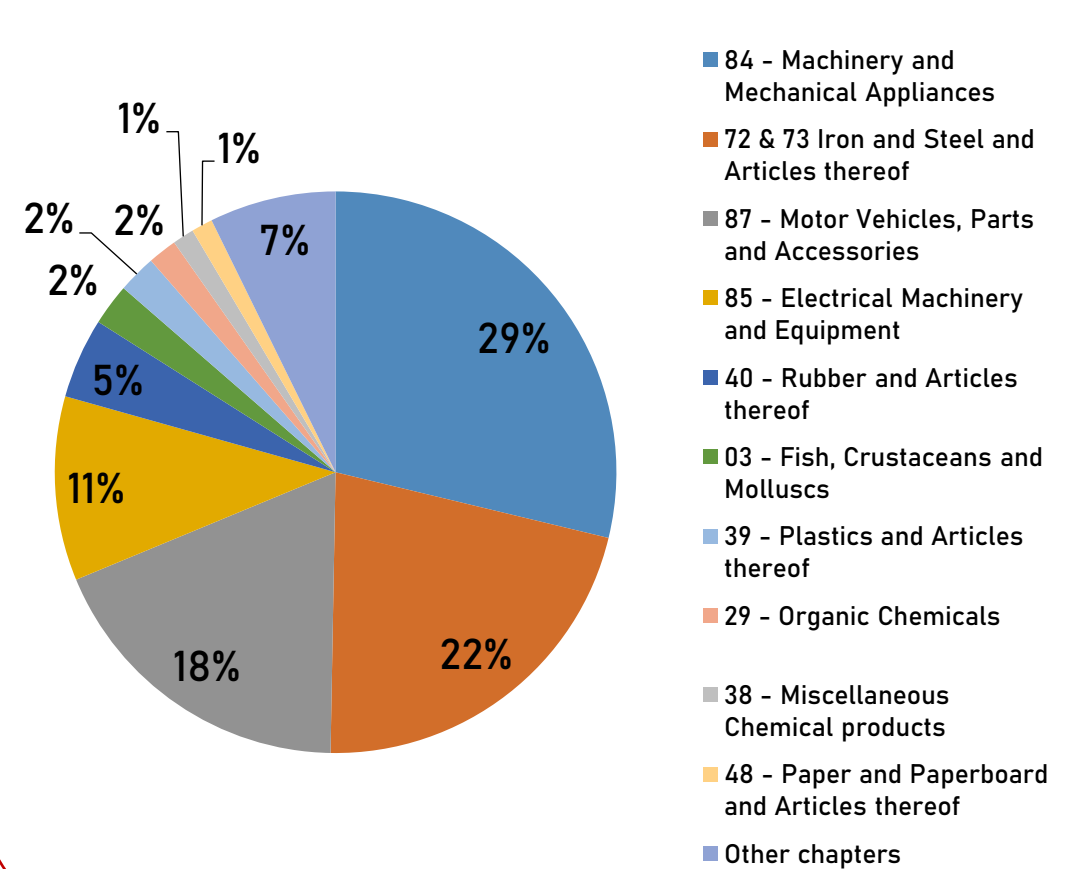


BILATERAL TRADE (VII)

EXPORTS FROM TURKEY TO THE BASQUE COUNTRY
(2021)



EXPORTS FROM THE BASQUE COUNTRY TO TURKEY
(2021)





FOREIGN DIRECT INVESTMENTS

TURKISH COMPANIES IN SPAIN



SPANISH COMPANIES IN TURKEY





GOALS AND HOW TO GET THERE



- ❑ Trade volume target: 20 billion Euros (Highest level reached so far: 13,8 Billion Euros in 2021).
- ❑ Sector diversification and an increase in the number of exporting and importing firms.
- ❑ Increase the volume of mutual investments and encourage R&D&I collaboration projects.
- ❑ Boost business cooperation of companies of both countries in projects in third markets. Creation of synergies (e.g. Spain - Latin America; Turkey - Central Asia).

