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ECONOMIC-GEOGRAPHICAL PERSPECTIVES OF THE TRADE RELATIONS BETWEEN TURKEY AND THE BALKANS

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Abstract: The aim of this paper is to consider whether there is an evolving regional economic integration (or disintegration) in Southeast Europe, which is based on the ethno-religious composition of the countries concerned. Namely, to analyse the evolving regional integration in Southeast Europe by evaluating foreign trade data. The main focus of this paper is on the case of Turkey, because after the Millennium the foreign policy of Turkey puts a higher emphasis on focusing on the states which had been parts of the former Ottoman Empire. It can be presumed that in the fields of social relations these countries have more fruitful economic relations as well. Jovan Cvijić in his ‘anthropogeographical’ research analysed the geographical influences on cultural dynamics and ethics, which still prevail. This present study attempts to explore the relations between the social factors and the economic matters by carrying out an analysis of product lines, their types, and market value in the period 2008–2014. The study suggests that despite the fact that the cultural ties of Turkey based on ethnicity and religion are tighter with Albania and the Federation of Bosnia and Herzegovina than with e.g. Serbia and Croatia, in a globally connected world, the market opportunities, the geographical distance, and the ability to pay for products and services matter more than historical and cultural relations. This is the reason why Turkey has profitable economic relations with Romania, Greece and Bulgaria.

Key words: economic dynamics, Turkey, the Balkans, foreign policy, trade

Introduction

The main point of this paper is to study the relationship between geography and trade. As the Nobel Prize winner Paul R. Krugman raises in his book: “by ‘economic geography’ I mean ‘the location of production in space’; that is, that branch of economics that worries about where things happen in relation to one another” (Krugman, 1991, p. 1). The relationship between the new economic geography and trade is a very interesting topic to research. The trading companies must be aware of the endowment and differences of various geographic locations, which determined regional competitiveness and the competitiveness of the parent country at higher level as well. New economic

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geography relates to the economic structure and other features of a region, which also include the ethno-religious composition of a given location since it determines the culture of the given society. The models concerning economic geography are simplified in a high degree and do not answer every question related to a topic.

Several studies considered the Southeast European countries' external trade and the relations with each other (Petračkos, 2003; Fabris, Kilibarda & Radunović, 2010; Božić-Miljković, 2014; Enache, 2015) and also several authors dealt with the external trade of Turkey (Huber, 2013; Akhisar & Tepecik, 2015). At the same time, analyses dealing with the economic relations of Turkey and the Southeast European countries are rare, it is worth concerning the research opportunities which the topic might offer. Analyses focus on mostly the relations between individual countries and Turkey, furthermore, they consider just country-level macroeconomic variables (Gangloff, 2001a; Gangloff, 2001b; Angelos & George, 2003; Gündoğan & Çetiner, 2010; Petrović & Reljić, 2011; Kocaslan, Ozcelebi & Ertugal, 2013).

Firstly, the paper refers to the kind of changes that have taken place in the foreign policy narrative of Turkey since the turn of the Millennium. Then, the social and cultural relations between Turkey and the Southeast Europe are briefly characterised. This brings the respected reader to the main point of this paper, which is the analysis of the external trade between Turkey and the Southeast European countries. The topic is of great importance since the previously and later mentioned studies deal with the geographical, historical, social and cultural factors between Turkey and Southeast Europe, but the economic factors and effects are not clearly stated or just the opportunities are highlighted. Analysing trade relations can be one way to study the interconnections between these factors and to keep track of the development of Southeast European economic integrations.

It can often be experienced that various denominations are used for the Southeastern part of Europe. This is not surprising since no common understanding can be found in the literature of political geography and geopolitics. The first written reference to the word 'Balkan' is dated back to the 15th century (Todorova, 2009). Based on the most accepted physical geographical demarcation of the Balkan Peninsula, it lies to the south of the Soča and Sava Rivers (Cvijić, 1922). However, according to the cultural geographical terminology, the Sava River and the Southern Carpathians can be defined as boundaries (Huntington, 1996). As stated by Süli-Zakar (2003), countries cannot be cut half by the borders of the political geographical regions,

so the Carpathians cannot be considered as a borderline. For this reason, the authors use the term Southeast Europe both for the geographically accurate Southeastern parts of Europe, the Balkans and the Balkan Peninsula in the text. The countries included into analysis are (in alphabetical order): Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Former Yugoslav Republic (FYR) of Macedonia, Montenegro, Romania, Serbia and Turkey.

