BRI AND AN OUTLOOK OF TURKEY-CHINA RELATIONS
KUŞAK VE YOL GİRİŞİMİ İLE TÜRKİYE-ÇİN İLİŞKİLERİNE GENEL BİR BAKIŞ

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ABSTRACT
The Belt and Road Initiative (BRI) is an inclusive and developing concept of creating the largest economic platform for ancient “Silk Road” countries. It has large commercial and infrastructure dimensions both on land and sea transportation. The BRI is necessary for China to pursue its economic growth and strengthen its position in the world economy. It also creates significant opportunities both for Turkey and the countries along the route. With its Middle Corridor Initiative and a founder member of the Asian Infrastructure Bank (AIIB) and a dialogue partner of the Shanghai Cooperation Organization (SCO), Turkey is one of the most important countries on the land belt, not just for its geo-strategical position, but also for its important role in Central Asia and Eurasia. Currently both Turkey and China need stable economic, energy, security and strategic partners. This article studies the current Turkey-China relations and the potential of strategic cooperation of Turkey and China in the context of the BRI.

Key Words: Turkey, China, BRI, Middle Corridor, Strategic Cooperation.

1. INTRODUCTION
China’s Belt and Road Initiative (BRI) is considered to be a full-fledged strategy of financial, social and cultural development for China with the countries along the route. This is an economic integration of China with Asia, Europe, Middle East and Africa as well. China is still one of the fastest growing economies in the world. With its large economy, market and population, China is also one of the most active actors in shaping international agenda.

On the other hand, with its Middle Corridor Initiative, Turkey is one of the most important countries on the BRI route. Its geopolitical position gives it a connecting-bridge role and energy center position between Asia and Europe. Turkey-China cooperation is expected to simplify BRI construction process and enable it
to reach Europe faster and easily. Turkey-China have developing political and economic relations which are crucial for two countries’ strategic policies in the near future. Considering the current international political and economic dynamics, a full-fledged strategical cooperation between Turkey and China is much more important than before.

This paper studies the strategic cooperation of Turkey and China. It aims to indicate the importance of Turkey on the BRI cooperation, Turkey’s contributions to the BRI and the potential cooperation of Turkey and China in the context of BRI. In this paper I focus on what factors can explain the developing strategical cooperation between china and Turkey? What factors make Turkey be such an important country for the Belt and Road Initiative? What are the advantageous and disadvantageous conditions of a full-fledged cooperation between China and Turkey?

2. THE BRI AND TURKEY-CHINA COOPERATION

China hopes to revive ancient “Silk Road” and create the world’s largest platform for economic cooperation, including political coordination, energy and border security, strategical partnerships, social and cultural cooperation. In 2013, Chinese President Xi Jinping proposed establishing a network of railways, roads, see ways and pipelines that connect China to the European, Middle East and African countries.\(^1\) By the means of this project, China aims to increase its economic influence and create a commercial integration by connecting continents. In this sense, The BRI is a key strategy form of China’s foreign policy. China has long-term political and socio-economic implications both at home and abroad for the near future. China hopes to use BRI to establish a close economic and energy cooperation with ancient “Silk Road” Countries, increase their trade and investment opportunities and shape their economic growth by improving their infrastructure and investment connectivity.\(^2\) For all that, China is attaching great importance to the development of the countries on the BRI route, so as to generate new markets for Chinese products.

Contrary to its former foreign policy China does not want to be shaped by the changing world, China wants to reshape the world in the context of the “win win” concept, without ignoring its non-intervention policy towards other countries domestic issues. Recently, Chinese foreign policy is more centralized, more proactive, even more aggressive than before. Chinese President Xi Jinping does not want to maintain China’s long-held low profile in the international affairs adhered by previous leaders.\(^3\) President Xi wants to build his own political and economic policies, to fulfill Chinese Dream which was depicted by himself (after he came to power) as a great national rejuvenation of China.