- ❑ Joint Economic Trade Committee (JETCO) & Business Economic Forum.
- ❑ Modernization of the Customs Union agreement between Turkey and the EU (trade in services, public procurement, dispute resolution, etc.).
- ❑ Fostering cooperation with Chambers of Commerce, business associations and organizations (e.g. agreements between Technology Parks, Chamber of Commerce of Granada, etc.)
- ❑ Increasing support for promotional activities (trade fairs, buyers' missions, business meetings, etc.)





AGREEMENTS IN FORCE

The Customs Union agreement between Turkey and the EU has been in force since 1995 and is based on the 1963 Ankara Agreement and its Additional Protocol (1970).

Customs duties on imports or exports, as well as quantitative restrictions and measures having equivalent effect, are eliminated.

The Customs Union covers most of industrial products as well as processed agricultural products

The Customs Union does not cover agricultural products (as defined in the Amsterdam Treaty) or coal and steel products, which are covered by the European Coal and Steel Community Treaty (other preferential trade agreements).

Turkey and Spain have other important bilateral economic agreements: Double Taxation Avoidance Agreement (DTA) and Agreement for the Promotion and Reciprocal Protection of Investments.



STRATEGIC LOCATION & LOGISTICS INFRASTRUCTURE

Turkey has an **outstanding logistics infrastructure**. In addition, it has ambitious **infrastructure development plans** to maintain its global leadership position over the coming years.

LOGISTICS CENTER



25 logistics centers



35 million tons of additional transport capacity



12.8 million square meters of container storage and handling area



The total length of **highways** currently in service is **3,523** km. Following the completion of the highway it will reach 4,461 km in 2023 and 8,187 km in 2035.

AIRPORTS IN TÜRKİYE



56
Open to civil traffic



2
Under Construction -
General Directorate of State
Airports Authority



4
Under Construction -
General Directorate of
Infrastructure Investments

TÜRKİYE IS ALSO INVESTING IN MARITIME TRANSPORTATION INFRASTRUCTURE

PORT OF ÇANDARLI

- Ongoing infrastructure construction
- 25 million TEU/year capacity
- Special economic zones in the hinterland
- BOT model port management

PORT OF FİLYOS

- 1,500 m of jetty work completed
- Capacity to reach 4 million TEU/year in 3 phases
- Phase I: 1 million TEU
- Phase II: 2 million TEU
- Phase III: 1 million TEU
- Tender for Phase I expected
- BOT model port management

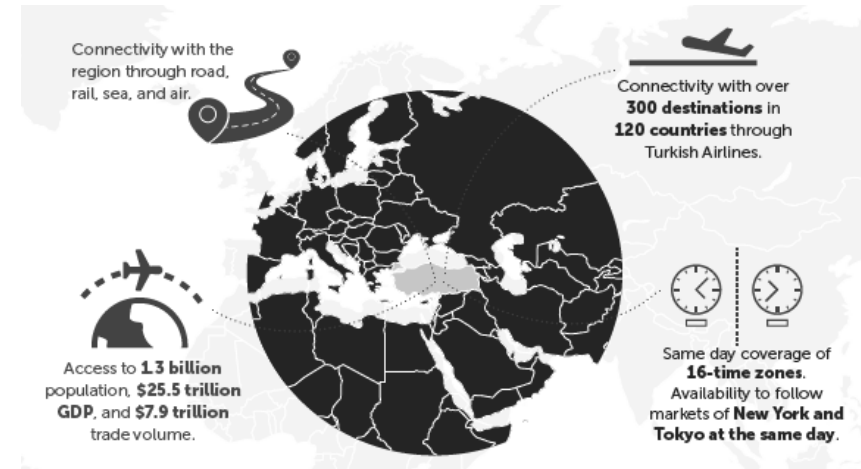
MERSİN CONTAINER PORT

- Ongoing infrastructure construction
- 12.8 million TEU/year capacity
- BOT model port management

MERSİN CONTAINER PORT



Turkey is **geographically and logistically well-connected** to the rest of the globe, with around **40% of global trade** occurring within a **four-hour direct flight radius**.