Changes in the foreign policy narrative of Turkey after the turn of the Millennium

During the first years that followed the turn of the Millennium, a number of political, economic and cultural changes were taking place in Turkey. Previously, Turkey was described as an isolated country, and instead of Southeast Europe, the ‘Turkish republics’ of Central Asia, the Caucasus and the Middle East had belonged to the focus of the Turkish foreign policy. Although from Turkey’s point of view, Southeast Europe is not as significant as the aforementioned regions even today, but the book titled ‘Strategic Depth’ — which was published in 2001 by Ahmet Davutoğlu — places Southeast Europe into a quite different perspective. The book also lays down the foundation of the contemporary Turkish foreign policy and determines the place of Turkey in the geopolitical space.

The basis of Davutoğlu’s (2001) doctrine is that Turkey’s foreign policy and its relations with its neighbours is determined by the relative location to each country, the geographical distance, the historical and cultural ties, the number of Turkish and Muslim minorities and the economic relations. Principally the geographical conditions, secondly the historical background are the ones which form the basis of the norm system. It can be concluded from the above mentioned statements that in the case of Southeast Europe the former Ottoman Empire and its extent stand in the centre of the historical and geographical factors. As a result, the findings of the authors who define the 21st century Turkish foreign policy as a philosophy soaked by ‘neo-Ottomanism’ or define the neo-Ottomanism itself as a summarised interpretation of Davutoğlu’s foreign policy seem to be relevant (Murinson, 2006; Fisher Onar, 2009; Öktem, 2010; Rūma, 2010; Petrović & Reljić, 2011; Provence, 2011; Arin, 2013; Ekinci, 2013; Küçükkeleş & Küçükcan, 2013; Remiddi, 2013; Tanasković, 2013; Mitrović, 2014). The aspiration of Turkey is also based on these facts, namely, Turkey is willing to lead the events in the region, because it does not want to adjust to them. Turkey is trying to put pressure on Southeast Europe. Its method is to use the elements of the soft power toolkit: multidimensional policy, which is consistent with the global power interests, policy of ‘zero problems’ with

neighbouring countries, mediating the values of democracy and liberalism, active diplomacy and promoting regional economic cooperation.

Turkey and Southeast Europe — A short introduction

In addition to the paradigm shift, the increasingly active Turkish foreign policy in the Southeast Europe is related to the cultural relations with the countries of the region. Tens of thousands of Turkish minorities and millions of Muslims live there, who form an absolute majority in several regions and countries. It is equally important to note that by national security strategy, diplomacy, geographic factors and by the political concept Turkey is linked to Southeast Europe (Bechev, 2012).

Table 1. Estimated number and share of Muslims and the Turkish minority in Southeast Europe by the estimates of various sources

Country	Number of Muslims	Share from population	Number of Turkish Minority	Share from population
Albania	2,300,000	82.91%	1,500	0.05%
Bosnia and Herzegovina	2,200,000	57.45%	60,000	0.15%
Bulgaria	1,100,000	14.15%	680,000	8.93%
Croatia	50,000	1.30%	500	0.01%
Greece (Western Thrace)	130,000	1.50%	130,000	1.20%
Macedonia, FYR	700,000	33.22%	100,000	4.74%
Montenegro	110,000	17.71%	100	0.01%
Romania	50,000	0.30%	75,000	0.40%
Serbia	500,000	0.54%	3,000	0.01%

Source: Edited by the author based on Diyanet, 2010, Öktem, 2010, PEW Research Center, 2012, Turkstat, 2015, Eurostat, 2015, and Republic of Turkey Ministry of Foreign Affairs, 2016.

