



Turkey

ISCC Ranking: 40

Reducing the cost of international trade transactions has become a priority for Governments intent on facilitating the effective integration of firms in regional and global production networks. Along with improving availability and access to trade related infrastructure, cutting red tape and enhancing trade processes have become essential both to maintain competitiveness and enable smaller players to also benefit.

The latest data on international trade costs from the ESCAP-World Bank database suggest that Turkey has made little progress on reducing trade costs with its South and South-West Asian neighbors, with relatively more progress made instead on reducing trade costs with East and North-East Asian partners. When tariff costs are excluded, trade costs between Turkey and the United States are slightly lower than those between Turkey and some of the other South Asian countries, suggesting further room for intra-regional trade facilitation. Trade costs in the agricultural sector remain high.

Turkey ranks 40th of 179 countries according to the ESCAP International Supply Chain Connectivity (ISCC) Index, a new index released on the occasion of the Asia-Pacific Trade & Investment Week (November 2013) which captures the extent of a country's facilitation of import and export processes as well as its access to efficient maritime services. Turkey made impressive progress in enhancing supply chain connectivity since 2006, bringing the country above the South and South-West Asian average and closer to the connectivity levels achieved in Thailand and Japan.

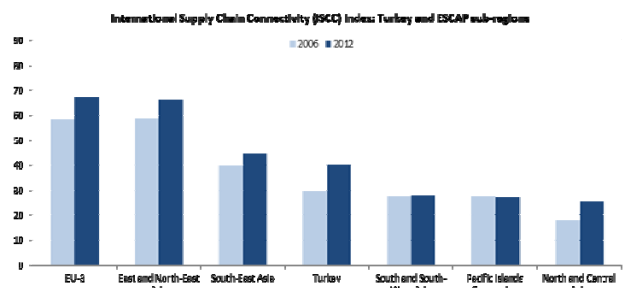
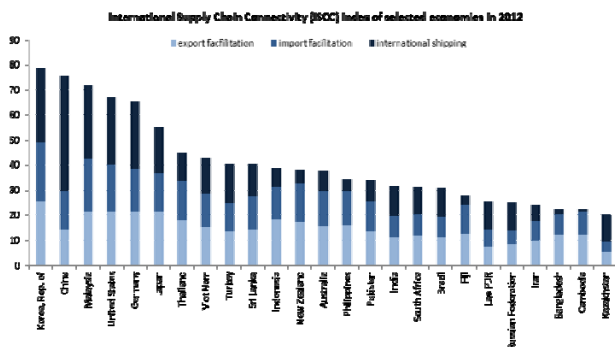
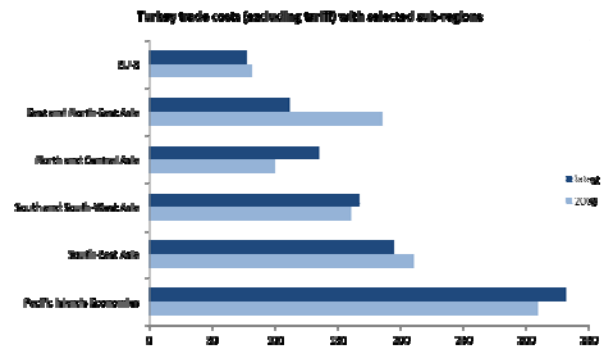
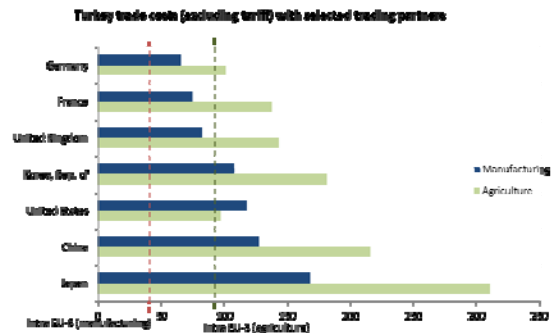
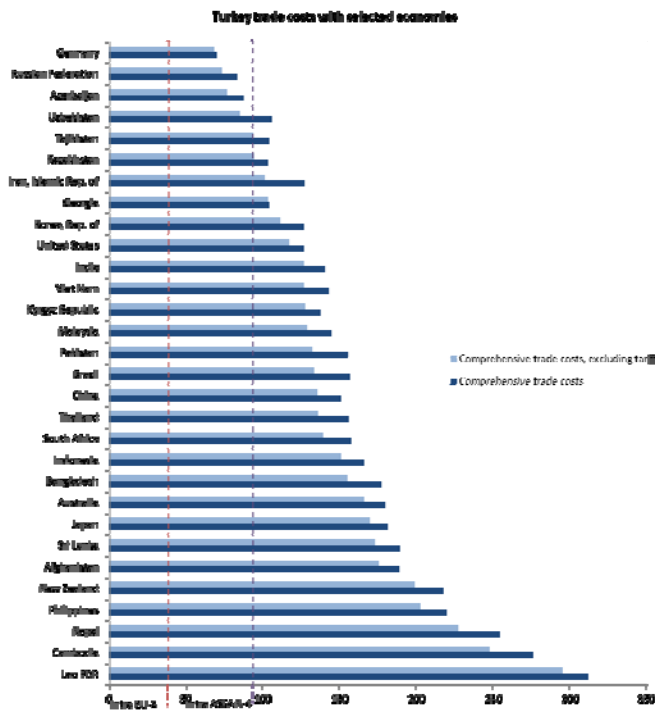


Table 1: Bilateral trade costs (excluding tariff): selected top traders with Turkey in goods sector

