



**SECTORAL
DIPLOMATIC
CHANNELS**



INFRASTRUCTURE DIPLOMACY
Development of Sectoral Diplomacy



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INFRASTRUCTURE DIPLOMACY

“Development of Sectoral Diplomacy”

Infrastructure diplomacy can be defined as a common name of strategies, application models and related activities developed toward transforming the savings gained in the field of construction and infrastructure to a vehicle of political and diplomatic effect by the aim of protecting and saving national profits in the global platform.

The activities of a country in infrastructure and construction areas have been playing an important role on the development of its relations with other countries; and have been providing an important contribution to make importation of important raw materials and marketing cheap and secure. Also, the spread of economic relations to the political area means a serious contribution of the protection and development of national profits.

Construction and infrastructure sector that provides important contributions to the Turkish economy in the domestic market draws attention with its recent activities in the international markets. Turkish contractors, who succeed to enter among the biggest contracting companies in the world, have put signature to the worldwide projects. In the point of ignoring the current deficit, construction and infrastructure sector has carrying a great importance according to its support for the exportation of construction materials (20% of total exportation) besides the incomes gained from the commitments abroad. In addition, the amount of construction workers working abroad has reached to 50.000 in 2010 while it was 20.000 in 2001.

Contracting services presented with the subsectors by Turkish construction sector, who is highly active in the competition area in the foreign market, have been showing the development day by day. Also in the biggest contracting companies list, Turkey has the second place in the world right after the China. However, the share rate taken from the business volume is highly low even if the amount of companies is high. For instance, the share of Turkey is only 3.87% while the business volume of Germany, who services with only 4 companies, is 9.2.

One of the areas in which Turkey is strong in the international market is infrastructure and contracting services. Besides the urbanization activities maintained by countries who have been developing leading the South Asia and Latin America, the requirement of urban renewal in Western countries has been offering serious opportunities to Turkey in this area which Turkey has been experienced. However to develop national strategies and to develop plans towards the activities which will be maintained in this way have a vital importance for the success.

The developments in the international area have been affecting this sector which has a vital importance for Turkey. Infrastructure diplomacy should be regulated by the shape of serving national profits by developing long term strategies.

The activities maintained abroad by the companies such as TOKI, KIPTAS related with Turkish contractors and construction or infrastructure have been increasing the familiarity of Turkey and its brand value. It should be expected its positive reflections in other economic and political areas. To close the foreign trade deficit will contribute not only in the construction sector but also in all other areas of Turkish manufacturing industry by facilitating the publicity of products.

Foreign initiatives who want to link a business with Turkey will force their own official and in-official companies to establish fine relations with Turkey and to develop their present relations. So, to coordinate all activities of the Country in one of Turkey's most powerful areas in the international areas with the approach of infrastructure diplomacy has been obliged. The successes of certain Turkish companies especially in Russia, the Middle East, the North Africa and Eastern European countries have been long known. The recent successes of Turkey in the area of urbanization transformation have caught the attention of especially Latin America and South Asia; and they have been explaining their wishes about making a cooperation with Turkey related with the issue. Also the successes of Turkish companies in barrage, bridge and airport constructions have been making a serious reference in the case of joining the worldwide tenders for themselves.

The most important problem for Turkey is the difficulty of finding a financial source for the infrastructure studies comparing with the other countries such as the USA, China and Germany in the sector of construction and infrastructure. The reason is the fact that the Country hasn't the depth of financial source. So, infrastructure diplomacy is supposed to develop strategies and application models towards to develop cooperation with financial actors such as the World Bank, Islamic Development Bank and African Development Bank etc. The infrastructure diplomacy should pay regard first of all to these action points; to put related clauses about the infrastructure activities to the dual trade agreements, to strengthen the competition power of firms in the international tenders, to develop relations with local companies, to benefit from the savings and potential of Turkey centered multi-national firms who have been active in other sectors. The most important trump of Turkey is its capacity to activate build-operate-transfer model of developed construction companies. And that is directly related with the financial capacities of the construction firms. Hence, that will be meaningful to have firms whose competition capacity is high in the global area for the long term; and to develop security tools such as guarantee letter etc. and similar solution models more and more for the short term.

It has vital importance to make market analyses according to the future of infrastructure activities maintained in the foreign countries; to analyze the activities of other global companies and the policies of states very well and to evaluate the gaps; to increase the interaction among the local managements; to find a solution to the financial problems; and most of all, to provide a coordination both in short term and long term among the sector activities and state policies.

It is supposed to analyze basic preparations which are required for the trade and investment; to develop entry strategies to the specific market for each country/region/continent; to evaluate competition advantages very well; to give importance to the cooperation with traditional local firms and to find quality and image as an important issue.

One of the biggest initiatives of Turkey, which make Turkey strengthened in the sector of infrastructure and construction, is to build a “Turkey brand” in the sector. Thanks to that, there will be not only increased sector capacity, but also the increased added-value rate by the activities in the sector. But it should be obeyed to the commitments and it is supposed to develop approaches specific to Turkey in the architecture besides the product durability.

In this context, we hope **the Studies of Infrastructure Diplomacy**, which will be held in the content of **Civil Global 2015-2023-2053** “Development Program of Global Civil Diplomacy”, will provide multilateral profits and important contributions on the development of cooperation opportunities in the national and international area by the proactive approaches.

Main Theme

“Development of Sectoral Diplomacy”

Sub Themes

Historical Background: Development of Multi-National Firms in Turkish Construction and Infrastructure Sector

Architectural Originality, Transact Business Style and Development of Turkey Brand in Sector Place and Importance of Infrastructure Diplomacy in General Diplomatic Activities

Global Competition in Infrastructure and Construction Sector and Situation of Turkish Firms

Importance of Infrastructure Diplomacy in Solution of Financial Problems in Sector Activities

- **To Increase Business Capacity by World Bank, Islamic Development Bank and Regional Development Banks**

- **Multi-National Finance Firms/Creditor Firms and Infrastructure Diplomacy**

Infrastructure Diplomacy and Urbanization Tendency in Developing Countries

Infrastructure Diplomacy and Infrastructural Renewal Requirement in Developed Countries

Infrastructure Diplomacy and Interaction among Local Managements