The increase of Turkish influence is most noticeable in cultural life. Turkey has been supporting all kind of initiatives which are aimed to strengthen the Turkish and/or Muslim identity, and placing special emphasis on the restoration of monuments related to the Ottoman Empire. Turkey and several interest groups linked to the country have founded a number of offices, institutions and organisations. It is no secret that the purpose of them is to promote Turkish culture and by that to increase Turkish influence (e.g. Republic of Turkey Prime Ministry, Office of Public Diplomacy, Turkish International Cooperation and Development Agency). In order to give a brief overview on the ethnic and religious composition of Southeast Europe, Table 1 presents the estimated number and share of Muslims and the Turkish minority in the region.

Monitoring the dynamics of external trade between Turkey and the Southeast European countries

The most important trading partner of Turkey has always been the European Union, both before and after the outbreak of the financial crisis of 2008–2009. However, the weakening of the region and the Eurozone crisis forced Turkey to look after new markets in order to maintain its continuous growth. The Davutoğlu doctrine and the opportunities in the surrounding regions led to the diversification of the Turkish external trade (Önis, 2011).

Despite the principles of Strategic Depth and the increasing cultural influence, the kind of strategic depth has not been achieved regarding the Southeast European states, which was defined at theoretical level by the decision-makers. Turkey signed several agreements with Southeast European countries, but these agreements have not lead to the launch of the expected processes yet.

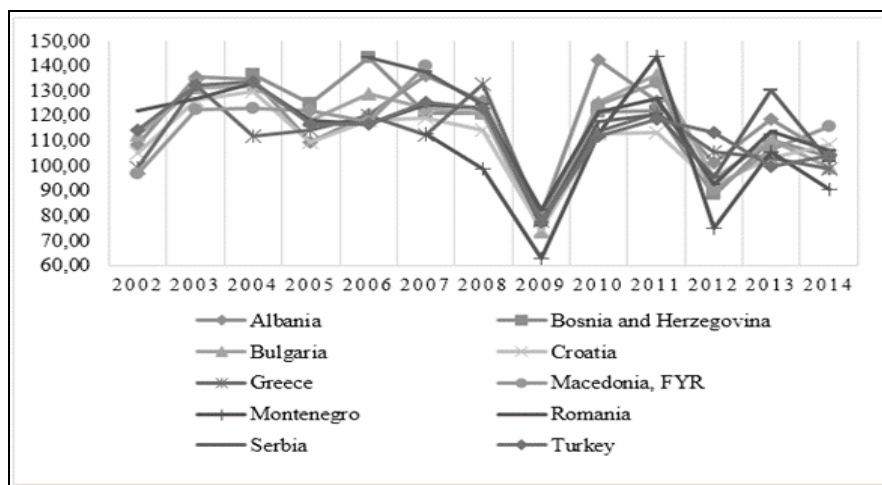


Figure 1. Change in the export volume of the given country compared to the previous year ($100 < x$ = growth, $100 > x$ = decline) ('x' axis = years, 'y' axis = relative ratio). The data of Montenegro and Serbia were presented after the dissolution of the state union (2006), because the data of Serbia and Montenegro is incomplete for the previous period in the database of ITC – UN COMTRADE. The data of Former Yugoslav Republic (FYR) Macedonia is incomplete for the years of the crisis (2008 and 2009). Source: Edited and calculated by the author based on the data of ITC–UN COMTRADE, 2015.

The Figure 1 shows the change in the export volume of the given country compared to the previous year, between 2002 and 2014. The reason why the paper is concerned with the period of 2002–2004 is the fact that not all the data concerning volumes and values in foreign trade were available when the

manuscript was closed (May 2016). The trend lines reveal that apart from a few exceptions in the countries observed, all of them were able to increase continuously their export activities, although in different degrees. However, the countries of the region were hit hard by the financial crisis of 2008–2009, and in the subsequent period much more anomalies can be observed in the volume of the exports and there was no clear trend of growth from year to year.