It is almost 40 years that China has launched economic reforms, from that time on, Chinese economy has had a big progress. Currently, Chinese economy continues to grow up, but it was the first time that Chinese economy began to slowdown and its growth rate fell below 7% in 2014.\(^4\) In the light of economic slowdown, China put the BRI concept forward as a new strategical concept to pursue China’s economic dominance. By the means of this initiative, China offers important opportunities to 65 countries and approximately 4.4 billion people. its economical range is expected to reach 21 trillion USD and it is 12 times bigger than Marshall Plan which was planned to rebuild Europe after World War II.\(^5\) China is approximately dominating 10% of the world economy. China aims to enhance the connectivity and consistency of the countries’ infrastructure chain by providing cultural, academic exchanges. BRI is also described China’s second opening to the global market.\(^6\) With the help of the BR, China hopes to maintain its existed and planned linkages with different regions and countries which are supported by large political,

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financial contributions and economic markets. This policy creates a great chance for expanding China’s domestic market, consistency of regional development and the integration of international market.

The diversity and different economic and political situations of the countries along the BRI, inevitably make these countries have interest based relations with China in the context of “win win” offer. China seems not to give any obligation to any related countries to be a part of BRI, China offers wide economical and commercial alternatives to the partners of the BRI and make them benefit from the BRI opportunities. In any case, China will get the lion share of these benefits and the other countries on the route seem agree with China’s this large portion.

In the beginning of 2008, the reviving of the modern “Silk Road” came on the agenda as a development of the trade relations between Turkey, Azerbaijan, Iran, Georgia, Kazakhstan and Kyrgyzstan. Afterwards, the negotiations continued until April 2012, when Turkish then Prime Minister Erdogan visited China. Erdogan and Chinese President Xi Jinping both emphasized the importance of the modern “Silk Road” and Sino-Turkish cooperation. from that time on, China-Turkey relations have been developing with reciprocal visits.

Chinese President Xi welcomes Turkey’s supports and its active role for developing of the BRI, President Xi stated that “China is ready to steadily advance major projects of cooperation with Turkey under the BRI. These two countries should better align their strategies according to the principle of equality and mutual benefits”. The revitalization of the ancient ‘Silk Road’ is basically a long-term mutual winning concept. It is supposed to keep on shape the world trade once again in the name of the BRI. In such an advanced technology and communication era, its influence will likely not be limited with its region. Thus, as a fast developing country Turkey is supposed to play a crucial role in the development and transportation of this Initiative and build more multilateral and bilateral relations with China and Central Asia.

Turkey and China both hope to reach their economic aims in the near future. In order to realize “Chinese Dream”, China struggles for preparing both short and long term economic policies. Within the BRI framework, China aims to reach its middle class welfare society by the 2021 which is the Chinese Communist Party’s 100th anniversary; and by 2049, China aims to be powerful, prosperous, democratic, civilized and modern socialist country which is the 100th anniversary of the People’s Republic of China.

In addition, China aims to develop China’s less developed inner and western regions, consolidate its economic dominance in the world trade and maintain its economy growth. In the context of these purposes, China seeks for the new strategies and new strategic partners. China’s long term objections are moving forward similar to Turkish economic policies such as the economic integration of Turkey and Asian Countries, Turkey’s economic targets of 2023 and 2053, and its other long term political and economic objections.

In the context of BRI, China tries hard to create infrastructure, transportation, communication, commercial and cultural integration for Central Asia, Eurasia, Middle East and Africa. Accordingly, Turkey has extended a great length to increase its diplomatic and economic efficiency both regionally and globally. Turkey–China and Turkey-Central Asia relations are developing fast, Turkey aims to build more bilateral and multilateral relations with these countries. Currently, Turkey Both have enhanced economic relations with Western and Eastern countries. The bilateral and multilateral relations between Turkey and China are also essential for the stability of Central Asia and Middle East, Turkish-Chinese short and long term interests.

