

Excerpts from GRF's Task Force Report
“Transformation in the Global Trade System
and Turkey”

Global Relations Forum

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TASK FORCE MEMBERS

The Task Force members below reached a consensus on the framework and overall conclusions of this report. The members participated in the Task Force in their individual, not institutional, capacities. Thus, the opinions and views expressed in this Task Force Report do not necessarily represent the views of their institutions.



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GUEST SPEAKERS

Below is a list of visiting experts who have shared their valued opinions with members of the Task Force, along with the titles of their speeches.

Prof. Peter Van den BOSSCHE

Appellate Body Member, World Trade Organization (WTO); International and European Law Faculty Member, Maastricht University
“The Future of the WTO”

Cemalettin DAMLACI

Former Deputy Undersecretary of Ministry of Economy
“Turkey Within the Context of the Trans-Atlantic Trade and Investment Partnership”

Ambassador Haluk ILICAK

Former Undersecretary of Ministry for the EU Affairs; Former Permanent Representative of Turkey to the WTO
“Turkey’s Alternatives to TTIP”

Prof. Jean-Pierre LEHMANN

Professor of International Political Economy at IMD; Founding Director, Evian Group
“Global Trade Dynamics in the 21st Century: A Complex Transition to Uncertainty”

Dr. Patrick LOW

Former Chief Economist, World Trade Organization; Vice President of Research, Fung Global Institute
“The Challenges Facing International Trade and the Future of the WTO”

Martin RAISER

Country Director for Turkey, The World Bank
“Evaluating the EU-Turkey Customs Union”

Ambassador Ujal Singh BHATIA

Appellate Body Member, World Trade Organization (WTO); Former Permanent Representative of India to WTO
“Points of Contention Between Developed and Developing countries on International Trade & System-Wide Changes”

Damien LEVIE

Head of the US and Canada Team, Directorate-General for Trade at the European Commission; Deputy Chief Negotiator of the TTIP Negotiations Between the US and the EU

“How Should Turkey Proceed in TTIP and How Can the Turkish Business World Provide Technical Assistance to Public Officials Throughout This Process?”

Prof. Petros MAVROIDIS

Professor of Law, Columbia University and the European University Institute; Legal Advisor to the WTO

“The Future of the Doha Round and Its Importance for Turkey’s International Trade Agenda & Strategy”

1. TRANSFORMATION IN THE GLOBAL SYSTEM

Certain developments that are gradually gaining momentum in global politics and economics have naturally stimulated a search for change within the current rule-based multilateral system. These developments, while paving the way for a change in countries' interests and consequently in their approaches towards trade, cause transformations in the country groups' ever-changing prominence in foreign trade as well as their effectiveness in rule-making. It can be clearly observed that the countries that have held dominant positions in shaping the global trade order since the Second World War and their levels of competence have undergone structural changes. At the same time, this gradual change has caused the countries that are losing those dominant positions to start searching for other alternatives.¹

Globalization, in its first stage, has had a significant impact on world's economic geography as a result of steam power entering the transportation sector and reducing shipping costs. It has brought today's developed industrial countries to dominant positions by providing them with a competitive edge, especially in the manufacturing sector. Thus, it has contributed to the accumulation of economic, commercial and military power in developed countries. The phenomenon of globalization has transformed and entered its second stage as a result of the huge leaps seen in communication technologies, which has allowed knowledge, capital and technology to move easily between countries and continents.

The transformation of the European Community into the European Union (EU) (1993), acceptance of the Euro as the common currency of the EU (1999), the completion of the Uruguay Round as the final extensive step towards the liberalization of global trade (1994), the founding of the World Trade Organization (WTO) (1995) and The People's Republic of China's membership of the WTO (2001) can all be counted among the important developments that have helped form the global trade regime. In this period, developed industrial countries have played an important role as dominant powers in the system shaped by organizations such as the International Monetary Fund (IMF), World Bank and GATT (General Agreement on Tariffs and Trade)/WTO. The stability that this system provided has paved the way for the general acceptance of liberalization arguments.

As a result, from the 1990's onwards, developing countries and Emerging Economies have started gaining larger shares from the gross world product. According to the IMF's recent estimates, in the year 2018, the developing countries' share in the gross world product has increased to 59 percent and the share of developed countries has decreased to 41 percent. As a result of this shift, it is calculated that the distribution of gross world product created between the years of 1980-2007 has changed to the detriment of developed countries.²

¹ Richard Baldwin, *The Great Convergence: Information Technology and the New Globalization* (Cambridge: Beldknap Press, 2016).

² IMF, *World Economic Outlook Database* - (Washington D.C.: IMF, 2018), last accessed 18/06/2018, <http://www.imf.org/external/datamapper/PPPSH@WEO/OEMDC/ADVEC/WEOORLD>

According to the United Nations Conference on Trade and Development (UNCTAD), in 2012, global “Foreign Direct Investment” (FDI) decreased by 18% and fell to 1,35 trillion US dollars.³ Contrary to this change, developing countries have overtaken developed countries in FDI entries. For the first time in history, in 2012, developing countries attracted 52% of global FDI. This situation provides a striking example to the rising share and importance of the emerging economies in global economy and trade.

Due to these developments, differing expectations and approaches regarding international trade rules between developing countries and developed countries have become more apparent.

Furthermore, with the collapse of the Cold War world order and the dissolution of the system of super-powers, countries have started implementing more independent policies and worked towards freeing themselves from the geopolitical circumstances that have limited them in the past. This point has inherently reflected on the creation of multilateral trade policies as well. Thus, the transformation of G-7 meetings into the G20 platform in which developing countries are also present, points to this fact. Advanced economies have had to share their dominant roles on issues of global finance and trade with developing countries and, in particular with Emerging Economies. Another consequence of the financial crisis of 2008 was that while the gravity of developing countries and the emerging economies increased in the areas of global finance and trade, the process of proportional decline in developed countries’ influence has accelerated.

Claims of stagnancy, decreasing employment rates and wages for the low and medium skilled workforce as a result of the shift of production from developed countries towards developing countries providing cheaper labor, have increased. In one of her talks, Dr. Janet Yellen, Chairperson of the Federal Reserve between 2014-2018, stated that the shift of manufacturing jobs from the United States towards developing countries due to globalization, coupled with technological developments have caused loss of jobs in the middle income group and have brought about great despair in the U.S. Dr. Yellen also pointed out the necessity of implementing new regulations to compensate the losses of people who have been negatively affected by globalization.⁴ The liberalization of global trade and the spread of new production systems have created a number of disadvantages for certain groups in the society. Therefore, trade adjustment policies targeting local producers to help them adapt to new conditions created by trade liberalization have gained great importance in the global agenda. Deploying trade adjustment policies could also help Turkish policy makers preempt protectionist demands.