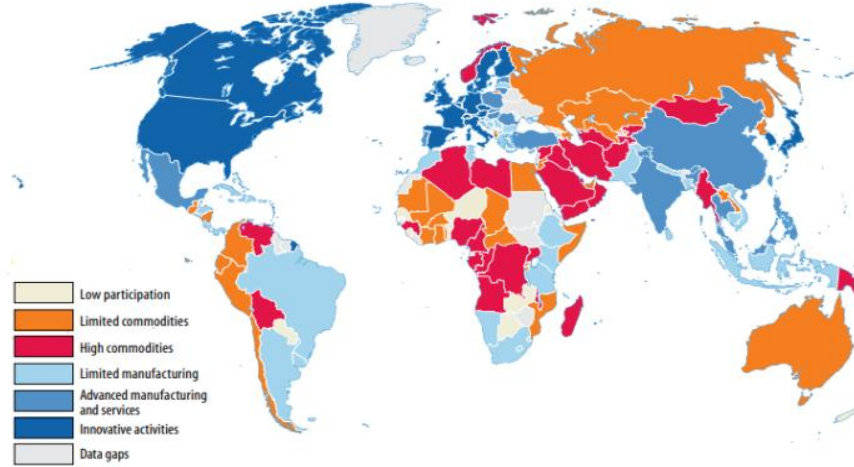


- ✓ **Turkish Airlines** operates 70 weekly flights between Istanbul and Madrid, Barcelona, Malaga, Valencia, and Bilbao
- ✓ **Ro-Ro route between Tarragona and Izmir** (connection between both countries in only 60 hours, achieving door-to-door logistics times of only 96 hours).
- ✓ **Several Turkish logistics companies** already established in Spain



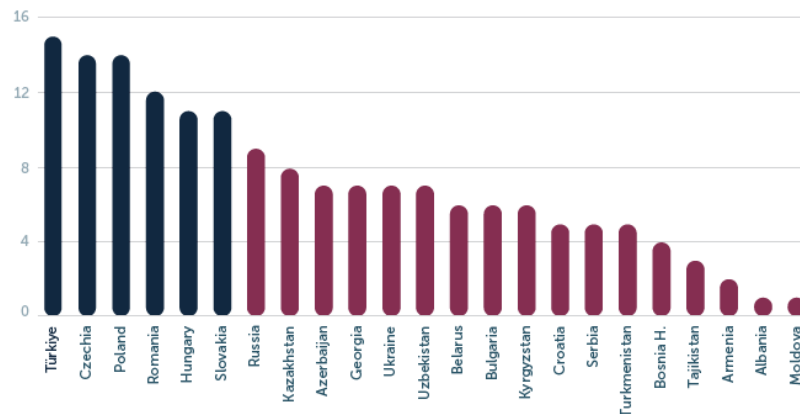
INCREASING PARTICIPATION IN GVCs

Participation in global value chains



Source: [The World Bank](#), 2020.

Emerging Europe Attractiveness Score
(a higher score is better)



Source: Fitch Solutions: "Emerging Europe To Benefit From Shifts In Mid-Level Manufacturing Supply Chains" July 13, 2020

- Since the 1990s, supply chain trade has steadily increased in total world trade, but after the 2008-2010 global financial and economic crisis, it appears to have stagnated or even declined. These chains still enable over **two-thirds of international trade**.

- The pandemic disrupted many supply chains, and the strongest economic recovery on record put enormous strain on the global supply system, creating a "perfect storm" of surging demand, shortages of workers, ships, containers, air cargo space, and clogged ports. **Supply chain bottlenecks are slowing growth, delaying manufacturing, and putting pressure on prices.**

- Increasing tendencies of MNCs to **relocate global operations closer to their countries of origin**.

- Turkey's participation in **Global Value Chains** has been rising steadily, but there is still room for expansion in order to catch up with peer economies.