On the other hand, the recent strained relations of Turkey-USA and China-USA encourage Turkey and China deepen strategic cooperation. Turkey and China both are energy importers of Iran, the USA’s Iran

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sanctions for instance have negative influences both on Turkish and Chinese economies; the USA’s custom tax increase for Turkish and Chinese products, have negative influence on Turkish and Chinese economies; The USA’s Middle East unstable policies both threaten Turkish political and economic interests, China’s Middle East interests in the context of China’s economic, energy partners and fulfillment of current project such as BRI. Thus, USA caused these negative factors may have constructive role in Turkey-China long term cooperation.

3. INFRASTRUCTURE AND ENERGY ASPECT

3.1. Middle Corridor

Middle Corridor, which is also known as “Trans-Caspian East-West-Middle Corridor”, begins from Turkey and passes through Georgia and Azerbaijan, crosses the Caspian Sea and Central Asia (Turkmenistan-Uzbekistan-Kyrgyzstan or Kazakhstan), reaches China. This corridor is one of the most important components of the BRI and it is supported almost by all the Central Asian Countries included Afghanistan and Tajikistan. The concept of revitalizing the modern “Silk Road” first came to the agenda in 2008 by Turkey for the development of trade cooperation between Turkey and countries such as Iran, Azerbaijan, Georgia, Kazakhstan and Kyrgyzstan and the other countries on the BRI route. In the same year, when the “International Silk Road Forum” was held in Turkey and Turkey launched the Middle Corridor initiative and the “Caravanserai Project”, The purpose of this project is to simplify these countries customs clearance procedures and promote the economic relations between the countries on the ancient “Silk Road” belt.

One of the important components of Middle Corridor is Baku-Tbilisi-Kars (BTK) Railroad Project. it has started to operate last year. this railroad not only connects Turkey, Azerbaijan and Georgia, but also enables a train from London to reach at Beijing within two weeks. Turkey's Ankara-Istanbul high-speed rail and the Turkish Marmaray and Eurasia under sea tunnels will also serve the Belt and Road Initiative and Middle Corridor. The high-speed rail project between Edirne-Kars (Turkish East-West Railway project) is also being carried out under the cooperation of Chinese and Turkish companies. Turkish President Erdogan stated that, “The East-West high-speed railway project is an important project in Turkey. Turkey is very glad to work with China and together build this historic project.” This project will be connected to BTK and BRI, then, enable BRI reach Europe. This project has a significant impact on Turkey-China long term relations and strengthening trust-based relations between Turkey and China.

Figure I. BRI railway map

Source: Ministry of foreign Affairs of Turkey.

BRI is estimated to create 600 billion USD trade volume for China and EU countries annually. When Middle Corridor is used effectively, it will provide important advantages for Turkey and Central Asian countries to benefit from China-EU trade. From the beginning, China and Europe trade capacity is estimated to be 1 million passengers and 6.5 million tons of cargo, and it is thought to be increased 3 times by 2034. In a year, approximately 10 million containers are taken from China to Europe, almost 96% of these containers are transported by sea and only the remaining 4% transported by the Trans-Siberian Railway, which is also known as the Northern Corridor. When it is compared to Northern Corridor, The Middle Corridor is more economical and faster for Chinese and European goods, it is almost 2000 km. shorter than Northern Corridor. It also has more favorable climate conditions. It only needs 10-15 days to reach Europe. Thus, when it compared to the seaway, the goods delivery time will be shortened 3 times with Middle Corridor connected BRI railway. The Middle Corridor is also expected to bring facilities and opportunities for the cargo traffic in Asia. through Turkish ports, goods can easily reach Middle East, North Africa and Mediterranean market.

For China the major target of the BRI is to promote both international cooperation and international trade. The cooperation with Turkey in various fields is very important for China. China sees Turkey as a major hub linking Europe and Asia. Turkey has potential to play a very important role in the construction of the BRI. And Turkey is a natural member of the BRI.