³ UNCTAD, Global Value Chains: Investment and Trade for Development (Geneva: United Nations Publication, 2013), sf. IX, last accessed 18/06/2018, http://unctad.org/en/PublicationsLibrary/wir2013_en.pdf

⁴ Paul Hannon and David Harrison, “Yellen: Globalization, Technological Change have been harmful to many”, The Wall Street Journal, 27 June 2017, <https://www.wsj.com/articles/yellen-u-s-financial-system-is-safer-and-sounder-than-before-crisis-1498586028>

In recent years, industrialized countries have started to question the generally accepted view that liberal trade brings prosperity to all parties. Certainly, the reactions caused by those who feel left behind by globalization played a significant role in that paradigm shift. When combined with the expanding refugee crisis, this led to anti-globalization discourses by populist politicians and paved the way for protectionism in international trade in developed countries. The WTO and various international organizations have emphasized that since the crisis of 2008, protectionist tendencies have increased, especially in large economies represented in G20. Every 6 months, the WTO releases a report on measures affecting international trade, taken by G20 countries.⁵ Additionally, in the studies conducted by the independent “Global Trade Alert”, which draw more and more interest from policy circles and international platforms, it is reminded that this situation is becoming increasingly grave. Protectionist practices, especially those implemented by G20 countries, notably demonstrate a significant change not only in terms of the amount of trade, but also in the methods they are implemented. It is stated that these countries are turning towards a wider range of implementation tools.⁶ Globally, approximately 15 thousand commercial measures have been taken since 2008, among which protectionist measures significantly outnumber their trade facilitating counterparts.

As a result of these developments, it is argued that the decision-making mechanisms of international institutions (IMF, GATT/WTO, World Bank) that have been shaping the global economic system since the end of the Second World War are faltering, and that they are failing to reflect current economic realities. Therefore; it is widely stated that these institutions have entered a period in which their abilities to respond to the needs of today’s world are becoming increasingly limited. The Doha Development Round which was launched at the end of 2001 under the auspices of WTO but could not be completed for years due to various difficulties, has prompted dominant powers such as the US, the EU and China to search for new strategies and new ways to negotiate them into reality.

Although the Trade Facilitation Agreement and the Information Technology Agreement-II have been extended in scope and have entered into force within the framework of the Doha Development Round in the beginning of 2017, these are considered as limited developments in terms of global trade.

This phase of uncertainty in global trade, which is described as “the new normal”, is expected to continue for a while; as well as the debates regarding how the global trade system will evolve. Among the current dominant actors in the global system, there are those like China and the EU, who prefer the system to keep its current framework, as well as those like the US who seek to initiate a different global trade process. Presently, as these debates continue, the world is going through a period represented

⁵ The latest WTO report about this subject: WTO, Report on G20 Trade Measures (Mid-May 2017 to Mid-October 2017) (Geneva: WTO, 2017), pg. 3, last accessed 19/06/2018, https://www.wto.org/english/news_e/news17_e/g20_wto_report_november17_e.pdf

⁶ WTO, “G20 trade restrictions reach highest monthly level since the crisis”, WTO, 21 June 2016, https://www.wto.org/english/news_e/news16_e/trdev_21jun16_e.htm; and the analysis carried out by Global Trade Alert: <http://www.global-tradealert.org/>.

by 'trade wars'. **Trade wars** have become increasingly controversial and worrisome as a result of the practices followed by Trump administration which targeted specific trade partners and triggered the adoption of countermeasures by other countries.

This uncertainty leads to unwarranted consequences for countries such as Turkey that follow an export oriented economic growth model. Debates revolving around globalization, anti-globalization movements, redefinition of trade relationships and the adjustment process to new global rules, are of central interest to these export oriented countries. For this reason, contemplating on how the global system is going to evolve is of particular importance for Turkey as well. Hence, certain approaches to national economic and trade policies that have been implemented to date have to be re-evaluated. In this respect, changing priorities of trade partners must also be taken into consideration.

This study first focuses on the global trade balances and imbalances that are being shaped by the current changes in the global economy and on new generation trade agreements that have emerged as a consequence of those changes. Thereafter it examines mega-trade agreements, the circumstances that have led to these agreements, and the fundamental issues that are in the agenda of new generation trade agreements.

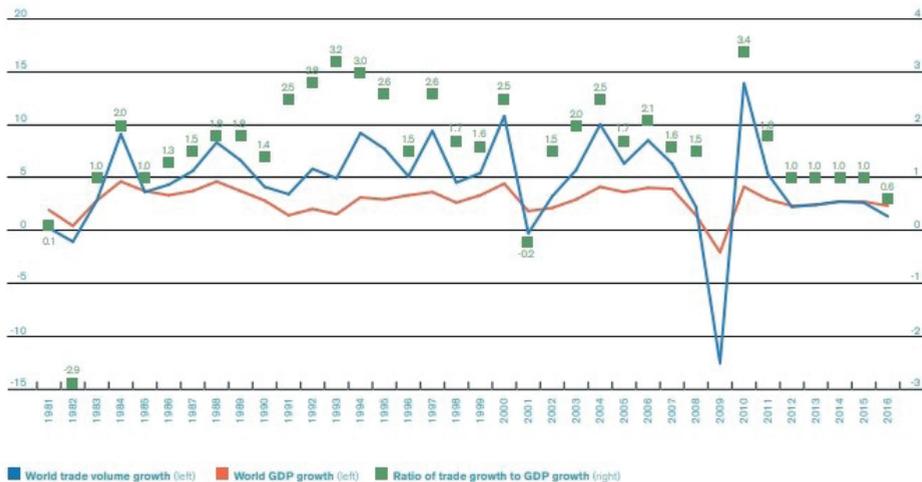
Furthermore, the purpose of the report is to shed light on how new generation trade agreements that are expected to dominate the global trade agenda might affect Turkey in terms of their content and consequences. The report evaluates the issues that Turkey could face in the context of new generation trade agreements and the options Turkey has concerning these global developments.

Fundamentally, the report aims to examine the featured points in Turkey's relations with the European Union and the Custom's Union, along with its trade relations with the United States, the dominant power in global trade. It also takes into account global economic developments and their implications on new generation trade agreements and regulations.

2. THE IMPACT OF THE TRANSFORMATION ON THE GLOBAL TRADE SYSTEM

It is possible to discuss the existence of certain phenomena that have changed the structure of global trade in important ways within the last 30 years. World trade has increased continually throughout this period and the total global export volume, which had reached a level of 2 trillion dollars in 1980, surpassed 17.7 trillion dollars by the end of 2017.⁷ In this period, the yearly average export growth rate had been above %5,1. However, with the impact of the global economic crisis, it can be observed that global trade has entered a period of stagnation in the past decade. The average growth rate of global trade (%7,76) since the 1980s, which had been higher than the average growth rate of global GDP (%3,9), has decreased in recent years and has stalled behind growth (Figure 1).^{8 9} The reasons for this slowdown in global trade is another topic of study but despite the recent unfavorable situation, the long-term growth trend is important.