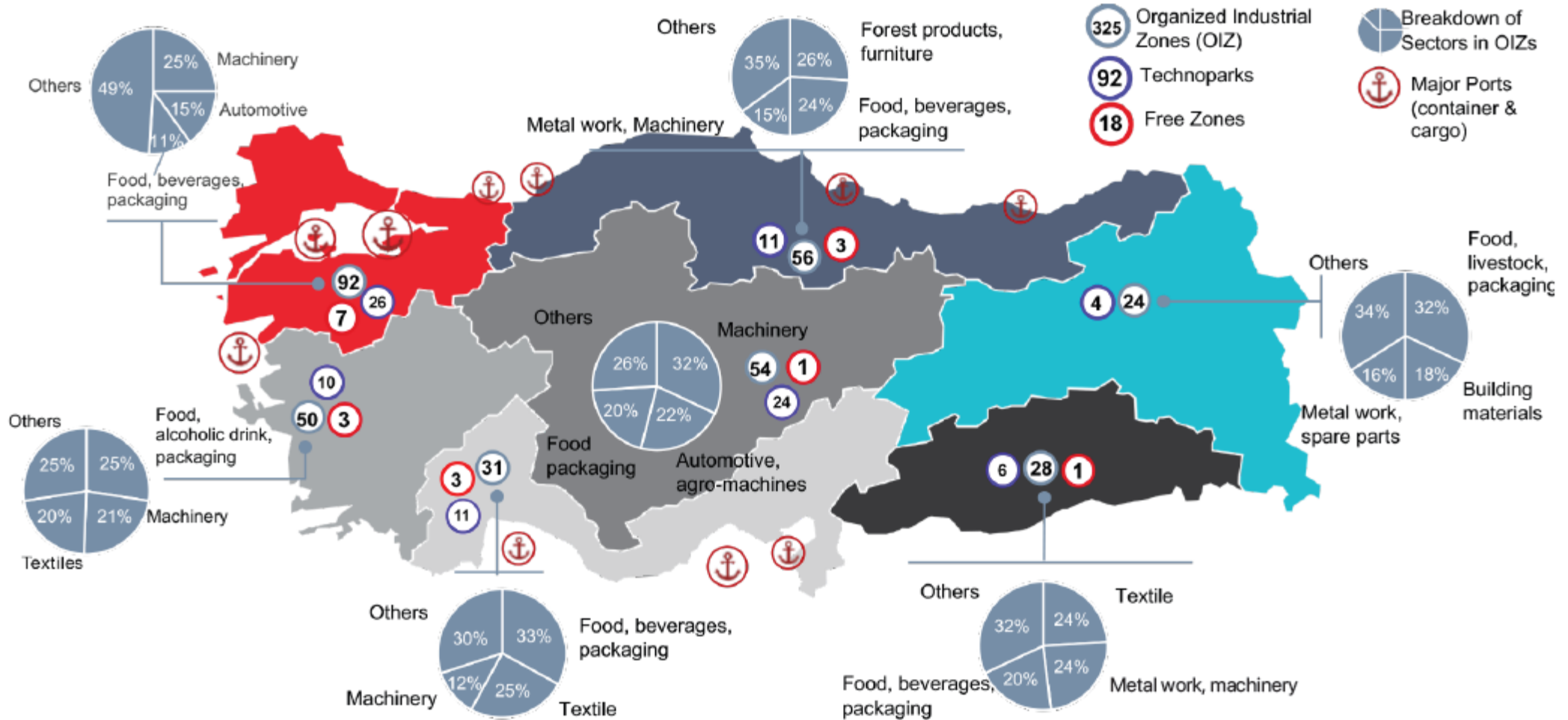
- According to a recent Fitch analysis, **Turkey stands to benefit most from a supply chain shift.**

- An all-inclusive **working group** was formed by the Turkish government in light of these changes, with the aim of preparing Turkey for post-covid GVCs.

- **Turkey's advantages to increase its participation in the GVCs:** Strategic Location; Free Trade Network ; Robust Logistics Infrastructure; Diversified Manufacturing; Lucrative Incentives; Skilled Workforce with Cost Advantage; Strong Industry Clusters; Liberal Investment Climate



SECTORAL CLUSTER MAP

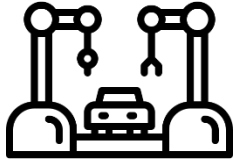


Source: Ministry of Industry and Technology, Ministry of Trade, OSBÜK.