The Figure 2 demonstrates the percentage change of real GDP compared to the previous year in the countries monitored between 2001 and 2014, where the real GDP is adjusted for inflation. During the years following the Millennium, (except for FYR Macedonia and Turkey) almost every country was able to reach a stable, 3.5–5% increase. Turkey faced a very serious economic crisis in 2001, during which – compared to the crises of the previous decades — the devaluation of the Turkish lira and the rising inflation were the difficulties to cope with. The negative performance of FYR Macedonia in 2001 can be explained by the ethnicity-based armed conflict between the Macedonian UÇK (Kosovo Liberation Army — Ushtria Çlirimtare e Kosovës) and FYR Macedonia.

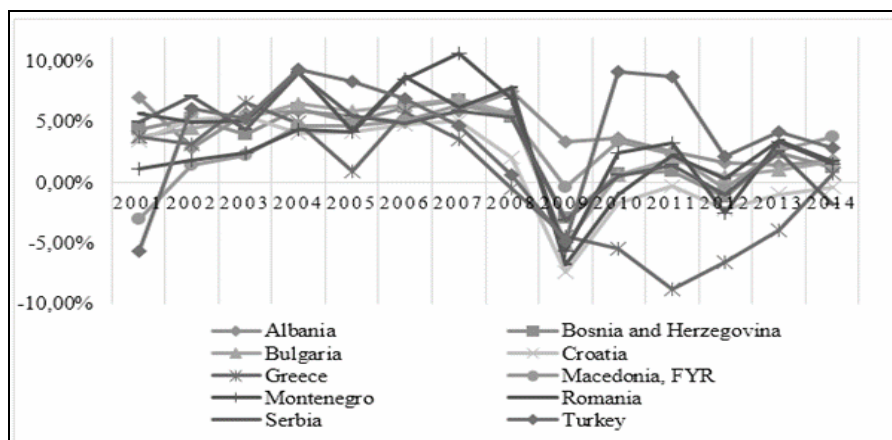


Figure 2. Percentage change of real GDP compared to previous year. Real GDP is adjusted for inflation ('x' axis = years, 'y' axis = % change of GDP). Serbia and Montenegro were a state union until 5 June 2006. Source: Edited by the author based on the data of the World Bank Group, 2015.

During the pre-crisis period the economies grew dynamically in every country if the annual change of real GDP is taken into account. In 2002, based on the calculations of the World Bank, the economy of Serbia had a 7.12% growth, while the Turkish economy rose by 6.16%. In 2003, the countries of the region had an average growth of 4.68%, then, in the year after, some outstanding values

can be seen in the figure. Compared to the relatively continuous growth of the preceding period, the years of the crisis clearly broke this tendency. By 2008, compared to 2007, the Greek economy fell by -0.44% , while the Turkish economy expanded by just 0.66% . The data of the other countries indicated an average of nearly 6% increase in contrast. In 2009, the effects of the recession can be seen clearly. Albania and FYR Macedonia were the only ones which could maintain a minor growth or at least stagnation, but one should note that these countries were not as developed and integrated to the global markets during the crisis years as the EU member states were. However, in the following period (between 2010 and 2014), the region's economies have two-faced-features, since the economies have stepped on different growth paths which are significantly different. In 2010 and 2011, the Turkish economy grew by 9.16% and by 8.77% respectively, which indicated that Turkey had recovered from the crisis. Serbia, Bosnia and Herzegovina, Montenegro had a moderate boost, but the EU member states, i.e. Bulgaria, Croatia, Greece and Romania faced a stagnation period and until 2013 could not fully recover from the crisis. The Greek depression is lasting since the global financial crisis, where one of the most important problem is the government-debt. Greece was impending to go bankrupt many times, as well as to exit the EU or lose the euro as its currency. Until today, Greece could not recover completely.