Figure 1: Ratio of World Merchandise Trade Volume Growth to World Real GDP Growth, 1981-2016 (Annual Percentage Change and Ratio)



Source: WTO, World Trade Statistical Review 2017, pg. 18

⁷ See, WTO World Trade Statistical Review 2018, (Geneva: WTO, 2018), s.29. https://www.wto.org/english/res_e/statis_e/wts2018_e/wts2018_e.pdf

⁸ For global GDP values, please visit. <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2015&start=1985&view=chart>

⁹ For UNCTAD global trade statistics, please visit. <http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=101>

A variety of factors cause an increase in global trade. Firstly, it can be observed that the agreements and deals that have taken place in order to liberalize trade, notably tariffs, have reduced the barriers to trade and as a result, have played an important role in the increase of global trade. In addition, it can be stated that the developments and technological advances in the transportation/logistics sector have positively contributed to and geographically allowed more and more countries to enter a discrete manufacturing structure in their production processes. This structure, which allows for vertical specialization in industrial products, has paved the way for important changes in trade flows through the formation of unique production models. The manufacturing of certain goods in different countries throughout this vertical specialization process has simultaneously allowed for a dramatic increase in the trade of intermediate goods between countries (and thus the global trade volume) and has also enabled the global demand for end products to increase by lowering manufacturing costs.

At the present, developing countries and emerging economies in particular, have increasingly started to take part in these complex structures that turn into global value chains. However, at first it can be observed that advanced economies are at the top of the chain with higher levels of added-value (for example, with IT jobs, industrial design, product development, marketing, post-sale services and high-tech manufacturing.) while developing countries are on the lower levels of the chain, carrying out their production operations via outsourcing, assembly supply of intermediate goods.¹⁰ Accordingly, the total added-value share of countries producing the end-product within the production chain may not be that high.¹¹ However, the product is still seen as originating from that country.

Protectionist policies implemented by the country importing the product not only affects the country of origin, but also impacts other countries and sectors within the supply chain. In the same way, other countries from which intermediate goods are imported are also negatively impacted. At this juncture, it will be useful to point out certain notable factors regarding the production process.

First, in light of these developments, the shares of Far East Asian Countries and certain other growing economies within global production and trade networks have started to increase rapidly. Particularly China, since becoming a member of the WTO, has stepped up during this process as the number one global exporter, and number two when it comes global imports. With China and other Asian countries coming to the foreground as production hubs, their export structures have changed, trade volumes have expanded and their impact on global trade has also started to increase. The same situation is also valid with Mexico, who primarily exports to the US market, and Middle and Eastern European Countries who are primarily exporting to the EU. Turkey

¹⁰ IMF, *Changing Patterns of Global Trade* (Washington D.C.: IMF Publications, 15 June 2011), sf. 16, last accessed 19/06/2018, <https://www.imf.org/en/Publications/Policy-Papers/Issues/2016/12/31/Changing-Patterns-of-Global-Trade-PP4578>

¹¹ For example, whilst the iPhone is produced and originates from China, the lion's share of the profit made from this product goes to the United States. In iPhone production, China does not create a competition to Apple but to the highly paid equivalent workforce in the US.

in the same period, especially with regards to production and exportation to the EU domestic market, has taken its place in the supply chain as a manufacturer of medium technology products.

On the other hand, the impact of the global supply chains can be more clearly seen with high-technology products. The share of exports on such products has been increasing in emerging economies, particularly in China, and the fastest growth in global trade can be observed in these sectors. The production of intermediate goods by China and other Asian countries has had a large contribution to the rise of production and exportation in medium-high and advanced technology sectors within developed countries. With advances in technology, it can be observed that emerging economies have started to catch up to developed economies in these sectors. Due to the increasing competition for involvement in the mid-tech products' value chain, Turkey should explore avenues for increasing the share of high tech products, currently comprising less than 5% exports, in its manufacturing and exports.

It is claimed that the growing similarity of these countries' export structures with developed countries is a reflection of the growth in global supply chains.¹² For example, according to evaluations within the context of the export similarity index, it can be seen that China and Korea's export structures are starting to get closer to that of Germany and the US. This situation calls attention to the increased intra-industry trade relationships between countries, as observed in volumes of two way automobile trade between Turkey and the EU. If one were to give another example; in the machine sector, machines exported from Japan to China for assembly and then manufactured, are in turn being exported by China to the US. In this example, China is both an importer and exporter of the product in question. Thus, whilst some countries complement one another (Japan-China), other countries enter into competition with each other (China against US-based machine manufacturers).¹³

Another reflection of this process in advanced economies like the US, EU and Japan is the increase seen with trade amounts in services as the service industry steps in aside from manufacturing. For these countries, opening of new markets for international trade in services as well as formation of new rules that will facilitate such liberalization in services trade gains importance. Hence, this position is expressed in the EU's "European Union Global Strategy" document.¹⁴ Likewise, all Free Trade Agreements accomplished by the US and the TPP (Trans-Pacific Partnership) rejected by the Trump administration, are comprised of steps heading in that direction. A similar approach is also applicable to capital investments of these countries. Avoiding barriers to capital investments is a concept which is gaining attention.

All these factors necessitate the elimination, or at least reduction and stricter codification,

¹² IMF, Changing Patterns of Global Trade, pg. 27.

¹³ For example, China not only participates in the production of iPhones but has also started its own mobile phone production. This situation, at least from the US producer's point of view, creates competition in the Chinese market.

¹⁴ For EU's Global Trade Strategy Document, please visit: European Commission, Global Europe: Competing in the World (Brussels: European Commission, October 2006), Section 3: Analysis, sf. 4, last accessed 19/06/2018, http://trade.ec.europa.eu/doclib/docs/2006/october/tradoc_130376.pdf

of protectionist barriers to trade (particularly non-tariff barriers) concerning products, services and investments that hold great importance within global trade and go through global production processes.

On the other hand, as emerging economies become more competitive, the reflex by developed countries in the form of protectionist measures is becoming more pronounced. Among these protectionist reflexes anti-dumping measures stand out. However it should be noted that many developing countries including Turkey have also resorted to such policy reflexes.

Aside from the aforementioned practices, many tools, particularly practices favoring local firms in the financing of trade, have had adverse effects on global trade in recent years.

In studies carried out by T20, export subsidies, additional subsidies and export loans have become notable as practices with the soaring impact on global trade since 2009. In particular, regulations that protect local manufacturers over foreign ones in a discriminatory manner and government subsidies have been on the rise. G20 countries who are dominant in the global trade system has been expanding the scope of protectionist policies, while coping with global crisis and structural transformations in the global economy.¹⁵

Therefore, in the upcoming period, discriminatory government interference protecting exports and local manufacturing will increasingly be on the agenda during the negotiation processes of bilateral and multilateral trade agreements as well as during the formation of a new global, rules-based trade order. Indeed, the criticism of countries like China by the US and the EU for increasing the supply and capacity for iron and steel products, can be seen as an early sign of such practices.

Additionally, advanced economies are demanding higher production norms from developing countries (on issues like environmental conditions, child labor). The aim of this has been to ensure production on similar competitive conditions. At the NAFTA (North American Free Trade Agreement) renewal talks, it was observed that US negotiators requested that the wages of Mexican workers within the automotive industry be brought up to the level of US workers.¹⁶ According to this, industrialised countries with higher technical, environmental, working and production standards are trying to create regulatory coherence regarding domestic regulations of developing countries and even each other.