In April 2012, Turkish then Prime Minister Erdogan visited China and met President Xi. At that time, the two leaders emphasized the importance of revitalizing the new “Silk Road” and the China-Turkey cooperation. Since then, Turkey-China bilateral relations have made progress within the framework of mutual visits. In particular, in the context of economic interests, the two countries have expanded their cooperation with each other’s domestic and foreign markets, established strategic development and opportunities between China and Turkey.

In 2015, during the G20 summit in Antalya, the leaders of China and Turkey signed a memorandum of understanding the BRI and the Middle Corridor Initiative which is designed to connect BRI. In May 2017, in the “Belt and Road Initiative International Cooperation Summit” in Beijing, Turkish President Erdogan said that, “Middle Corridor is one of the main complementary projects of the BRI. At the same
BRI is a long-standing demand for Turkey and China. This is also an important step for the development and stability of Central Asia. It has enormous commercial market potential. It also received significant political and economic supports from all over the world. It is expected to connect China with different regions and become the world’s largest economic cooperation network. Parallel to BRI development process, Turkey has undertaken important projects to revive the ancient “Silk Road” (BRI). “Caravansarai Project” for instance aims to develop the cooperation between the customs in the region within the framework of the Middle Corridor. Infrastructure projects such as “Marmaray” undersea railway project, the Yavuz Sultan Selim Bridge, the Eurasian Tunnel Project, the new Istanbul Airport, the Three-Level Tube Tunnel Project in Istanbul, Canakkale Strait Bridge, Edirne-Kars High Speed Rail, Gebze-Orhangazi-Izmir Motorway, the construction of Filyos, Çandarlı and Mersin ports are major examples of ongoing projects that designed to enhance regional interconnectivity and serve BRI. The Middle Corridor initiative creates an important synergy in the context of connecting to the China’s BRI. It is strongly expected to develop connectivity between East and West.

3.2. Energy

Turkey is located in the Middle Corridor of the BRI which is a critical direction of the BRI Economic Belt. With Turkey’s this geo-strategical position, Turkey will have another advantage to strengthen its economic relations with the other countries on the economic route of the BRI. Turkey is an important actor for its role in “Trans Anatolian Natural Gas Pipeline Project” (TANAP) and “Turkish Current” projects, Turkey has held many important precautions for energy security to connect the BRI to the ‘Transport Corridor Europe-Caucasus-Asia’ (TRACECA) which was established in 1998 as a corridor of Euro-Caucasus-Asia. with the connection of this corridor to the BTK railways, Turkey is also a crucial country on the “China-Central-West Asia Economic Corridor” (CCWAEC). Turkey’s this position is very important for China’s energy requirements and energy transformation.

Since 1990 on, Turkey has recognized itself as a key potential country for energy transportation between Asia, Europe and Middle East. When we consider that China has passed US. on the consumption of energy and China is about to be the first energy consumer of the world with consuming 20% energy of whole world energy, Turkey’s energy potential is one of the key factors in the Turkey-China BRI based relations. China’s energy demands is increasing. In 2002, China imported 34% of its whole energy demands. In 2010, this proportion reached at 55%. In 2020 it is expected to reach at 68%. And in 2040 China’s energy demand is expected to reach at 80%. The see way projects which starts form China reach to Africa, Middle East and Europe are also vital for China’s energy demand. In this sense, China-Turkey energy based relation will consolidate Turkey-China relations and make them establish more significant strategic cooperation. In addition, BRI carries a great potential to support Turkey to be a logistic center for energy and commercial goods which is essential for the development of interior and eastern regions of Turkey and the decreasing unemployment of young people.

