



Economic Relations between the UK and Turkey: NO STOPPING

Over the past decade, Turkey experienced one of the world's highest growth rates, with an average of 5.1%. This growth is also reflected in economic relations between the United Kingdom¹ and Turkey². Trade between the UK and Turkey has been growing rapidly. It has increased by almost 40% since 2009.³ 2012 was the year when economic relations between the two countries reached a record-breaking level, with the trade volume amounting to USD 14.3 billion.⁴ Although the global economic recession affected economic relations (particularly foreign direct investment) in 2013, the two countries have maintained efforts to preserve the strength of trade relations.

Although the figures in 2013 were not as high as they were in 2012, 2013 still had promising numbers. In the first half of 2013, the UK was ranked 3rd after Germany and Iraq among the countries to which Turkey exported, with an export figure amounting to USD 4.12 billion. The United Kingdom was also ranked 1st among European Union countries with USD 148 million in direct investment in Turkey, in December 2013.⁵ In spite of the global recession, the number of companies in Turkey with British capital increased to 2,635 since January 2013.⁶

In 2012, the British government launched its most ambitious international marketing campaign: "**GREAT**", which is expected to last three years. GREAT's purpose is to attract worldwide interest in the UK, in sectors ranging from tourism and education to trade. According to Rafe Courage, the UK Vice Consul General in Istanbul, the UK has started to feel the positive effects of GREAT. The number of Turkish investors conducting business in the UK has increased over the past year. Florence Nightingale Hospitals, HDM Steel Pipe, Kahve Dünyası (coffee shops), Airties (modems), Koleksiyon Mobilya (furniture), Silk and Cashmere (textiles), BEKO (electronics), Sun Tekstil and the Doors Group (restaurants) are just some of the companies currently doing business in the UK.

Numbers regarding trade volume, direct investment and foreign-capitalized companies are only partial indicators. They are not enough to show the real strength of economic relations between the UK and Turkey. 2013 and early 2014 witnessed further developments to improve these relations. The London and Southeast Trade Mission was held in Istanbul on 10

¹ The UK is the 3rd largest economy in Europe and the 7th largest economy in the world.

² Turkey is the 7th largest economy in Europe and the 18th largest economy in the world.

³ UK Trade and Investment, Overseas Business Risk – Turkey, 24 July 2013:

<http://www.ukti.gov.uk/export/countries/europe/southerneurope/turkey/overseasbusinessrisk.html>

⁴ For further information, please refer to our article titled "Is England Becoming Turkey's Best Friend in the EU":

<http://www.kolcuoglu.av.tr/Home/OpenDocument/isenglandbecomingturkeysbestfriendintheeu>

⁵ In 2012, the UK was ranked 1st with USD 1.9 billion of direct investment in Turkey.

⁶ Ministry of Economy, International Direct Investment Bulletin, February 2014:

<http://www.ekonomi.gov.tr/upload/13601A4F-E5AC-3480-01A2DFE52EB8C2DF/%C5%9Eubat2014web.pdf>

February 2014, where 17 British companies⁷ assessed various corporate opportunities in Turkey. This visit, organized by the UK Trade & Investment Agency (UKTI), the British Consulate General and the British Chamber of Commerce of Turkey, created discussion opportunities on investment and new cooperation between British and Turkish companies. Directors of companies operating in London and South-East England met with Turkish sector and market experts and discussed the economic potential of the Middle East and South Caucasia.

Further plans for 2014 show the seriousness of the intention to make these economic relations even stronger. The British Business Summit, organized by UKTI, will be held in Istanbul on 17 and 18 March 2014. The event's main subjects are: (i) "Finance is GREAT"; (ii) "Technology is GREAT"; and (iii) "Infrastructure is GREAT".⁸ 500 people from both countries are expected to attend this event.

Apart from the strong economic relations between the two countries, the UK has not hesitated to show its political support for Turkey. In addition to David Cameron⁹ and his minister of Europe,¹⁰ Lord Green of Hurstpierpoint, UK's Minister of State for Trade and Investment, pledged the UK's full support for Turkey to become a European Union member at a conference held on 26 October 2013.¹¹

Considering Turkey's ambition to become one of the strongest economies in the world, and the UK's intention to position itself as Turkey's partner of choice, it appears that both economic and political relations are expected to be stronger than ever over the next decade.

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⁷ These British companies are (i) Broglio, (ii) Talent Boutique Ltd, (iii) Whyte Chemicals Ltd, (iv) Matrica, (v) Burrell Architects, (vi) Hill Dickinson LLP, (vii) Lawrence Grant, (viii) Wine and Spirit Trade Association, (ix) Exus, (x) Eseye Ltd, (xi) Nicholas Keith Associates, (xii) ShopperTrak, (xiii) Valinor Finishes Ltd t/a Metall-FX, (xiv) Design LSM, (xv) Airbox Sampling Products Ltd, (xvi) Mediplus and (xvii) Concorde International.

⁸ <http://www.bcct.org.tr/events/event/british-business-summit>

⁹ David Cameron expressed his support for Turkey to become an EU member during his visit in 2010.

¹⁰ David Lidington, Minister of Europe, expressed England's continued support in December 2012.

¹¹ "British Investor Sees Turkey as an Economic Center" ("*İngiliz Yatırımcı Türkiye'yi Ekonomik Merkez Olarak Görüyor*"), 27 October 2013:

<http://ekonomi.bugun.com.tr/turkiyeyi-ekonomik-merkez-olarak-goruyor-haberi/875839>