



# 8. ULUSLARARASI BALKAN FORUMU | 8<sup>TH</sup> INTERNATIONAL BALKAN FORUM

“Ticaret, Yatırım, Finans ve Rekabet”  
“Trade, Investment, Finance and Competition”



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### VISION DOCUMENT

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**“Trade, Investment, Finance and Competition”**

**( 20-22 April 2016, Pullman Istanbul Hotel, Istanbul )**

“Balkanization” is a word; that has been used since WW1, that we use describing the disintegration of Yugoslavia, and that describes the dynamics of geography by getting right to the basis of the subject. This word was used during the periods when ethnic conflicts and social disintegration were at the hottest point, is today used to draw attention towards economic inconsistency as well.

The Balkans is one of the most economically unpredictable regions of the world. But because of its untouched nature and the fact that it holds underground sources and ground sources; the Arab countries, China and Russia increasing their presence within the region, the Balkans has become a location of competition. Despite the fact that Bulgaria, Greece, Romania and lastly Croatia being under the umbrella of the European Union; neither parts of the Balkan geography that is usually referred to as East and West have reached European standards in terms of subjects like job opportunities, production, healthcare, education. The Balkan countries who entered the free market economy after the disintegration of Yugoslavia, have suffered a serious blow to their economies due to the global crisis.

In the recent years, thanks to support and of European Union, economies of the Balkan countries have started to improve up to a certain level. At the same time the level of trade has started to improve recently, as well. The European Union integration process has a significant contribution over each country; and also the EU integration process can be regarded as a conflict resolution tool especially for the former Yugoslavia Balkan countries. With the resolution of the water problem between Slovenia and Croatia; the fact that Croatia made their way into the European Union has given hope to the other countries for the process which began with the “**Western Balkans**” expansion.

It is possible to see the regional cooperation problem caused by the situation of Serbia not recognizing Kosovo; problems negatively affecting Macedonia which are caused by Bulgaria and Greece not recognizing the Macedonian population, despite the fact that they both are EU member states; Serbia and Bosnia & Herzegovina not being able to find a compromise regarding their war crimes; economic and political inconsistency hindering cooperation in the region where the argument of being guilty or not guilty is still present. For this reasoning, the process of integration, normalization and cooperation created with the initiative of the European Union, is

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being continued despite the interruptions it suffers at some points. In order for the countries participating in the Western Balkans expansion to become a member of the EU until the estimated year of 2020, they need to get through these processes by forming political and economic cooperation.

It is visible that both Turkey and the EU member countries support trade and cooperation in the Balkan region, and at the same time they support the national production capabilities of each Balkan country. With regards to its cultural and historical ties with the Balkan region, Turkey emerges as a key country which would like to increase its trading volume in the Balkan region, as well.

For example, Bosnia-Herzegovina is the 9<sup>th</sup> biggest trading partner of Turkey. Therefore they make use of some aspects that are in a basic condition such as the untouched farming, mineral fuels, electrical energy, furniture, paper. Also; Albania and Macedonia are some other countries where Turkey makes use of areas such as iron-steel, metal, airways, education. Another example is the fact that Turkey imports more than \$25m worth of iron-steel from Macedonia. On the other hand; areas like the service sector, textile, and infrastructure are present in many parts of the region and increase the level of exports. Turkey also supports privatization in the Balkans that have adapted to the free market economy after the disintegration of Yugoslavia, and at the same time desires drawing the Balkan firms into Turkish soil in order to make use of the opportunities created by the privatization.

The increase of trade volume between Turkey and Balkan countries provides the distribution of Balkan made products into Turkish markets and at the same time this condition provides the distribution of Turkish made productions into markets of the Balkan countries. As a result, this reciprocal trade relations contributes into improvising relations between Turkey and the countries of the region. Putting it shortly, as a result of mutual productivity and utility, the trade linkage between Turkey and the Balkan countries require a long-term mutual friendship between Turkey and the Balkan countries. Turkey is a significant trading partner not only for the Balkan region but also for the EU member countries, in this respect Turkey is the fifth largest exporter and the seventh largest importer into EU countries. The Turkey's stocks of investment into foreign countries have increased from \$ 7 billion to \$ 33 billion between the years of 2004 and 2013.

As 5,2% of the investments of Turkey are made into the Balkans; Romania leads the way in exports, and Greece is on the forefront in imports. In the year of 2014 Turkey's amount of exports into Romania reached \$ 3,009 billion and imports from Romania in the same year reached a total of \$ 3.363 billion. Also, the total foreign trade volume between the two countries is \$ 6.372 billion.

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Countries including Croatia, Bosnia and Herzegovina, and Romania attract the largest Turkish foreign investment in the Balkan Region. For example; in 2009, Turkey invested around 94.9 Euro to Bosnia and Herzegovina in different fields such as metal, electricity, textile and mining sectors. This investment between the two countries set a record into history of trade relations between each other by overtaking European countries which have crucial trade linkages with Bosnia and Herzegovina. In the past few weeks, Turkish Businessman Muzaffer Çilek ,president of BIGMEV (Center for the Development of Relations with Bosnia and Herzegovina), was appointed as adviser on economical issues, with Bosnian member of the tripartite Presidency of Bosnia and Herzegovina, Bakir Izetbegović. After the appointment of Muzaffer Çelik as adviser of Bakir Izetbegović, it is predicted that bilateral relations between Turkey and Bosnia and Herzegovina will continue in a much more intensive way in the near future. Turkey desires to make more investments and to be more effective in the region's economy with themselves being a dominant economy in the region rather than passive; by keeping exportation as a part of their strategy.