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26 Lily Wang, “China & Turkey, Strong Cooperation under the “Belt and Road” Initiative”, An exclusive interview with Ali Murat Ersoy, Ambassador of The Republic of Turkey, China’s Foreign Trade, 2017, No: 3. P.61-64.
On the other hand, China and Turkey have established friendship and carried out all-round cooperation, bringing tangible benefits to the peoples of the two countries and promoting regional peace, stability and development. Turkey has also declared its strong interest in the BRI and two countries signed a memorandum in 2015, G20 Antalya summit, opportunities the BRI cooperation which is important for Turkey-China, Turkey-EU, Turkey-Asia and Turkey-Eurasia. Turkey is one of the fastest growing energy markets in the world. Therefore, investment opportunities in mining and energy are important and these sectors can be explored. Turkey hopes to work with China in the fields of green technologies and nuclear power”.\textsuperscript{31} Turkey and China also need to cooperate with global issues like, energy, food, safety, social and liberal political changes, terrorism, international and domestic risks, environmental problems, climate changes etc.\textsuperscript{32}

4. POLITICAL AND SECURITY PERSPECTIVE

With the end of the Cold War, Turkey has developed significant relations with Central Asia and got a significant advantage of being both regional and international political actor.\textsuperscript{33} As a result of the political and economic dynamics, Turkey has adopted its own political and economic strategies both in domestic and international politics.\textsuperscript{34} This enabled Turkey to establish multilateral relations not just limited with regional states, but also establish important relations with international organizations.

Turkish Foreign Policy is working hard to make Turkey be a more powerful country and get its historical mission on the geo-strategical position at the center of Europe and Eurasia, to be a pacifist actor both regionally and globally and currently Turkey is thought to go ahead in the accordance of these strategies.\textsuperscript{35} In this sense, one hand Turkey is willing to keep its NATO membership, proceed its negotiations with EU for full membership. On the other hand, Turkey wants to be a member of SCO. By doing this, Turkey hopes to have a more powerful role both in Western and Eastern politics and more contribute to the global peace and development.

4.1. SCO

Since 2005, Turkey has interested in the accession to the Shanghai Cooperation Organization (SCO). This was mentioned several times by Turkish President Erdoğan. While Turkey’s first application for the SCO as an observer country status was not successful; but Turkey’s application for the SCO’s Dialogue Partner Status on 23\textsuperscript{rd} March 2011 was accepted on 7\textsuperscript{th} of June 2012.\textsuperscript{36} Turkey is an important security actor, it is not just a dialogue partner of the SCO, an important member of Islamic Cooperation Organization (ICO), But also Turkey has an important role in Eurasia politics. In addition, China-Turkey cooperation in the context of the SCO may have a constructive role on the stability of Xinjiang which is vital for the future of the BRI. Thus China and other SCO members are expected support Turkey’s present position in the SCO and its membership process.

SCO was established to fight against “three evils”, Terrorism, Separatism, and Extremism.\textsuperscript{37} However, Turkey has been fighting against these “three evils” for a long time, in addition, Turkey has intimate religious, cultural or ethnical relations with China’s Western neighbor countries such as Kazakhstan, Uzbekistan, Kyrgyzstan and Tajikistan. Thus, Turkey-SCO cooperation is very likely to make Central Asia more stable. This is also crucial for China’s “One China” policy and for the security of the BRI. Moreover, Turkey has stable and developing relations with Pakistan and Iran.\textsuperscript{38} Currently, Iran is an observer country in SCO, while Pakistan became a full member of SCO in 2017 with India. The more comprehensive SCO is more likely to facilitate the BRI implementation process, enhance the relations between Turkey – China,
Turkey-Central Asia and Turkey-SCO members.

As the raising energy requirement and increased terrorist actions taken into account, the assurance of safety and peace is getting more important for Turkish and Chinese interests. Turkey and China also have common economic and security interests in the stability of the Middle East and Central Asia. For China, Turkey is considered to be a gate to open Europe and Balkans, and also a good partner in the Middle East and Central Asia. For Turkey, China is an important partner that Turkey should cooperate with politically, economically and strategically. Turkey has a big significance in controlling Eurasia’s strategic passages and BRI’s materially and morally potential objections. Currently, Turkey is trying hard to enhance its relations with Asian Countries, balance its Western-Eastern relations and take a more active role in the global politics.