Nonetheless, it cannot be stated that Turkey will grow as fast as in the 2000s', since in the past three years the growth of the Turkish economy has been slowing. There are a number of problems had to and will have to face in 2015–2016 and the forthcoming period. First, there is an internal political and social crisis in Turkey. The tensions between the Turks and some of Kurds seem to arise again. The issues related to constitution and the possible shift to presidential system may also have some impedimental effects on economy. There were a number of terror attacks in Ankara, Istanbul, Bursa, Diyarbakır and Suruç. Second, many the trade routes and partners in Syria and Iraq disappeared or became endangered due to the actions of the Islamic state terrorist group. These issues may further weaken the position of Turkey in the global economy. The conflict with Russia is disadvantageous for economy, since there have been tight connections between the countries in the construction sector and in the tourism. Third, the migrant crisis can be interpreted as a kind of smack of the whip on Turkey. The millions of refugees from war zones expanded by the migrants from Central Asia, Middle East and Africa burthen both the society and the economy of Turkey. And the case that they are used to achieve political objectives is displeasing many politicians and companies in Europe and around the world as well. Fourth, the European slowdown is also detrimental for the

previously emerging Turkish economy due to the high dependence of Turkey on European markets.

Turkey signed a number of economic treaties with the Southeast European countries, which are shown in the Table 2. Turkey signed Bilateral Investment Treaties (BITs) with every country except Montenegro. Turkey also signed Double Tax Avoidance Agreements and Free Trade Agreements (FTAs) with every Southeast European country. At the same time, in the case of FTAs, Turkey was obligated to modify these treaties in many cases since under the terms of the Customs Union (which is operative with the EU), Turkey has to phase out its customs against economies, with whom the European Union has signed FTA. There are a number of agreements aiming to reach deeper economic integration and cooperation in the region. The most important ones are: Regional Cooperation Council, South-East European Cooperation Process and the Organization of the Black Sea Economic Cooperation. Last but not the least, it is important to note that the main objective of Turkey is to achieve the EU accession since the 1960s and to achieve more favourable position on the European market.

Table 2. Economic and Free Trade Agreement of Turkey with the countries considered

Country	Bilateral Investment Treaties (BITs)		Double Tax Avoidance Agreement	Free Trade Agreement	
	<i>Date of signature</i>	<i>Date of entry into force</i>	<i>Date of signature</i>	<i>Date of signature</i>	<i>Date of entry into force</i>
Albania	1/6/1992	26/12/1996	4/4/1994	22/12/2006	1/5/2008
Bosnia and Hercegovina	21/1/1998	10/2/2009	16/2/2005	3/7/2002	1/7/2003
Bulgaria	6/7/1994	22/9/1997	7/7/1994	11/7/1998 (6/3/1995)	1/1/1999 (1/1/2007)
Croatia	12/2/1996	19/4/1998	22/11/1997	13/3/2002 (6/3/1995)	1/7/2003 (1/7/2013)
Greece	20/1/2000	24/11/2001	2/12/2003	6/3/1995	31/12/1995
Macedonia, FYR	14/7/1995	27/10/1997	16/6/1995	7/9/1999	1/9/2000
Montenegro	---	---	12/10/2005	26/11/2008	1/3/2010
Romania	3/3/2008	8/7/2010	15/6/1997	29/4/1999 (6/3/1995)	1/2/1998 (1/1/2007)
Serbia	2/3/2001	10/12/2003	12/10/2005	1/6/2009	1/9/2010

Operated as of 1 June, 2016. Source: Edited by the author based on United Nations Conference on Trade and Development (UNCTAD), 2016, Official Gazette of the Republic of Turkey, 2016 and The Ministry of Economy of the Republic of Turkey, 2015.

The external trade of Turkey with the countries of Southeast Europe is presented by the Table 3, which shows the sections of the highest valued products exported to Southeast Europe by Turkey in 2008 and 2014. The table clearly reveals that although the six most important sections made up four-fifth of the Turkish exports, the order of the sections shifted significantly. In 2008, base metals (XV) composed one-fifth of the Turkish exports. In 2014, a heavy decrease occurred in the case of products belonging to Section XV and XVII. Compared to the pre-crisis years, the total value of products decreased by more than a third by 2014.