¹⁵ See. Simon J. Evenett and Johannes Fritz, Will Awe Trump Rules?: The 21st Global Trade Alert Report (Washington D.C.: CEPR Press, 4 July 2017), last accessed 20/06/2018, <https://www.globaltradealert.org/reports/42>

¹⁶ David Lawder, "NAFTA officials put top-level talks on hold until May 7 to consult with industry", Business News, Reuters, 27 April 2018, <https://www.reuters.com/article/us-trade-nafta/nafta-officialsput-top-level-talks-on-hold-until-may-7-to-consult-with-industry-idUSKBN1HY20B>

All these developments and transformations justify the need to take certain steps within the global trade system. It is expected that advanced regulations covering new fields such as trade in services, investment protection and public procurement will be on the rise. Additionally, whilst internal regulatory issues concerning technical regulations and standardization have entered the global trade agenda. And also, the need for new rules on non-tariff barriers has crystallized.

3. RECOMMENDATIONS

In order to understand how the global trade system will be shaped in the coming period, it is important to follow the strategies of dominant powers like the US, China and EU, as well as their approaches to the problems currently faced by the global trade system. However, the applicative reflections of verbal statements that come up as part of the discourse are fundamentally a part of trade policy tools. Chief among these tools are trade negotiations and agreements. These agreements usually come about after long and arduous deliberations. The contents of trade agreements gradually widen as economic, political and technological advancements and expectations change, and often bring new and complex areas with them.

While these areas contain topics that stretch the limits of traditional trade agreements, problems caused by barriers to entering markets continue to persist. As Turkey puts forth its own expectations and goals, the importance of developing a trade policy understanding that is more sensitive to these areas gains prominence. Developing this understanding requires taking into account the issues faced by Turkey when entering new export markets as well as re-evaluating the policy choices that have been criticized by Turkey's trading partners. Beyond this, the matter of developing constructive policies for new areas subject to trade negotiations is important in shaping the positions for priorities and disclaimers in future trade agreements. The steps towards Customs Union modernization with the EU would undoubtedly be an important experience. The sustainability of this process will only be possible through a better understanding of the approach dominant economies take, especially with regards to new mega-trade deals.

a. Trade Strategy

Turkey would gain significantly from reconsidering and updating its international trade strategy to reflect the shifts in the global trade system.

1. Turkey has adopted the 2023 Export Strategy as its goal. Making the necessary structural reforms in due time is a prerequisite to attaining this goal. Currently, Turkey's exports are chiefly concentrated in medium-tech products for which there is intense competition in the global markets. On the other hand, it is important for Turkey to enter more sustainable markets that have high purchasing power. From this point of view, the markets of the US, Canada, Japan and certain emerging economies are important for Turkey to diversify its export markets which are currently concentrated in a specific geography.

2. The steps that must be taken for this strategy to become a reality require; reaching a higher position in the global value chain for goods and services, a transition to production and trade of advanced technology products, the encouragement of R&D activities, developing human capital and utilizing resources more efficiently. Furthermore, with regards to the steps that Turkey will need to take to align its economic policies with the global trade system, **it is important that Turkey follows global structural transformations closely, observing the approaches and expectations of countries that have important markets within the global trade system.**

3. In this regard, Turkey could benefit from reassessing its trade strategy by taking into account the dynamics of the 21st century global trade system that is beginning to take shape, as well as the ongoing trade wars. **A new generation of trade agreements** have opened up arguments about new rules regarding issues of agricultural support and protection policies; trade in services; public procurement; technical barriers to trade; animal and plant health; food safety; environment and working standards; harmonization of regulatory rules; raw material and energy issues; data protection; digital commerce; intellectual rights; workforce mobility. While Turkey, is familiar with the developments in these areas, it has not yet gained enough experience to reflect these norms in its current agreements and existing internal regulations. **Regulations regarding new generation trade policies should be considered as a fundamental part of Turkey's export strategy.**

4. Turkey would benefit from investing in the required human capital with technical negotiation capabilities within the scope of new generation trade agreements. In order to understand and assimilate the global structural changes and properly position itself in the global trade system, allocating more **resources for human capital and know-how accumulation** will be critical.

5. In its foreign trade strategy, Turkey needs to focus on having sustainable access to global markets. It must be borne in mind that this can only be achieved if there is a continued rule-based relationship with Turkey's most important trade partners in the EU, with neighboring countries, and also with other developing economies. **Achieving sustainable access to these markets naturally requires a policy that takes into consideration global structural trends. Additionally, trade policy should not be considered independent from a constructive foreign policy that is compatible with Turkey's geopolitical constraints.**

b. International Trade Agreements and Turkey

6. In order to adapt to the new global trade order, Turkey should carefully analyze the **negotiations that take place around international trade agreements and mega-agreements**, and should **develop policies accordingly.**

7. In this regard, Turkey must keep in mind the subjects taken into account during the TPP negotiations and the debates that took place during the TTIP (Transatlantic Trade and Investment Partnership) negotiations for 15 rounds between the US and the

EU. The US approach to the NAFTA negotiations is important in terms of revealing the change in the general approach usually taken by the US. Turkey must carefully examine the expectations, criticisms and positions of the US and the EU during their trade negotiations. Should the discussions regarding the modernization of the Customs Union with the EU get started, **EU's stance during TTIP negotiations and EU's viewpoints on subjects like agriculture, trade in services and regulatory areas in new generation trade deals with other important economies will provide guidelines for Turkey.** Until today, joining the WTO negotiations was sufficient. However, in today's world, there is an increased importance for Turkey to establish a more consistent position within the areas that are being shaped by new generation trade agreements.

8. Turkey must internalize the fact that it will inevitably be impacted by the new global trade agenda and its developments. **Resisting the currently popular mercantilist point of view and instead pursuing a comprehensive, constructive approach would serve Turkey's interest.**

9. The world is entering a phase in which exceptional practices like protectionist measures are increasingly being used again and trade interventions are being carried out with different methods. The fact that increasing protectionist measures are reducing the returns from trade agreements cannot be overlooked. **There must be an emphasis on global competition issues, which is the main source of the problem, whilst staying as far away as possible from the vortex of protectionism.** The fact that Turkey is a country that at times faces claims of protectionism, weakens its hand in dealing with similar situations arising in relation to its own exports.

10. Turkey must take into account the fact that the period of traditional trade agreements focusing solely on tariffs is over. Old habits stemming from old agreements must be left behind and there must be a focus on **trade negotiations on multiple platforms such as new generation trade agreements, Trade in Services (TiSA) and Information Technologies Agreements (ITA).** This not only means that economic bureaucracy must be prepared for the new approach and widen its knowledge, but also that the public and business world must do the same.

11. Instead of considering Free Trade Agreements as a short-term opportunity for accessing new markets, there is value in regarding them as a means to adapt to the competitive global environment in the long-term and as mechanisms that pave the way for necessary reforms. Trade agreements finalized especially with countries outside of the EU should not be regarded as a way to reduce the asymmetrical effects of the agreements EU accomplishes with those countries. Instead, they should be considered as a fundamental tool for a comprehensive trade strategy.

12. Likewise, private sector institutions must not evaluate Free Trade Agreements and trade negotiations as solely classic tariff negotiations and preferential entry opportunities into new markets negotiations. **It must be understood that through new trade agreements, new responsibilities are being undertaken with regards to competition and production processes.**

13. The WTO will continue to play an important role in global trade in the coming years. Despite the obstacles faced during The Doha Round, **in order to still be effective within the WTO platform and to use the WTO Dispute Settlement mechanism in an efficient way**, it will be important for Turkey to keep these issues in its agenda in order to safeguard its rights.