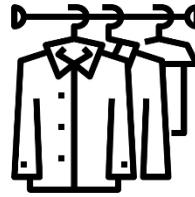
SECTORS - PRODUCTS (I)

AUTOMOTIVE



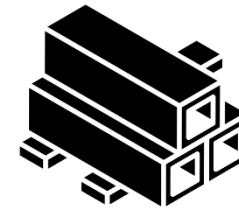
- **Leading export sector** of Turkey for the last 15 years.
- Europe's **4th largest automobile manufacturer** in 2021 (after Germany, Spain and France) (1,3 million vehicles). 1st largest manufacturer in Europe of **light commercial vehicles**
- The sub- sector consists of **7,000 SMEs** and nearly 200 foreign joint ventures.
- More than 250 global suppliers that use Turkey as a production base, with **30 of them ranking among the 50 largest global suppliers**.
- Almost 200 R&D and design centers of automotive manufacturers and suppliers.
- Automobile manufacturers are increasingly selecting Turkey as their export production base (**75% Turkey's vehicle production is destined for international markets**)

TEXTILE



- Textile and ready-wear sector is one of the first established industries in the country and currently has **the largest share in Turkish industrial production**.
- Textile and ready-wear is the **second-largest export sector**, and also give Turkey the largest foreign trade surplus.
- **4th largest exporter** in the world in 2021 of textile and raw materials (after China, India and USA)
- Turkey is one of the **main actors in the world clothing industry**. The Turkish clothing industry with a share of 3.7% is the 6th largest supplier in the world, and the 3rd largest supplier of the EU.
- High capacity, sustainability, organic and better cotton (BCI), social responsibility, transparency, ethical trade, recycled production, quick supply process, fashion and design expertise, product development flexibility

METAL

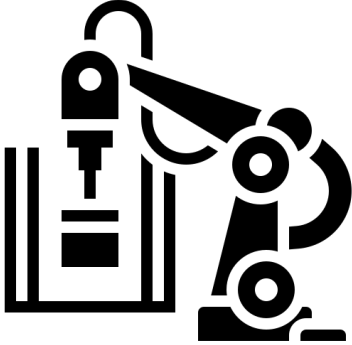


- The steel industry is the **4th largest contributor to the Turkish economy**.
- Since 2001, Turkey's steel production has increased significantly, from 15 million tons in 2001 to **40 million tons in 2021**.
- Due to competitive prices and effective marketing strategies, Turkish steel manufacturers export to almost every country on earth.
- The Turkish **casting industry** is one of the pillars of the country's manufacturing sector. It is capable of meeting all production demands, primarily in the machinery, vehicle, and defense industries, thanks to its **technical expertise and facilities for designing prototypes, tests, and final products**.
- The Turkish **aluminum industry** employs approximately 30,000 people and generates 4 billion US\$ in revenue.



SECTORS - PRODUCTS (II)

MACHINERY



- Because of its engineering capabilities, ideal prices, young workforce, adequate facilities, rapid adaptation to international manufacturing standards, domestic supply of raw materials, developing technology, and growing economy, the **Turkish machinery industry exports high-quality products to the whole world.**
- Turkish machinery exports account for **11% of total Turkish exports** and 0.9% of global machinery exports. Since 2003, the industry's export/import ratio has increased from 30% to 60%, indicating a growing market with **less reliance on imports.**
- **Machinery products are exported to over 200 countries**, making it Turkey's fourth largest export industry, accounting for 10% of total exports. 60 percent of total machinery product exports are shipped to the United States and EU countries, primarily to Germany, the United Kingdom, France, and Italy.
- Construction machinery, agricultural machinery, lifting and handling equipment, machine tools, and HVAC (Heating, Ventilation and Air Conditioning) are **some of the most important sub-sectors**