Table 3. The sections of the highest valued products exported to Southeast Europe by Turkey

	2008		2014		Difference in section value
1	Base metals (XV)	21.07%	Textiles and textile articles (XI)	21.82%	6.61%
2	Textiles and textile articles (XI)	17.02%	Base metals (XV)	16.01%	-36.82%
3	Vehicles, aircraft, vessels and associated transport equipment (XVII)	16.42%	Machinery and mechanical appliances, electrical equipment (XVI)	14.97%	0.13%
4	Machinery and mechanical appliances, electrical equipment (XVI)	12.43%	Vehicles, aircraft, vessels and associated transport equipment (XVII)	12.94%	-34.50%
5	Mineral products (V)	7.50%	Plastics and rubber (VII)	9.38%	21.54%
6	Plastics and rubber (VII)	6.41%	Mineral products (V)	5.05%	-44.03%

Source: Edited and calculated by the author based on the data of ITC – UN COMTRADE, 2015.

The difference in section value means the change of the cumulative product value of the section in 2014 compared to 2008.

The Table 4 shows the sections of the highest valued products imported from Southeast Europe by Turkey. The six biggest sections had nearly the same percentage in the share of the total volume of the given year (85.57% in 2008 and 82.38% in 2014). Despite the continuous growth in imports, the weight of each section changed significantly. In 2008, almost one-third of the total import was made up by the base metals (XV). The other third was formed from the machinery and mechanical appliances, electrical equipment (XVI) and from the mineral products (V). The highest growth was achieved by Section V, which made up more than one-third of the Turkish imports from Southeast Europe. The total value of products in the section of vehicles, aircraft, vessels and associated transport equipment (XVII) became almost three times bigger (in 2008 Section XVII had 3.38% share in the imports).

Table 4. The sections of the highest valued products imported from Southeast Europe by Turkey

2008			2014		Difference in section value
1	Base metals (XV)	30.86%	Mineral products (V)	35.72%	263.03%
2	Machinery and mechanical appliances, electrical equipment (XVI)	16.33%	Base metals (XV)	18.07%	-12.13%
3	Mineral products (V)	14.76%	Machinery and mechanical appliances, electrical equipment (XVI)	10.33%	-5.11%
4	Products of chemical or allied industries (VI)	9.28%	Vehicles, aircraft, vessels and associated transport equipment (XVII)	7.13%	217.09%
5	Vegetable products (II)	7.36%	Plastics and rubber (VII)	6.04%	29.98%
6	Plastics and rubber (VII)	6.98%	Products of chemical or allied industries (VI)	5.09%	-17.77%

Source: Edited and calculated by the author based on the data of ITC – UN COMTRADE, 2015. The difference is section value means the change of the cumulative product value of the section in 2014 compared to 2008.

The external trade between Turkey and Southeast Europe at country level is illustrated in the Table 5, which shows the total value of Turkish exports to the given country. During the years before the economic depression, Romania, Greece and Bulgaria accounted for 83% of the Southeast European Turkish exports. The fourth most important partner, Serbia, reached just one-third of the value of Bulgaria. In the post-crisis years, Bulgaria overtook Greece, but compared to 2008, by 2014 Turkey was able to increase its exports only to Serbia, FYR Macedonia and Albania. The total share of the first three countries continued to be dominant (75.87% in 2014).

Table 5. The total value of Turkish exports to the given country

Country ISO Code	2006	2007	2008	2009	2010	2011	2012	2013	2014
ALB	214,241	294,508	305,783	273,305	241,161	270,628	255,982	266,544	318,671
BIH	150,862	445,173	572,348	226,467	224,367	269,046	251,711	274,086	322,449
BGR	1,568,006	2,060,171	2,151,423	1,387,779	1,497,832	1,622,917	1,682,050	1,971,247	2,041,036
HRV	213,883	355,520	328,678	221,092	249,504	241,818	200,726	201,597	287,671
GRC	1,602,590	2,262,655	2,429,968	1,635,478	1,456,840	1,554,575	1,406,448	1,439,061	1,536,764
MKD	172,756	271,744	296,175	283,480	262,728	298,866	274,688	293,976	348,193
MNE	7,752	19,861	48,494	26,483	27,179	26,966	29,147	29,140	34,945
ROU	2,350,474	3,644,162	3,987,344	2,215,162	2,599,020	2,878,840	2,496,958	2,616,313	3,008,858
SRB	354,830	595,526	737,399	584,614	600,486	620,455	63,6186	719,648	782,624

Source: ITC calculations based on UN COMTRADE statistics, 2015. Unit: US Dollar thousand.