14. The trade policy approach preferred by the US under President Trump makes it highly difficult for Turkey to initiate a trade agreement with the US. Furthermore, in addition to the US having a trade surplus with regards to Turkey, the protectionist policies adopted by Trump in sectors that Turkey specializes in such as iron-steel, textiles and ready wear, may be perceived as a risk for Turkey. In any case, it can be seen that **the US tries to have a two-way relationship with all of its trade partners**. It is possible for Turkey to understand the US' expectations by looking at the details of US' new foreign trade policy priorities. **The US criticizes several regulations that Turkey has brought about in certain sectors regarding technical barriers to trade (pharmaceuticals, toys, shoes, food products etc.) In addition, US states its concerns about areas such as agricultural biotechnology, food security and plant and animal health.** Regarding public procurement, the US believes that Turkey's regulations bring about certain limitations for US companies during tender bidding processes and also underlines the export subsidies Turkey applies to agricultural products. Additionally, in terms of the protection of intellectual property rights, Turkey still remains within the "Watch List" of the 301st section of US Trade Law. Limitations on digital trade data localization and internet services will be some of the challenging areas that Turkey will have to face in its trade relationships with the US. On the other hand, Turkey is closely monitoring the protectionist policies adapted by the Trump administration against its trading partners.

c. Customs Union

15. Some progress has been made with regards to the modernization of the Customs Union with the EU thanks to certain steps taken at a technical level. However, in addition to the political tensions between Turkey, the EU and some member states, the negotiations regarding Turkey's full membership have been brought to a standstill as a result of the criticism directed towards Turkey's domestic and economic policies throughout its application process. Despite the ongoing strained relationship, the importance that both parties have placed on their trade links has kept them together. More recent political developments promise to have a very negative impact on the modernization of the Customs Union. It is understood that the attitude of the European Parliament and some member countries will make the Customs Union process challenging. The importance that Turkey places on the Customs Union and its willingness to modernize it is also negatively impacted by the political attitude in European circles. Despite everything, **Turkey must not lose its determination regarding the Customs Union issue in the face of these political developments.**

16. In the process of modernizing the Customs Union, there is a need for **serious dialogue not only at an official level, but also between European stakeholders, the Turkish private sector and civil society.** It is crucial for those involved to take

bold steps within European countries and EU institutions on measures to keep this issue on the agenda, as well as following up on the issue within Turkey.

17. The negotiations regarding Customs Union modernization will mean that Turkey will enter a new generation trade agreement process in its own right. The Customs Union has held an important function for Turkey in prompting domestic reforms. It has contributed to Turkey's integration into European and global markets. However, as a result of changing global conditions in previous years and the EU's shifting priorities in its external trade strategy, the Customs Union's functionality has eroded and a number of previously unforeseen weaknesses have been brought to the forefront. **Various research papers have stated that within the framework of the Customs Union, modernization in areas that have come to the forefront (agriculture, services, public procurement, investments, digital trade etc.) of the trade agenda will contribute positively to the Turkish economy. The modernization process should eliminate structural problems of the CU, such as the elimination of the asymmetry created by FTAs EU is accomplishing with other countries or more effective conflict resolution mechanisms and also reduce current trade barriers.** Additionally, a new Customs Union strategy will be required to help Turkey when competing in global markets, exporting higher quality goods and being able to enter technology-intensive sectors in advanced markets.

18. The Customs Union modernization initiative, as far as it makes the reforms, legislative changes and practices needed in adapting to the EU Acquis Communautaire possible, **will take on the role of an “anchor” for Turkey in benefitting from the dynamics of global trade.**

19. The negotiations surrounding Customs Union modernization provide an opportunity to overcome its structural problems and to examine the necessary support and consulting mechanisms for Turkey to comply with the EU Acquis Communautaire. Re-evaluating these mechanisms is going to be a challenging process. During this process, participation in the relevant EU technical committees will not be enough; new coordination mechanisms must also be created. The modernization of the consultancy/decision-making mechanisms must not just be limited to areas in relation to the execution of the Customs Union (trade agreements with tertiary countries, technical barriers to trade, intellectual and industrial property, competition, customs issues). **Sustainable decision-making mechanisms must be formed in new areas such as agriculture, services and public procurement. If not, there is a risk that the problems faced due to the Customs Union will be repeated in these areas as well.**

20. On the other hand, the structures formed during Customs Union modernization should take into account that Turkey's full membership process may be stalled or even the chance of it happening at all may be quite low. Therefore, necessary preparations have to be made. **The reason why more emphasis had not been given to structural shortcomings of the Customs Union in the context of the Ankara Agreement (1963) and the Customs Union Decision (1995) was the original assumption that Turkey's full membership would not be stalled.**

21. The settlement of trade disputes that occur with EU member states have mostly proved impossible under the current mechanisms. Losses from trade have increased whilst these debates have stalled. Therefore, **the mechanisms that the EU has created with The European Economic Area and Canada must be taken into consideration when it comes to “conflict resolution”.**

22. In the negotiations regarding the EU and the Customs Union, **a coordination mechanism must be developed in relation to new generation agreements the EU finalizes with other countries. This mechanism should have the flexibility to resolve problems regarding the asymmetric structures originating from the current structure.** In that respect, the creation of a more sustainable and functional platform for Turkey to be able to relay its problems to the EU is a point that is as important as opening negotiations up to new areas.

23. Impact analysis research carried out by the World Bank, the European Commission, public institutions and independent academic organizations regarding the Customs Union and trade relationship modernization take into account national income, welfare and rise in employment under different scenarios. According to the research, the main sector that will benefit from Customs Union modernization will be agriculture. However, **there is need for strong political will to liberalize trade policies in agriculture.** Furthermore, steps that are taken without ensuring a competitive and fruitful agricultural policy will bring about disputes and reservations; this will lead to negotiations coming to a standstill. It is important to remember that Turkey is among countries that still have reservations about the multilateral system with regards to agriculture.

24. **When the potential created by trade liberalization and the trade surplus in this area are taken into account, Turkey must be even more meticulous with its trade policy in services.** Like with trade in goods, Turkey's services trade sophistication requires further work and refinement. Turkey has to determine a clear position in the face of EU's demands when it comes to the trade in services sectors which Turkey wishes to be part of and sectors in which it follows protectionist policies. It may be seen contradictory that Turkey has put forth assertive demands regarding areas that require the movements of real persons whilst at the same time expressing reservations regarding certain vocational services. For this reason, Turkey must justify its position in a convincing manner and clearly determine what exceptions it will bring to the negotiation table.

On the other hand, trade in services negotiations are complicated by nature; it is a field in which economic contribution is difficult to accurately calculate. Additionally, it is known that emerging services sectors will bring about more returns in a competitive environment. **In the context of the WTO, while it will be possible to join the negotiations for the GATS (General Agreement on Trade in Services) and the TiSA agreement, it will not be possible to remain silent at the negotiation table for bilateral agreements that will be negotiated with a trading partner like the EU, who remains ambitious in trade in services.**

25. During this period which should be considered as the formation of Turkey's negotiation position, **setting up close dialogue and cooperation mechanisms between the private sector and policy-making circles is necessary.** This dialogue process must be initiated as soon as possible.