Slovenia (the first former-Yugoslavian state who become a member of the EU based in the Western Balkans) and so far the last member of the European Union - Croatia who become a member of the EU on July 1<sup>st</sup> 2013 as the 28<sup>th</sup> member of the Union, Turkey is increasing it's economical relations rapidly each day with those two EU member states from ex-Yugoslavia. During the investment intended state visit which was made by the Turkish Presidency to Croatia and Slovenia on 30<sup>th</sup> March-1<sup>st</sup> April 2015, the Turkish Minister of Economy made a statement about how economical relations increased between the two EU member Western Balkan states and Turkey in recent years. Bilateral trade volume that has gathered speed in recent years has reached 1 billion 50 million dollars in 2014; on the other hand, in the field of medical tourism, the number of people reached 500 thousand people from 70 thousand people in recent years. However, the Turkish Minister stated that those statistical numbers show the volume of trade between Turkey and Slovenia being very far away from its real potential with regard to the fact that Slovenia is the center of logistic of Europe and it's a very attractive country in Europe under favor of it's investments to projects of infrastructure. In addition, the Turkish Minister stated that although there are 34 Slovenian firms who are investing into Turkey and on the other side there are 10 firms who are investing into Slovenia, the trade volume between those two countries is far away from its real potential. Minister Zeybekçi stated that there is a big potential of developing bilateral trade relations between Turkey and Slovenia via mutual investments or associated cooperation in third countries.

On the other hand; since 1993, the World Bank provided \$ 1, 7 billion of credit towards various projects regarding Croatia, who is gradually growing their potential. Croatia and Slovenia are on the forefront in the Balkans for areas such as manufacturing, mining, textile, nutrition, shipbuilding, energy and tourism; and are ideal locations for investment.

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Since year of 2014, Turkey's trade volume with twelve Balkan countries has reached 21 million dollars, 9 million dollars of this amount belongs to exporting products from Turkey and 11.6 million dollar of it belongs to importing products from the Balkan countries into Turkish markets. \$ 9, 7 billion of this volume corresponds to Turkey's exports into these countries and \$ 11, 6 billion of it corresponds to the imports into Turkey from these 12 Balkan countries. As the export volume of the Balkan Countries almost reaches up to \$ 500 billion, Turkey's export volume into these countries has exceeded \$ 20 billion. Also, our import volume from these countries has exceeded \$ 15 billion. Within the Balkan Region, more than 10 thousand Turkish businessmen are active.

Although the unstable political environment, security challenges, insufficient substructure and the problems about rule of law are one of the main obstacles that investors think twice when they have a plan of investing in the Balkan countries, the European Union integration process in the Balkans makes the region a kind of center of attraction for the investors. Under the main theme of "Trade, Investment, Finance and Competition" at the "8th International Balkan Forum", it is aimed to encourage mutual investment initiatives between the countries of the region, to increase cooperation and trade between Balkan states. Within the scope of the forum, transformation into the free market economy of Balkan states, the ongoing process of becoming an institution and state of the former Yugoslavia states, areas of influence of the European Union integration process and its facilities in the region, increasing investment opportunities in private sectors, new trends and initiatives that are able to be implemented in the Balkan region, the problem of high unemployment and manufacturing troubles. Within the scope of the 8th International Balkan Forum the problems that we mentioned above will be examined and participants will try to find long-term solutions for the deep-seated problems of the region.

Turkey with the G20 Presidency has capacity to effectively utilize the investment and economical development opportunities in the Balkan region and at the same time Turkey has potential to encourage investments in the region, also Turkey as one of the substantial key actors in the region has power to be a spokesperson for improving economic development in the Balkans. Within the scope of the forum, it is aimed to contribute into the enrichment of the regional stability, prosperity and reciprocal dependence to the countries in the region. Last but not least, under the favor of the 8th International Balkan Forum it is aimed to gain a new perspective for further improvement in economic relations between Turkey and the Balkan countries for a decade.

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### MAIN THEME

**“Trade, Investment, Finance and Competition”**

### SUB THEMES

#### **Balkans' Transformation into the Free Market Economy**

European Integration Strategies and Institutionalisation for Economic Transformation

Socio-Economic Problems, Cooperation and Solutions

Investment Opportunities/Possibilities

#### **Industry, Investment, Trade; Sectoral Distribution in the Balkans**

New Trends in Foreign Trade: Firm to Firm, Firm to Customer and Online Business/E-Business

Developing and Growing Manufacturing and Production Industry

Economic Competition in the Balkans: Changing Actors

#### **World Energy Markets and their Regional Effects, Renewable Energy Investments as a Global Trend**

Legal Investment Infrastructure, Trading-Banking-Financial Systems: Barriers & Opportunities

Post-Global Financial Crisis Regulation and Outputs of Labour Force Market

Local and Global Money Policy

Developing/Improving Risks and Opportunities Evolving in Banking and Financial Network

Developing Financial Markets and the Macro Economic Effects

Global Financial Inconsistency: Central Banks and IMF Policies

#### **Unemployment and Poverty**

Youth Unemployment and Evaluation of the “Employment Encouragement Programmes” in the Balkans

Demographic Change, Gender Discrimination, Informal Work and Trained Unemployment

Social Entrepreneurship and Development of NGOs

#### **Relations between Turkey and the Balkans: Opportunities and Expectations**

Transportation, Culture and Environment

Qualified Personnel and Worker Cooperation

Development of Cooperation with Municipalities

Sustainable development and Local Administrations

Cooperation of SMEs in Turkey and the Balkans