

İtalya – Türkiye Dış Ticaret İlişkisinin Endüstri-İçi Ticaret Teorisi Açısından Analizi / The Analysis of Relationship between Turkey and Italy Foreign Trade within Intra-Industry Trade Theory Scope

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ABSTRACT

The factor endowment theory, which was proposed to remedy the deficiencies of the theory of comparative advantages that is accepted as the base of international trade theories, had started to be inadequate in explaining the causes in the international trade. Therefore, new theories for international trade were proposed since 1960s, and one of those theories – the intra-industry trade theory made significant impacts. The intra-industry trade is imports and exports of the goods within the same industry between countries. Owing to this prospect, the intra-industry trade is a way of trade that is not based upon comparative advantages, i.e. a way of trade that takes place between countries with similar factor endowments. On the other hand, the inter-industry trade is determined as per the comparative advantages of countries and the goods imported and exported by these countries change in terms of the industries. The aim of this study is to show if the intra-industry trade between Turkey and European Union exists between Turkey and Italy in specific, or not. Italy- Turkey foreign trade data for the period between 1990 and 2014 will be analyzed and it will be measured using Grubel-Lloyd index if the trade between the two countries is inter-industry or intra-industry. The result to be obtained will enable devising a policy suggestion in regards to the future pathway of the foreign trade between the two countries.

KEYWORDS Foreign Trade; Intra-Industry trade; inter-industry trade

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