26. **With the establishment of a “High Level Economic Dialogue” platform, the active participation of the Turkish business world and related sectors regarding the deepening of the Customs Union must be secured.** Through this, it will be possible for the private sector to express its expectations to the negotiation committee and also raise awareness regarding issues that will be brought to the agenda during discussions.

27. Previous research carried out in the international arena had put forth that the TTIP will especially impact countries that enjoy close trade relations with the EU and the US. However, the bottleneck faced during the TTIP negotiations has caused such discussions to be left behind. Additionally, the Trump administration continues to deliver mixed messages regarding these issues. There is also the possibility that parties might return to the negotiation table in order to re-evaluate the agenda, should they consider that the reasons which kick-started the TTIP negotiations in the first place have not completely disappeared. For this reason, it is vital for Turkey to closely follow all the developments regarding the most extensive trade agreement that the EU could possibly negotiate alongside other possible Trans-Atlantic endeavors.

d. Topics Which Turkey Might Encounter during Trade Negotiations

Agriculture

28. **It is imperative for Turkey to act quickly and devise the necessary strategies to adapt to this new environment and to liberalize trade in agriculture.** The fact that Turkey is a net exporter in agricultural trade is not enough, as this situation is linked to high protection rates. Empirical research shows that liberalization in agriculture will create serious competitive pressure on certain products, especially within the framework of the EU and Customs Union negotiations. In this respect, Turkey should aim for adopting policies which would allow for the effective distribution of agricultural resources, a more efficient agricultural production; a reduction in consumer prices; and the implementation of precautionary measures that would increase its competitive power.

29. Certain aspects of criticism regarding Turkey, which were laid out in the WTO Trade Policy Review Report in 2016, stem from high effective protection rates in the import of agricultural products, the contradictions between Turkey's agricultural support policies and its WTO obligations, and the lack of notifications being made with regards to agriculture commitments including export subsidies. **In this context, it is important for Turkey to pay attention to the demands it will face in the international arena while organizing its subsidy policies. There exist tariff rates that exceed %100 for certain products. It is also important that**

Turkey develops and increases its SPS monitoring and evaluation capacity in relation to Animal and Plant Health. Agriculture stands at the top of issues that Turkey will need to pay particular attention to during the new global trade agreements era.

Trade in Services

30. Turkey is party to the on-going negotiations on Trade in Services Agreement (TiSA) and participates in these multi-platform negotiations conducted on the cluster of rules that will direct the world trade in the services sector. This agenda, which was formed during TiSA negotiations, brings a very important know-how to the table for parties to deliberate on. **It is crucial and significant that Turkey continues to be a part of the TISA due to the critical role services will play in global mega-trade agreements.** The inclusion of trade in services within the framework of Customs Union modernization will serve as a sign that Turkey is ready to assume bigger and more comprehensive responsibilities. There are serious opportunities for competition in certain service areas (like trade in health services).

31. Trade in services has only been accepted as an essential part of global trade from the 1980s onwards. Therefore, the accrued expertise of the services area in calculating and revealing the competitive power of countries remains insufficient. **Additionally, it is imperative that the private and the public sectors create a cooperative environment with the purpose of compiling a healthy/sound database. It would indeed be appropriate for Turkey to urgently establish an organization similar to United States' "Coalition of Services Industries".** This sort of organization is required for being able to reveal the competitive power of the sector.

32. Turkey has foreign trade surplus in the area of trade in services. This surplus is primarily caused by traditional service components such as transportation and tourism. On the other hand, Turkey offers particularly favorable opportunities for foreign capital investments in services, and has an open market within the context of WTO rules. **However, as it is not fully bounded by the WTO, it appears as if Turkey carries out its commitments to the organization in a de facto manner rather than a de jure one. Additionally, new and comprehensive regulations are needed in certain services sectors such as postal services, vocational services, and railroad transportation.** When Turkey's existing potential in trade in services and its competitiveness primarily in the areas of construction, road transport and health services are taken into account, it would be appropriate for this sector to come to the forefront of the agenda in trade agreements. Both the Customs Union and the TiSA are essential, functional structures that will cause Turkey to re-evaluate its laws and practices in the service sector.

Public Procurement

33. The subject of public procurement is expected to come into prominence during the Customs Union modernization process. It is known that the EU will make serious demands from Turkey in this area. The fact that public procurement is one of the most important levers that Turkey possesses must be taken into consideration during negotiations. **It is of special importance that Turkey utilizes the public procurement market in such a way that would enable Turkey to achieve its goals in other areas.** However, long-debated public procurement issues such as frequent regulative changes, the issue of transparency, and especially legislation that favors local suppliers over foreign ones demonstrate that progress in this area will only be possible through a new understanding. Currently, whether or not such an understanding exists is up for debate. Turkey's success in this area will depend on its political decisiveness.

Investments

34. Turkey should consider the idea of making unilateral improvements on certain aspects that directly affect the investment climate such as regulatory preparation, performance conditions and transparency. **Improvements in the investment climate will assist Turkey in following new structural trends in global trade.** Besides unilateral initiatives, the idea of re-arranging the scope of the agreements on the reciprocal promotion and protection of current investments can be evaluated in light of new developments. Turkey must ensure that the investment-related parts of its bilateral agreements with various countries are regulated accordingly.

35. **Turkey must foresee that it has to integrate a dispute settlement mechanism on foreign capital investment into trade agreements.** Turkey must be familiar with arbitral or similar structures in these types of regulations. Particularly in the area of investment and in the subject of investor-state dispute settlement, it would be beneficial to carefully follow all the developments regarding the "Investment Court" system instead of ISDS. The Investment Court system was proposed by the EU and formed under the scope of trade agreements with Canada, and later with Mexico. A similar structure can be brought to the agenda by the EU in the context of the Customs Union. It would be useful for countries competing to attract foreign capital, such as Turkey, to steer towards this direction.

e. Other Factors in Terms of the Functionality of Trade Policies

36. Trade agreements are expected to bring about new employment opportunities. With that being said, employment related **setbacks in the labor market may very well still occur. In order to prevent it from having any negative effect on trade negotiations, problems related to the domestic production processes and trade adjustment policies have to be addressed.**

Protectionist policies aimed at eliminating problems faced by local producers and the workforce such as safeguarding, anti-dumping measures and increased import

surcharge tax will have limited benefits. In these situations, instead of using protectionist trade policy tools, it would be wise for Turkey to re-assess its workforce, capital, vocational education and technology policies in order to increase competition. This will contribute to better re-distribution policies, as well as keep policies that provide macro-economic stability at the forefront. Currently, these issues are expected to impact even advanced economies and have negative reflections on trade negotiations.

37. When creating new market opportunities, trade agreements should also ensure that domestic production conditions are compatible with global standards when competing in foreign markets. Turkey's new trade strategy should take into account the need for a new framework in which monetary, fiscal, trade and investment policies are implemented with coordination and harmony.

38. Certainly, rule of law, democratic initiatives and economic freedoms are also amongst the components that constitute the entire system along with the aforementioned policies (monetary, fiscal, trade and investment).