The Table 6 displays the total value of Turkish imports from the given country. As it was shown in the Table 4, in the case of the growth of imports, the

financial crisis did not have significant determining effects. The most important Southeast European import partners of Turkey (similarly to exports) were Greece, Romania and Bulgaria. The combined weight of these partners ranged from 91.17% to 96.58%. However, it is an important change that the order of pre-crisis years (Romania, Bulgaria and Greece) changed to Greece, Romania and Bulgaria. Although the share of other Southeast European countries was not so big, the largest relative increase was still linked to them. Compared to 2006 by 2014 Bosnia and Herzegovina increased its exports to Turkey by eighteen fold, Montenegro increased its exports by nearly tenfold, while Serbia had a six fold increase.

Table 6. The total value of Turkish imports from the given country

Country ISO Code	2006	2007	2008	2009	2010	2011	2012	2013	2014
ALB	12,571	23,842	36,697	5,179	86,859	125,916	98,990	82,390	97,174
BIH	9,379	21,469	24,545	52,090	72,328	90,252	111,649	124,330	171,424
BGR	1,663,425	1,951,656	1,840,008	1,117,128	1,702,444	2,474,620	2,753,836	2,760,303	2,847,482
HRV	60,557	77,440	105,665	107,384	211,348	310,965	209,787	193,262	136,889
GRC	1,045,328	950,157	1,150,715	1,129,696	1,541,890	2,569,362	3,539,981	4,206,530	4,043,839
MKD	55,945	55,818	29,713	39,904	52,399	91,963	103,253	81,518	79,194
MNE	762	157	1,339	5,845	6,214	14,588	17,936	11,515	7,373
ROU	2,668,987	3,112,752	3,547,820	2,257,898	3,449,179	3,801,245	3,236,426	3,592,568	3,362,759
SRB	51,095	73,755	66,853	65,447	123,130	223,407	214,631	261,907	286,704

Source: ITC calculations based on UN COMTRADE statistics, 2015. Unit: US Dollar thousand.

In the final part of the paper the share and change of the highest valued products according to HS2 classification, imported from Turkey and exported to Turkey by country, between 2010 and 2014 are discussed.

The Turkish exports to Albania in 2014 were primarily made up by nuclear reactors, boilers, machinery and mechanical appliances, parts thereof (84); iron and steel (72) and preparations of cereals, flour, starch or milk, pastry cooks' products (19). These products had almost 30% share in the total exports of Turkey to Albania. In contrast, the range of products imported from Albania to Turkey was much narrower. 73.82% of the Turkish imports were comprised by iron and steel (72). It is important to note that in 2010, compared to the preceding year, this product group was able to reach a more than a three hundred-fold increase.

40% of Turkish exports to Bosnia and Herzegovina were based on three major product groups: plastics (39) and nuclear reactors, boilers, machinery and mechanical appliances (84). With the above mentioned smaller and larger

fluctuations, these product groups increased continuously over the last five years of the examined period. The Turkish imports from Bosnia and Herzegovina were somewhat more diversified than the range of products arriving from Albania, however, the volume of the imported products in each year were changing very unpredictably. The imports became more and more dependent on a certain product group (in 2010 the five largest product groups had a share of 53.98% in the total imports, which increased to 68.27% in 2014).

As in the case of countries studied up to this point, Products 39, 84, 85, 74 and knitted or crocheted fabrics (60) were exported to Bulgaria. The share of these products increased from 28.89% (2010) to 37.52% (2014). Turkey imported mainly raw materials (mineral fuels, mineral oils (27)) and agricultural products (oil seeds and oleaginous fruits, miscellaneous grains, seeds and fruit, industrial or medicinal plants, straw and fodder (12)). The share of the five main product groups increased from 51.79% to 66.53% between 2010 and 2014.