Another important point for Turkey and China cooperation is the Middle East and Central Asia, these two regions are relatively unstable regions, the worse these regions situation go, the more possible other stable countries face to incursion of refugees and mushrooming of terrorism. These possible issues can be avoided with a full-fledged cooperation of regional states, international organizations such as SCO and non-governmental institutions. Along with this, financial educational investments are also essential for the employment and stable future of these regions. As president Erdoğan stated that “The projects like BRI will provide infrastructure developments and bring the end of terrorism”. The prosperity of Central Asia and Middle East is belong to the regional and international collaboration. The development of the underdeveloped states is more likely to make them safer and have them get rid of the threat of terrorism and make them be more stable.

4.2. Uygur Issue

Uyghur Issue is one of the important political issue which creates inconvenience for Turkey-China relations from time to time. However, currently, this issue is not thought to be as big as before. In August 2017, Turkey has assured China that Turkey will not allow any activities reappear in Turkey targeting or opposing Chinese Government. In addition, in the context of strengthening ties with Chinese Government, and Turkish President Erdoğan participated “Silk Road” Form in Beijing in 2017 with a large number of committee. In the “Silk Road” Form, Turkey and China have signed agreements on the extradition of criminals, international highway transportation and establishment of cultural centers. China-Turkey relations are getting better day by day, and striking in the international community. Turkish President Erdoğan before attending to the BRI summit in Beijing in may 2016, he emphasized that “Turkey’s getting closer to China will create a different impression in the world”. Turkey firmly supports the “One China” policy, and Turkish President Erdoğan said that it is a fact that the people of all ethnicities in Xinjiang are leading a happy life amid China’s development and prosperity. And China is very content for Turkey’s recent Xinjiang policy, Turkey’s fighting against terrorism. Thus, China hopes to enhance strategic and anti-terrorism cooperation, push forward Turkish-China bilateral relations. In order to establish better relations, Turkey and China should straighten people to people relations, support exchange programs for students, simplify Chinese visa for Turkish People and make Chinese and Turkish people have more chance to know each other. These are essential both for understanding two countries core values and promoting two countries political, economic and cultural relations.

40 Rıza Kadılar, Erkin Ergüney, “One Belt One Road Initiative: Perks and Chalenges for Turkey” Turkish Policy Quarterly, Summer 2017, Vol. 16-No.2. P. 89
5. ECONOMIC AND FINANCIAL STATE OF AFFAIRS

5.1. AIIB

In the terms of its general strategy from 2014 on, China has played leadership role for 3 significant economic initiatives. These initiatives are: BRICS Development Bank, BRI infrastructure fund and Asian Infrastructure Investment Bank (AIIB Bank). What are the reasons made China undertake these initiatives? Except for its BRI initiative, obviously the reasons such as the lack of the efforts to reform the world economic system; The surplus infrastructure demands of Asian countries; The needs of new infrastructure demands for Asian countries, the strong expectation for the slowdown of Chinese economy and the reluctance of the other powerful countries’ sharing economical and strategical superiority with developing countries made China take these initiatives as well. In accordance with the BRI, on 24th of November 2014, AIIB was established in Beijing with the participation of 21 countries. In 2016 China became the biggest shareholder of the bank with the 26% share. India is the second biggest shareholder with the 7.5% share and Turkey is the 11th biggest shareholder of the bank with the 2.5% share.45

According to the Asian Development Bank 8.2 trillion USD needed for Asian countries’ infrastructure expenses by 2020, and China wants to undertake these expenses with its BRI members in the context of economic integration. China hopes to overcome this infrastructure issue with its peace, welfare, clarity, innovation and civilization based BRI principles and enable all of the world benefit from BRI.46 BRI is the first and foremost about China’s domestic economical inequalities rather than Chinese potential spreading its influence around the world and regions.47

Turkey-China can have long term cooperation based on mutual respect and mutual benefits of bilateral relations. Enhanced Turkish and Chinese relations is supposed to have an important role in the stability of Central Asia and Middle East. It is clear that for the security and economic issues of the BRI, one of the most important factors is the regional key countries’ cooperation in the framework of the AIIB. for these purposes, the projects such as BRI and AIIB made China cooperate with many countries. Turkey, as a founder member of AIIB and a dialogue partner of SCO, with its important geographical position has the key country role between Asia, Europe and Middle East. Turkey’s this position provides an important partnership role for Turkey and China bilateral relations.