Finally, it must be borne in mind that success in the pursuit of a sound foreign trade policy and attainment of long term objectives will be difficult to achieve without the support of a rational, balanced, peaceful and realistic foreign policy stance based on Atatürk's foreign policy principles.

TASK FORCE MEMBERS

Bozkurt Aran

Bozkurt Aran graduated from Ankara University Faculty of Political Sciences in 1971 and started to work at the Ministry of Foreign Affairs as the Third Secretary at the Department of Eastern Europe in 1973. Aran served as Vice Consul at Salzburg Consulate General; First Secretary at the Kuala Lumpur Embassy; and as Economic Counselor at the Washington Embassy. He was appointed the Consul General of the Republic of Turkey at Dusseldorf, Germany (1989-1993); Ambassador to Pakistan (1998-2000); Permanent Representative at UNESCO-Paris (2002-2004); and Ambassador to Islamic Republic of Iran (2004-2006). He also served as the Permanent Representative of Turkey to the World Trade Organization (WTO), Geneva (2007-2012).

In addition to fulfilling the expected functions at the WTO, Aran chaired the Trade Policy Board, the Committee of Trade and Environment, and the Accession Working Committee of Belarus; and was a member of the Management Board of the Advisory Centre on WTO Law (ACWL).

After serving as the Deputy Director General for Bilateral Relations for European Countries at the Ministry of Foreign Affairs of Turkey (1993-1998), he worked as the Directorate General for Bilateral Economic Affairs (2000-2002) and Director General for Middle East (2006-2008).

Aran is a member of the Bretton Woods Committee and is the director of the TEPAV Center for Multilateral Trade Studies established in August 2012.

Mehmet Arda

Prior to his retirement, Mehmet Arda was a professor of international relations and economics at Galatasaray University. He continues to teach at Galatasaray University and Koç University. Before returning to Turkey in 2007, he was the Head of the Commodities Branch of UNCTAD, where he worked for 25 years on agriculture, natural resources and their effects on trade and development.

Arda continues to serve the United Nations and the Turkish Cooperation and Coordination Agency in an advisory capacity, and takes part in international research projects. In addition to his GRF membership, Arda is also active in Centre of Economics and Foreign Policy Studies (EDAM). He is a founding member of Sen De Gel, an NGO implementing developmental projects in Least Developed Countries.

Arda completed his undergraduate degree at Dartmouth College and holds a Ph.D from UC, Berkeley. His research interests include the management of globalization; development in a globalized environment; multi-lateral and regional trade agreements; South-South economic relations and the political economy of rising powers; global value chains; the management of natural resources.

Tayfun Bayazıt

After completion of his undergraduate studies on mechanical engineering in 1980, Tayfun Bayazıt holds an MBA on Finance and International Relations from Columbia University.

Bayazıt started his banking career at Citibank and later worked as Deputy CEO and Executive Board Member at Yapı Kredi Bank for 13 years under the Çukurova Group. He later served as CEO of Interbank and then CEO of Banque de Commerce et de Placement S.A. in Switzerland. Having worked as Vice Chairman of the Executive Board Member at Doğan Holding and Executive Director of Dışbank in 1999, Bayazıt took on the position of CEO of Dışbank in 2001. Bayazıt was later elected as the Chairman of the Board at Dışbank in 2003, and was later brought on as the CEO of Fortis Türkiye and as Member of the Fortis Global Management Committee in July 2005 after Fortis' acquisition of Dışbank's majority shares. He served as Chairman of the Board at Fortis Türkiye following the 2006 General Assembly.

Returning to Yapı Kredi as CEO in 2007, Bayazıt was elected as the Chairman of the Board in 2009. In 2011, Bayazıt left Yapı Kredi to establish "Bayazıt Management Consulting Services", which he presides over to this day. In addition to his responsibilities as board member in various companies, Bayazıt actively works with sivil society organizations such as TUSIAD, Educational Volunteers Foundation of Turkey (TEGV), the Corporate Governance Association of Turkey (TKYD), WRI Turkey and Darüşşafaka.

Yavuz Canevi

Mr. Canevi began his career by earning a B.S. from Ankara University and a M.A. in Economics from the University of Southern California. He has done postgraduate studies and taught at the Georgia State University, Atlanta, Georgia. In 1960 he began his career as an Inspector of Finance within The Ministry of Finance and from 1981 to 1983 he was appointed as Vice Governor of the Central Bank of Turkey. Subsequently, he was named Governor of Central Bank of Turkey. In 1986 he became Undersecretary of the Treasury and Foreign Trade.

He is presently the Chairman of the Board of Directors of a privately owned commercial bank, namely, TÜRK EKONOMİ BANKASI (TEB/BNP Paribas J.V.). He is also sitting on the board of several prominent corporations, professional organizations and NGO's including, FNSS Defense Systems, TUSIAD (Turkish Industrialists' and Businessmen's Association), IKV (Economic Development Foundation), Turkish Industrial Development Bank (TSKB). He is the Chairman of the "Forum Istanbul Toward 2023" Annual Conferences since 2002.

Memduh Karakullukçu

Memduh Karakullukçu is a Founding Member of the Global Relations Forum (GRF) and has served as Vice-Chairman and President since its inception.

Previously, he has served as the Founding Managing Director of Istanbul Technical University's (İTÜ) ARI Teknokent. During his tenure at İTÜ, Mr. Karakullukçu was the senior advisor to the President, the coordinator of the Law, Technology and Policy graduate programme and the strategic advisor at the University's Center for Satellite Communications. Mr. Karakullukçu has served as a member of the academic staff at the LSE and İTÜ.

His recent policy work at GRF includes global energy analysis, technology-related security issues, global economic/financial governance and the economic prospects of the MENA region. His earlier academic work includes research commissioned by the IMF and the World Bank on inflation dynamics, debt instruments and debt markets.

Mr. Karakullukçu received his B.S. in Electrical Engineering and in Economics at MIT, his MSc in Finance at the LSE and his J.D. at Columbia University.

Hüsamettin Kavi

Mr. Kavi was born in Istanbul in 1950. He graduated from Istanbul Technical University, Department of Civil Engineering as a Civil engineer with a master's degree. Kavi worked at Kavi A.Ş. in 1978 and was the General Manager of the company between 1989 and 2002. Kavi handed over his position as Chairman of the Board at BEMKA A.Ş., a 2002 joint venture company, in 2012.

As one of the founders of the Young Businessmen Association of Turkey, Kavi served as the organization's Vice President between 1990 and 1994. Since 1987, he has been a Councilman at Istanbul Chamber of Industry and he was respectively a Board Member (1993-2001) and Chairman for 4 terms. Kavi served as Co-Chair of DEİK's Poland- Slovakia Business Council (1990-2000) and as a Board Member of the Economic Development Foundation (1990-94). He held the position of Co-Chair at the Turkey-EU Joint Consultative Committee, founded in 1995, for 3 terms.

Kavi worked as a member of the TÜBİTAK Science Board (2001-09). During that time, he was also Speaker of the Istanbul Chamber of Industry and he continues to be an Honorary Member. On January 2008, he was assigned as President of the Istanbul European Capital of Culture Advisory Board, a position he completed on June 2011. Currently, Kavi still works as Chairman of Mapfre Insurance A.Ş. and Chairman of GTE Industrial Systems.

