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Structural Change in Turkey's Foreign Trade: 1990-2014 Period

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A B S T R A C T

The macroeconomic policy change which Turkey imposed after 1980 has caused significant structural changes in foreign trade. After this fundamental change in the policy, "ImportSubstitute Economic Policy" came to an end and Turkey switched to the new policy called "Export-Oriented Industrialization". This Strategy foresaw a structural transformation in many areas of the Turkish economy, especially in foreign trade. The period from 1980 to 1990 has been a period of adapting to these policy changes. During this period, macroeconomic policies of Turkey have been tried to be harmonized with global economic policies. After this period, foreign trade oriented policies have been developed. The aim of this study is to determine whether a structural transformation has taken place in Turkey's foreign trade between the years 1990 and 2014 over a period of 25 years. This is the first study that evaluates the structural transformation of Turkey's foreign trade using the new formula for the Constant Market Share (CMS) analysis method. For the analysis, we used Turkey's foreign trade data with 23 countries which have the largest part among Turkey's trade partners. World Integrated Trade Solution (WITS) data has been used for the analysis and the data compiled by the United Nations (UN) Classification of Broad Economic Groups. According to the results, there are some significant positive developments in Turkey's foreign trade in 1990-2004 area. However, these developments are not unique, purely country-based and independent of trends in the world. To sum up, there is no structural transformation in Turkey's export performance in the context of product, technological composition and geographical market diversity.

KEYWORDS Trade Policy; International Trade; Structural Change; Turkey

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