5.2. Trade

In today’s global world, multi-dimensional cooperation forms an extraordinary competitive environment for majority of countries both politically and economically. This competition has both positive and negative consequences for bilateral and multi-lateral cooperation. The biggest challenge for China-Turkey trade relations is the imbalance of bilateral trade, and the two countries trade gab is getting bigger and bigger for the benefits of China, China’s exportation takes almost 90% of Turkey-China bilateral trade.

The economic relations between Turkey and China are not satisfied. However, two countries’ have developing trade, cultural and social relations. Currently, Turkey and China have mutual understanding to improve bilateral trade imbalance. Recently, some new Turkish products have entered Chinese market and some significant Chinese investments have entered Turkish market.48 Currently, Turkey and China in order to overcome global challenges, “trade war”, contribute to domestic and international economy, pursue common policies such as free trade, upholding liberal economic cooperation rather than unilateralism and protectionism. Therefore, Turkey can export more agricultural, row material and energy products to China.

Turkish then Vice Prime Minister Mehmet Şimşek stated that “Currently, Turkey and China have 28 billion USD volume of trade. This trade volume should be increased by decreasing Turkish trade deficiency”.49 In spite of the two countries developing trade relations, the trade volume between China and Turkey is still far

47 Jacob L. Shapiro, “One Belt, One Road, No Dice, China’s ambitious infrastructure plans have a long way to go to become a game-changer”, Geopolitical Futures, Reality check, 12 January 2017, p. 1-5.
from 100 billion USD, the amount that was determined to reach by 2020.

Table III, Foreign Trade Values of Turkey-China (Billion USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Export</th>
<th>Import</th>
<th>Volume</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2.83</td>
<td>21.30</td>
<td>24.128</td>
<td>-18.46</td>
</tr>
<tr>
<td>2013</td>
<td>3.60</td>
<td>24.68</td>
<td>28.29</td>
<td>-21.08</td>
</tr>
<tr>
<td>2014</td>
<td>2.86</td>
<td>24.92</td>
<td>27.78</td>
<td>-22.45</td>
</tr>
<tr>
<td>2015</td>
<td>2.41</td>
<td>24.86</td>
<td>27.27</td>
<td>-22.45</td>
</tr>
<tr>
<td>2016</td>
<td>2.32</td>
<td>25.44</td>
<td>27.76</td>
<td>-23.12</td>
</tr>
<tr>
<td>2017</td>
<td>2.93</td>
<td>23.37</td>
<td>26.30</td>
<td>-20.43</td>
</tr>
<tr>
<td>2018</td>
<td>2.91</td>
<td>20.71</td>
<td>23.63</td>
<td>-17.80</td>
</tr>
</tbody>
</table>

Source: The Ministry of Foreign Affairs of the Republic of Turkey

As it is shown above the economic relations of two countries are going up in the favor of China, and Turkey’s trade deficiency is getting up day by day. Turkish trade deficit is almost $20 billion USD per year. Although this can be balanced remarkably when China allows more Turkish products enter China or more Turkish exporters explore Chinese market and export more Turkish products to China. However, it is not likely that Turkish trade deficiency can be solved in the near future.

Turkey and China both are raising economies, the two countries’ political and economic importance is getting higher. Recently, Turkey and China’s economic growth rate is in the top five in the world. Turkey is in the process of establishing good relations with China. The BRI will enable Turkey to have stronger relations with Central Asian Countries, as well as it will have significant implications on the world economy in the next 50 and 100 years, this can also be considered as a geopolitical center shift. Chinese economy has grown around 10% in the last 40 years that is thought is a miracle. Asian Countries’ infrastructure is thought likely be better than European Countries’ by 2050.

