

# Validity of the Turkish model?

ANKARA — In order to put the international debt problems of the past two years in a longer term perspective, borrowing countries are asked by lenders to take concrete and practical steps. In this context, how valid is the successful Turkish model? This was discussed last week at the LDC Finance conference in New York...

The Central Bank governor Yavuz Canevi represented Turkey at the LDC Finance-Managing the Way Back Conference arranged by the Federal Reserve Bank of New York. Canevi's presentation entitled "The LDC's Role", discussed Turkey's experience of getting and keeping the country's financial house in order.

Canevi's statement followed that of the World Bank's Deputy Director Stern and preceded that of the IMF managing director Larosiere. Thus, the Turkish case was described in between the presentations by the World Bank, the IMF and commercial banks elaborating on the roles of these institutions in the solution of debt problems of developing countries.

The international financial circles these days are showing Turkey as an example for developing countries with financial problems especially those from Latin America. From this view-point, the order of Mr Canevi's presentation is very meaningful.

Canevi's presentation is no doubt quite interesting in so far as it propagates the policies and their success of a country striving to solve its financial troubles. Naturally, these policies in line with the IMF's stand-by arrangements and World Bank SAL programmes, acquire the characteristics of a path to be followed by numerous developing countries struggling to overcome heavy financial problems.

However, in this issue Turkey has put forward an interesting thesis even at the risk of displeasing the international financial circles.

## Uncertainty prevails over new foreign trade regime

ANKARA — Although the government maintains that the foreign trade regime is simplified as part of the red-tape elimination operation, amendments and amendments and still more amendments, made in the relevant legislation, make it even more complicated than before...

Amendments in the foreign trade regime continue, with five more major changes last week alone.

According to circulars issued by the Undersecretariat of Treas-

ury maintains that it would be wrong to consider the policies implemented as an example to follow by developing countries. Turkey has been successful thanks to the existence of some special conditions.

### "IF CONDITIONS CHANGE"...

The thesis put forward by Turkey in New York is known to be also supported by Prime Minister Turgut Özal. The Prime Minister, though pleased with the fact that his policies are being presented to the world as an example to be followed, does not refrain from expressing the advantages of the "special conditions" at every opportunity. To some extent, the Turkish premier is passing on the message "if conditions change, policies may change too." This message, in an increased manner is being used as a bargaining instrument against the West in Turkey's foreign policy.

What are the conditions that brought the success of the "Turkish model"?

Firstly, there is the factor of September 12. Secondly, the advantage of being located in the Middle East region. The latter stems both from the proximity to oil countries in need of importing all their daily requirements from food to clothes, and increased dependence of Iran and Iraq on Turkey. Adding to this is Iran's political separation from the Western countries following the Islamic revolution and the loss the cadres that used to trade with these countries.

Another of Turkey's advantages is the fact that it has started implementing, for the first time, export-oriented economic policies especially after curbing domestic demands. Turkey has been able to benefit from a rather high industrial accumulation to support the export drive. In contrast, almost all of the countries asked to follow the example of

wool from US \$ 500 per ton to US \$ 700.

The new tariff rates for iron-steel products will be as follows: (US dollars per ton) 15 for iron ingot, 35 for rolled sheet of iron or steel, 20 for plain sheets of iron or steel, and 15 for iron or steel bars.

The imports which are liberalized include all kinds of flower and tree seeds, saccharin sucramine, minerals of the platim-platin class, gas masks, and accessories and zinc plates for printing.

Turkey, do not have such potential because of the export-oriented policies, that they have had for years.

Finally, Turkey, because of its early debt crisis also benefits from a comprehensive cash support in reschedulings. Nowadays the possibilities of feeding rescheduling operations with a substan-

tial cash backing are small.

This approach which undoubtedly comes as a welcome development for many countries under pressure to pursue though austerity programmes, at the same time provides developing countries with the necessary strength to stand up at debt bargaining with the international financing circles.

### IMPORTS TEXTILES

First Quarter, 1984 Definition	1982	( kilogramme ) 1983	1984
60.01 : Woven textiles, not stretchable or with rubber EEC TOTAL	9,727 9,727	33,764 34,218	6,083 121,854
60.02 : Woven gloves, not stretchable or with rubber EEC TOTAL	2,319 2,516	37,134 42,670	3,431 26,608
60.03 : Woven socks, not stretchable or with rubber EEC TOTAL	14 94	5,456 5,596	1,065 2,815
60.04 : Woven garments, not stretchable or with rubber EEC TOTAL	35,801 44,084	217,446 451,312	412,132 451,005
60.05 : Woven clothing, not stretchable or with rubber EEC TOTAL	290,983 328,087	934,897 1,074,879	1,648,029 1,923,994
60.06 : Woven textiles stretchable and with rubber EEC TOTAL	— 230	— 50	6,116 6,116
61.01 : Clothing for men and boys EEC TOTAL	390,007 459,804	664,066 798,680	1,389,135 1,658,935
61.02 : Clothing for women, girls and babies EEC TOTAL	1,965,818 2,407,295	2,184,603 3,086,781	4,139,637 4,979,018
61.03 : Inner clothing for men EEC TOTAL	15,725 52,784	102,675 149,598	60,614 215,275
Definition	1982	1983	1984
61.04 : Inner garment for women, girls and babies EEC TOTAL	24,868 34,494	61,186 118,528	175,712 200,829
61.05 : Handkerchiefs EEC TOTAL	— —	6,189 6,332	— 14
61.06 : Scarves, etc. EEC TOTAL	931 1,104	2,521 2,551	5,534 8,036
61.06 Neckties EEC TOTAL	195 195	— —	— —
61.08 : Collars and ornaments for women and girls 61.09 : Brassieres EEC TOTAL	— — —	3,950 3,960	5,384 10,897
61.10 : Gloves, socks (excluding woven ones) EEC TOTAL	115 14,338	358 514	— 1,251
55.05 : Cotton yarns EEC TOTAL	20,645,000 22,595,000	20,550,000 23,095,000	25,802,000 28,655,000
55.09 : Other cotton textiles EEC TOTAL	2,823,000 3,248,000	2,708,000 4,982,000	1,868,000 4,613,000
58.04 : Velvet, etc., EEC TOTAL	329,000 449,000	611,000 831,000	453,000 1,031,000
62.02 : Bed sheets, covers, etc. EEC TOTAL	759,000 1,286,000	1,600,000 1,108,000	1,588,000 1,976,000
TOTAL EEC TOTAL	27,301,503 30,983,810	30,353,245 36,791,619	37,563,872 45,881,647

### BREAKDOWN OF IMPORTS BY COUNTRIES

(January-March)