CHEMICAL PRODUCTS

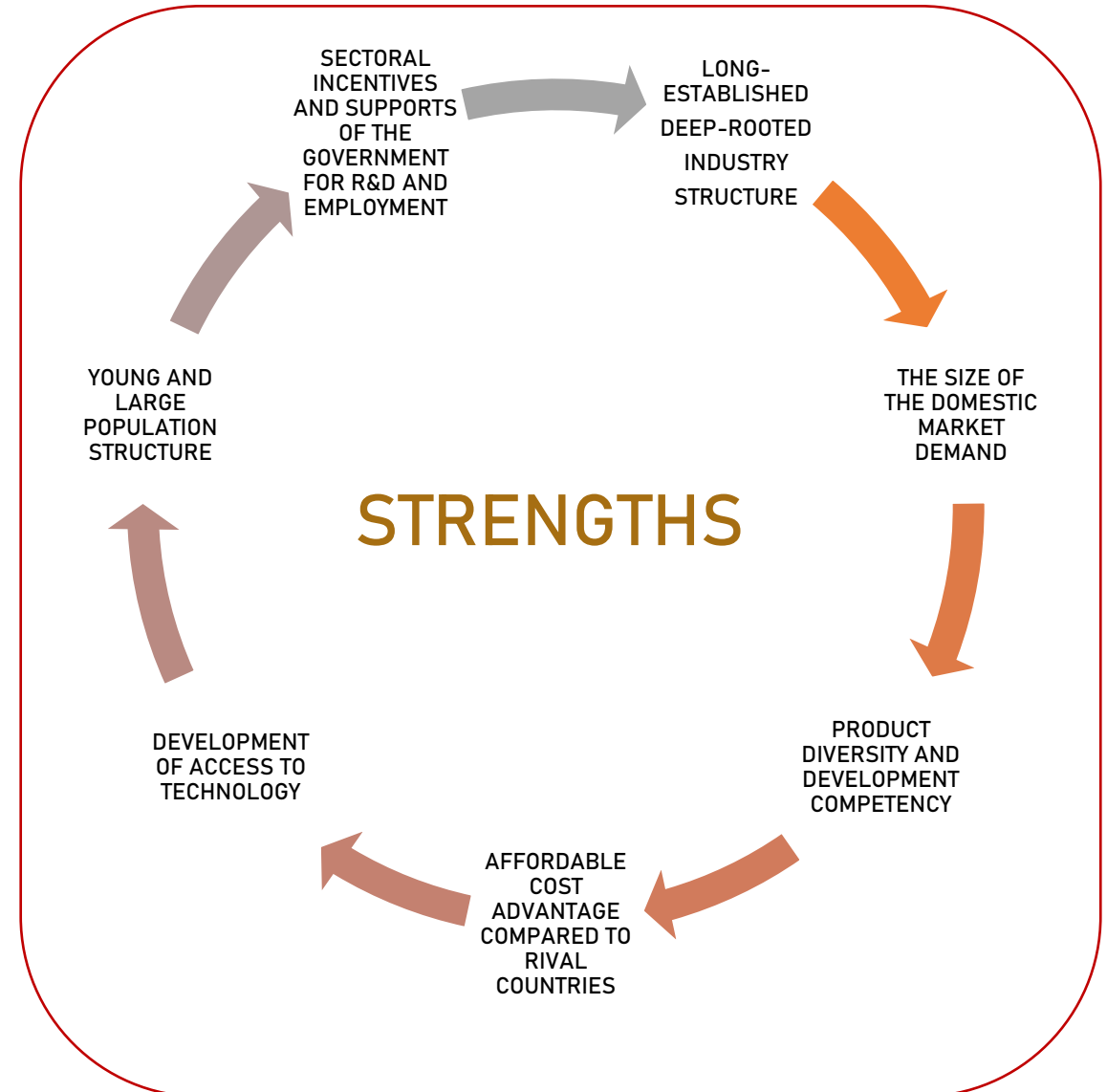


- Turkey has a very **long history of chemical manufacturing and is a significant producer of petrochemicals.**
- Petrochemicals, inorganic and organic chemicals, fertilizers, paints, pharmaceuticals, soaps and detergents, synthetic fibers, essential oils, cosmetics, and personal care items are just a few of the chemicals produced in Turkey.
- Turkish chemical industry **has developed significantly** in terms of quality, productivity and protection of the environment.
- The chemical industry, together with the sub-industries such as plastics and rubber, **employs nearly 200.000 people and has about 6.000 companies.**
- In 2021, the chemical industry was one of the most important sectors among total industrial exports. **The value of chemical exports was about 32 billion US\$ in 2021.**
- Importance of the **plastics sector**: 2nd largest producer in Europe. & 7th in the World