Mustafa Kılıçaslan

Mustafa Kılıçaslan was born in Malatya, in 1966. He completed his middle and high school education at Kadıköy Anadolu Lisesi, and earned his B.A. in Economics from Boğaziçi University. Working as a research and teaching assistant at West Georgia State University in the US, Kılıçaslan finished his postgraduate studies in Business Administration through a scholarship. Following his graduation, Kılıçaslan started “Cosmo Shop”, Turkey’s first chain of modern health and personal care products. He later sold the company in 2006 to the Hong Kong-based Hutchinson Whampoa Group. Having worked as a manager in Sony and Eastman Kodak, Kılıçaslan played a role in the development of both companies within Turkey. He joined Microsoft with the goal of popularizing internet usage and worked at Microsoft’s headquarters in Seattle for 7 years. He worked as Manager in various regional and global positions within the company for over 17 years. After leaving Microsoft, Kılıçaslan served as Turkey’s representative in the Intellectual Ventures fund. He is a founding member of the Mentoro Platform, which advises on areas such as strategy design and management of digitalization/technology. Currently, he provides financing for firms and organizations under “Structured Trade Finance”. An angel investor for new business ventures, Kılıçaslan is a member of the Boğaziçi University Foundation’s advisory council and teaches postgraduate courses at Bahçeşehir University.

Sönmez Köksal

Sönmez Köksal is a retired diplomat who has served as Ambassador of Turkey to France, Iraq, and Permanent Delegate to the Council of Europe. He was Undersecretary of State in charge of the Turkish National Intelligence Organization from 1992 to 1998. Mr. Köksal has served in several posts at the Ministry of Foreign Affairs, including as Deputy Director General in charge of Multilateral Economic Relations, Deputy Permanent Delegate to the EEC, Director of the Middle East and Africa Department, and Director of the Policy Planning Department. Mr. Köksal was until recently President of the Board of Trustees of the Istanbul Commerce University and a member of the academic staff at Işık University. He is a former Board Member of Global Relations Forum and a member of the Wise Men Center for Strategic Studies in Istanbul.

Mr.Köksal is a graduate of the Faculty of Political Sciences of Ankara University.

Muhsin Mengütürk

Muhsin Mengütürk is a member of the Board of Directors of Dođuş Holding's Advisory Committee. He served as the Chairman of the Capital Markets Board of Turkey from 1997 to 2000. Prof. Mengütürk has held numerous executive roles in the finance sector. Prior to 1990, Professor Mengütürk taught at Bosphorus University and Istanbul Technical University (İTÜ).

Prof. Mengütürk is a graduate of American Robert College in Istanbul where he completed his undergraduate degree in Mechanical Engineering. He then went on to receive his MSc and PhD degrees at Duke University on the same subject.

Ali Tigrel

Dr. Ali Tigrel, born in 1946, studied chemical engineering at the Imperial College of Science and Technology in London and received his B.Sc (Eng) and M.Sc. degrees in chemical engineering. He received his Ph.D from the University of Ankara and became a doctor of science in Advanced Chemical Engineering. Dr. Tigrel has 13 years of experience in the Turkish Petrochemical Corporation (PETKİM) at various levels between 1971-1984 and served as chairman of the Board of Directors between 1989-1991. Dr. Tigrel served in the State Planning Organization between 1984-1991 as head of Projects Evaluation Department (1984-85), Director of Economic Planning (1985-88) and finally, Permanent Undersecretary and CEO (1988-91) respectively. In addition to providing consultancy to various local and international companies, between 1991-1993 he worked as an advisor to Koç Group of companies. Dr. Tigrel served as Ambassador-at-Large and Chief Advisor to the Prime Minister for EU Affairs and as Chairman of the EU Coordination Council between 1993 and 1996. Dr. Tigrel worked as President and CEO of UPAV Consultancy (1997-2000) and of TCI Consultancy (2000-2011). He was also a board member at Anadolu Endüstri Holding A.Ş. and Anadolu Efes respectively between 1998-2007 and served as a member of the Supervisory Board and Chairman of the Audit Committee of EBI (Efes Breweries International) in Amsterdam between 2006-2012. Dr. Tigrel also served as a board member of NETAS between 2002-2013. He has also been a member of the higher advisory board of Darüşşafaka since 2014 and a member of GIF (Global Relations Forum) in Istanbul since 2013.

Dr. Tigrel was a part-time lecturer in advanced mathematics, process economics, fluid dynamics and process design in the University of Ankara, Faculty of Science and the Ankara Academy of Engineering and Architecture (now Gazi University). He speaks English and German. He has two published books in Engineering Economics.

Zekeriya Yıldırım

Born in 1944, Zekeriya Yıldırım graduated from Darüşşafaka High School in 1962. He completed his undergraduate education in Istanbul University's Faculty of Economics (1966) and his M.A. in Vanderbilt University in the US (1976).

Yıldırım started his career working as an Inspector de Finance at the Ministry of Finance for 9 years. In 1977 he moved to the Central Bank of Turkey where he served as General Director of Foreign Exchange and International Finance and Vice-Governor. He specialized in international finance and played an active role in the transformation of the closed economy into an open market economy. He left the Central Bank in 1987 when he was serving as the Acting-Governor.

Since 1998, Yıldırım has been the Executive Chairman of Yıldırım Consulting, which has been providing advisory services to leading Turkish and international companies, in the fields of corporate finance, management and strategy. He is also a shareholder and the Chairman of the ornamental plant company Ada Plant, as well as Chairman of FU Real Estate Consultancy. A Board Member of Doğan Holding between 2008-2010, Yıldırım has also served as an Independent Board Member at Sabancı Holding (2012-2018) and at Tekfen Holding (2013-2019). Before setting up Yıldırım Consulting, Yıldırım worked as Vice-Chairman of the Board and President of the Executive Committee at Doğuş Group. He served on the boards of many Doğuş Group companies including Garanti Bank and other private sector companies.

Actively involved in civil society organizations, he served as the Executive Chairman of the Darüşşafaka Society, later the Chairman of its Advisory Board, a Board Member at TÜSİAD and the Chairman of the Turkey-Netherlands Business Council. Yıldırım is also a member of the Board of Trustees of the Ayhan Şahenk Foundation and of the Educational Volunteers Foundation of Turkey, and a member of GRF's Audit Committee.

Burcu Baran Türem

Burcu Baran Türem was born in Rize, Turkey in 1983. She graduated from Istanbul Technical University with a double major in (B.Sc) Petroleum & Natural Gas Engineering and in (B.Sc) Engineering Management. Türem holds an M.Sc degree in Metals & Energy Finance from Imperial College London. She started her professional career in the oil industry working for ExxonMobil in Turkey. While she was working for ExxonMobil full-time, she was also serving as a project assistant at the Global Civics Project lead by Brookings Institution.

Joining GRF's Executive Staff in February 2012 as Program Director. Türem lead the efforts to create GRF's Young Professionals and Young Academics Programs. Since 2015, she has continued her work at GRF as Director of GRF Policy Communities. In addition to the projects under her responsibility, she is also in charge of the Corporate Membership mechanism and the roundtable meetings being coordinated in partnership with the business world. Burcu Baran Türem is fluent in Turkish, English and German.