Trade costs: overall	Value: tariff-equivalent			Percentage change
	2006	latest	Average 2006-latest	2006-latest
Partner country				
China	139.69	135.06	138.75	-3.31
France	87.03	79.17	84.52	-9.03
Germany	69.10	68.05	69.53	-1.51
Japan	164.19	169.27	166.56	3.10
Korea, Rep. of	140.55	111.15	129.20	-20.92
United Kingdom	87.40	86.19	88.65	-1.39
United States	110.96	116.54	114.65	5.02
Trade costs	Value: tariff-equivalent			Percentage change
ESCAP sub-region	2006	latest	Average 2006-latest	2006-latest
East and North-East Asia	184.64	111.15	178.30	-39.80
North and Central Asia	99.55	134.70	121.99	35.31
Pacific Islands Economies	308.81	331.16	352.80	7.24
South and South-West Asia	160.15	166.47	167.39	3.95
South-East Asia	209.98	193.97	204.50	-7.63
EU-3	81.18	77.12	80.41	-5.00

Table 2: Bilateral trade costs (excluding tariff): selected economies/sub-regions with Turkey in agriculture and manufacturing sector

Trade costs: agriculture	Value: tariff-equivalent			Percentage change
	2006	latest	Average 2006-latest	2006-latest
Partner country				
China	246.38	214.98	229.73	-12.74
France	149.19	136.85	141.02	-8.28
Germany	113.59	100.48	105.56	-11.54
Japan	275.76	310.26	286.36	12.51
Korea, Rep. of	264.53	181.03	210.26	-31.57
United Kingdom	145.64	142.86	146.63	-1.90
United States	106.23	96.48	102.05	-9.17
Trade costs: agriculture	Value: tariff-equivalent			Percentage change
ESCAP sub-region	2006	latest	Average 2006-latest	2006-latest
East and North-East Asia	262.22	198.00	237.21	-24.49
North and Central Asia	176.96	153.04	164.25	-13.52
Pacific Islands Economies	197.95	126.09	173.04	-36.30
South and South-West Asia	235.73	202.18	234.60	-14.23
South-East Asia	180.11	161.59	175.76	-10.28
EU-3	136.14	121.67	129.78	-10.63

Trade costs: manufacturing	Value: tariff-equivalent			Percentage change
	2006	latest	Average 2006-latest	2006-latest
Partner country				
China	131.99	126.95	131.13	-3.82
France	82.68	74.63	80.16	-9.73
Germany	66.24	64.85	66.57	-2.11
Japan	164.67	167.70	167.42	1.84
Korea, Rep. of	137.20	107.13	125.22	-21.91
United Kingdom	83.96	82.09	84.94	-2.23
United States	109.44	117.03	114.08	6.94
Trade costs: manufacturing	Value: tariff-equivalent			Percentage change
ESCAP sub-region	2006	latest	Average 2006-latest	2006-latest
East and North-East Asia	171.52	107.13	171.07	-37.54
North and Central Asia	90.84	122.79	112.10	35.18
Pacific Islands Economies	305.67	316.97	322.61	3.70
South and South-West Asia	152.96	157.66	162.87	3.07
South-East Asia	187.85	165.94	180.95	-11.66
EU-3	77.63	73.47	76.78	-5.36

Table 3: International supply chain connectivity (ISCC) index and sub-indicators: top traders

Country	2006				2012				ISCC (average 2006-2012)	ISCC (percentage change 2006-2012)
	Export facilitation	Import facilitation	International shipping	ISCC	Export facilitation	Import facilitation	International shipping	ISCC		
Turkey	13.02	8.92	7.98	29.92	13.41	11.24	15.66	40.32	35.42	34.74
Japan	21.71	14.97	19.02	55.70	21.59	14.91	18.59	55.10	55.91	-1.09
United Kingdom	19.12	17.11	24.03	60.25	20.83	19.64	24.76	65.23	62.37	8.26
Germany	22.13	18.35	23.77	64.25	21.24	17.37	26.71	65.32	65.24	1.67
United States of America	22.11	19.07	25.29	66.46	21.57	18.66	27.03	67.25	65.55	1.18
France	17.60	13.92	19.98	51.50	26.86	23.97	20.66	71.49	65.64	38.83
China	17.92	16.89	33.33	68.15	14.28	15.15	46.03	75.46	72.62	10.73
Korea, Rep. of	16.85	11.79	21.20	49.84	25.56	23.33	29.98	78.87	66.30	58.25

Table 4: International supply chain connectivity (ISCC): sub-regional average

Sub-region	2006	2012	Average 2006-2012	Percentage change 2006-2012
East and North-East Asia	58.91	66.03	62.93	12.09
North and Central Asia	18.13	25.37	20.95	39.94
Pacific Islands Economies	27.36	27.20	27.28	-0.61
South and South-West Asia	27.38	28.03	28.16	2.37
South-East Asia	39.65	44.66	42.24	12.64
EU-3	58.67	67.35	64.41	14.80

This note is based on ESCAP's trade costs and International Supply Chain Connectivity Databases. For full database access, please visit <http://www.unescap.org/tid/artnet/database.asp>

Definitions:

Comprehensive trade costs: all costs involved in trading goods internationally with another partner relative to those involved in trading goods domestically;
Comprehensive trade costs (excluding tariff): all additional costs other than tariff costs involved in trading goods bilaterally rather than domestically;
International Supply Chain Connectivity (ISCC): an index that measures overall trade facilitation performance of a country along the international supply chain, which is based on the trading across border (TAB) indicators from the World Bank Doing Business Report and the Liner Shipping Connectivity Index (LSCI) of UNCTAD. ISCC Ranks from 1 to 179. **Intra EU-3:** average trade costs among 3 largest EU economies, namely, France, Germany and United Kingdom.
Intra ASEAN-4: average trade costs among Indonesia, Malaysia, Philippines and Thailand.