SOFTWARE AND ICT SERVICES



- It is calculated that the **Turkish Software and IT Services industry reached 23 billion US\$**, and its export volume reached 2.6 billion USD in 2021.
- The export volume of the sector reached 13% of the total sales volume with an **annual average growth rate of 21%**.
- Since the early 2000s, Turkey's employment in the sector has surpassed 140,000, with an **estimated international investment of 18 billion US\$**. R&D personnel now account for more than 20% of ICT sector employment, and nearly 70% of those employed in the sector are under the age of 35
- **Technoparks and R&D centers** make important contributions to innovation ecosystem and technology development.
- **Important sub-sectors within the ICT sector:** Software development, Telecommunications, e-commerce, Fintech, Gaming, Cloud & Data Center, Artificial Intelligence & Data Analytics & Digital Transformation.



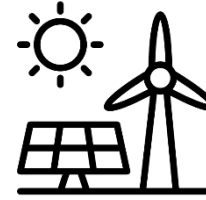
SECTORS - SERVICES (II)

HEALTH TOURISM



- **Major player in global health tourism**, as it attracts thousands of people from all over the world, with the majority coming from Europe, and **generating over 1 billion US\$ in revenue**
- **Wide range of treatments**, including extremely popular plastic surgery, hair transplant, and in vitro fertilization.
- Other treatments with **rising demand** include rehabilitative care, ophthalmology, metabolic surgery, and dental services.

ENERGY



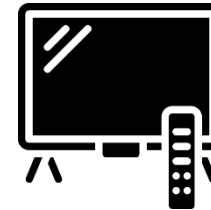
- Due to its heavy reliance on oil and gas imports, **Turkey has made energy supply security one of the central pillars of its energy strategy.**
- The policy includes initiatives to increase domestic oil and gas exploration and production, diversify oil and gas supply sources and related infrastructure, and reduce energy consumption by increasing energy efficiency.
- In the past decade, **Turkey's energy mix has become significantly more diversified.**
- Energy is a **priority sector within the FDI attraction strategy.**

CONTRACTING



- Crucial sector : **6% of GDP and employing almost 1,5 million people.**
- 1972-2021: Turkish contractors have undertaken more than 11.000 projects **in more than 100 countries**, with a total value of 450 billion USD.
- Affordable services at high quality. Companies are open to enhancing **international partnerships** in the African, Eurasian and Middle Eastern countries.
- **42 Turkish contractors** in the list of Top 250 International Contractors prepared by ENR (Engineering News-Record)

AUDIOVISUAL SERVICES



- Turkish series set **rating records** in many regions ranging from the Middle East to South America. **Exported to more than 130 countries.**
- Turkish series are watched by **nearly 400 million viewers** all over the world.
- Türkiye is ranked **2nd after USA** in series and film exports.
- **Big success in Spain** of the Turkish series in several channels of the main private groups (ATRESMEDIA and MEDIASET)



AREAS OF COLLABORATION



- ✦ In many ways, Turkey and the Basque Country are highly complementary (metal, machinery, machine tools, energy, transport, etc.)
- ✦ A substantial number of Basque companies have already made significant investments in Turkey (including the biggest investor: BBVA)
- ✦ Changes in global value chains (due to the COVID-19 pandemic and other factors such as higher transportation costs or geopolitical conflicts) Turkey is a potential supplier in a variety of industries for a number of reasons (proximity, sustainability, quality and safety)
- ✦ Joint R&D&I initiatives
- ✦ The Basque Country and Turkey must take a strategic and sector-oriented approach to increase knowledge and foster business networks.



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