In 2015 when Turkish President Erdogan visited China, he mentioned the importance of the economical, infrastructure and technologic cooperation with China. China has 2021 targets and Turkey has 2023 targets. These two countries short term development strategies are also similar which make these two countries cooperate easier. It is worth to mention that the using of National Currencies is mostly recommended by Turkey for bilateral and multilateral international trade with China and neighbor countries. currently Is Bankası, Garanti Bank and Akbank have representative agency in China. While, after having bought Turkish Tekstil Bank, Industrial and Commercial Bank of China opened in Turkey together with Bank of China In 2017, which is expected to facilitate Turkish and Chinese commercial relations and make two countries come closer to use Yuan-Lira in the trade and banking transactions.

When China’s overcapacity products and BRI ‘s big capacity of labor taken into account, cooperation in the framework of the BRI is very important both for the activation of the world economy, solving China’s economic problems and China-Turkey economic relations. China and Turkey can benefit from these opportunities by multidimensional cooperation. In order to increase the volume of bilateral trade reach 100 billion USD in the near future. The strengthening of cultural and economic exchanges, public interest activities, education, health care, poverty reduction, biodiversity and ecological protection and interaction of cultures are also important factors should be taken into account. Inasmuch as the BRI is an economical engagement of Asian, European and African countries. Beyond its economic integration, it is an integration of cultures and communities.

54 Dipankar Banerjee, “China’s One Belt One Road Initiative – An Indian Perspective”, Yusof Ishak Institute, (ISEAS), Singapore, ISSN 2335-6677, 31 March 2016, ISSUE: 2016, No: 14, p.8.
Tourism is also very important for Turkey-China relations. Turkey is a new and an undiscovered destination for Chinese tourists. Many Chinese tourists are expected to come to Turkey. The number of Chinese tourists to Turkey rose by 6 percent in 2018, by reaching 400,000.\(^5\) When it is compared to China’s population, even one million tourists are still very less, however it is a chance to increase the number of Chinese tourists in the near future. For the establishment of advanced relations, Chinese government is also supposed to simplify visa application for Turkish people.

6. CONCLUSION

Peace and stability based political and economic cooperation can attract all parties interest. In this sense, a strong China-Turkey cooperation is possible. In the light of this cooperation, Turkey is modernizing its railways from the very East to the very West, adding new railways and high speed trains to the major port cities of Turkey, and also modernizing and increasing the capacities of its ports. These important infrastructure improvements can also encourage two countries’ investors have long term investment goals in the context of China-Turkey long term cooperation. Turkish Government supports BRI with its superior geo-politic position on the BRI Economic Belt. As a founder member of AIIB and a Dialogue Partner of SCO Turkey has an important role both in Central Asia, Eurasia and Middle East. Chinese-Turkish relations are developing fast and BRI is expected to play a significant role in the process of China-Turkish strategical relations. Turkey and China both need more economic and strategic partners, they need foreign investments for reaching their long term aims (Turkey’s 2023 and 2071 targets; China’s) 2021 and 2049 targets).

According to the recent political and economic dynamics, one of the most important issue between Turkey and China is the trade deficit issue which is almost 90% in the favor of China. Turkey and China should enlarge their trade policies, organize social and cultural activities, straighten exchange programs for students, prepare more opportunities to both parties’ entrepreneurs, encourage their investments and advertisements. Chinese government is expected to reduce the tariffs on Turkish products and allow more Turkish products enter Chinese market (most notably Xinjiang market). Another important point is Turkey should be more active in the SCO with the support of China. China and Turkey have a historic opportunity to collaborate against the present and possible threats of terrorism in future that may both harm BRI, the stability of Central Asia and other regions, impair both countries’ political and economic interests. Turkey and China are establishing effective strategic polices in order to maintain their long term interest in the multi-dimensional forming regions and world, Turkey and China are also expected to incline mutual deep structural cooperation, based on political, economic strategical cooperation and culture.

ENDNOTES


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