The exported products from Turkey to Croatia (similarly to other Southeast European countries) were semi-finished and finished products, amongst of which the mechanical engineering products excelled. Over the last five years of the examined period the three most important exported product groups were: electrical machinery and equipment (85) and vehicles other than railway or tramway rolling-stock (87). Compared to the preceding years, by 2014 the exports of mineral fuels, mineral oils (27) became significant (by 2014 the volume of these products grew by thirty-five-fold, compared to 2013). The five product groups made up characteristically more than a half of the Turkish exports to Croatia.

Turkey exported basically raw materials (27, 72) and products of mechanical engineering (85, 87) to Greece. The Turkish imports from Greece were also dominated by one product group. These were mineral fuels, mineral oils and products of their distillation (27) (share of 38.42% in 2010 and 74.99% in 2014). The share of other products was showing a decrease, but apart from share, from the aspect of total value the growth was continuous and substantial in each year.

Turkey exported plastic goods (39), automotive products, machinery and electrical machinery (84, 85) to FYR Macedonia. In addition, exports of cotton (52) and miscellaneous manufactured articles (94) were notable. Amongst the products imported from FYR Macedonia the raw materials were dominants, but the range of products was a bit more diversified than in the case of other countries. In 2014, 33.87% of the total imports was made up by iron and steel (72); 13.86% was cotton (52); and 12.54% was composed by man-made staple

fibers (55). The imports of ceramic products (69) and copper (74) were also leading (8.03% and 6.68%).

The low volume of Turkish exports to Montenegro was very similar to FYR Macedonia, since most of the export was covered by plastic goods (39), automotive products, machinery and electrical machinery (84, 85 and 87). In addition, articles of apparel and clothing accessories (61) belonging to textile goods also appeared. The Turkish imports from Montenegro were definitely dominated by iron and steel (72). The share of the product group fluctuated between 86.04% and 97.39% in the last five years. In 2014, the scope of aluminium (76) was rather significant (8.54%).

Romania was served by Turkey basically by automotive products and machinery (84, 87); articles of apparel and clothing accessories (61); iron and steel (72). The increase of share and relative value of the product groups was relatively moderate in the studied period, but these products made up nearly half of the total exports to Romania (43.83% in 2014). The Turkish imports were not so raw material- and product-specific like in the case of other countries, but the five largest product groups covered two-thirds of the Romanian exports. In addition to metals and mineral fuels (72, 27) Turkey imported automotive products and machinery (84, 87).

The Turkish products exported to Serbia can be considered as much more diversified compared to other countries (the five product groups made up 29.23% and 35.45% of the Turkish exports in 2010 and 2014 respectively), but as in other countries, the following products were the most typical: automotive products and machinery (84, 87), plastics (39) and the textile raw materials and textile products (52, 60). The Serbian export was a bit more diversified compared to other countries, however, it is becoming more and more product-specified. The majority of the Turkish imports were metal products (72, 74), but it is worth highlighting a product group, which emerged from scratch in 2013. The product group of vehicles other than railway or tramway rolling-stock, which increased its share in total imports from 0.03% to 21.70%, fell back to 13.52% in 2014.

Regarding the aim of this paper it may be suggested that the seeds of a more integrated regional economic integration in Southeast Europe are planted, but it seems that the ethnic and religious features of the concerned countries are not determining the development of the process. The centripetal forces seem to overcome centrifugal forces, which can be especially witnessed in the case of the market size and the maturity of the economies.

Turkey essentially imports raw materials, semi-finished products and mineral fuels from Southeast Europe. Most of the exports are made up by textile products, products related to agriculture, electrical machinery and equipment, processed iron and steel and road vehicles. The share of high value added products is insignificant in the external trade. It is also interesting to note that the volume of Turkish imports grows much faster than the Turkish exports, which can be explained by the hunger of Turkey for raw materials. Overall, the volume of external trade of Turkey with the Southeast European countries is not so relevant. The share of the region was 5.50% in the total exports of Turkey, and 6.22% in the total imports of Turkey in 2014.

The current analysis has its limitations and immaturities since there are a number of other economic factors, such as FDI, interest groups, joint ventures etc., which could be included into the analyses. The analysis may provide a more exact picture if lesser geographical units (regions, counties) are concerned. For example, to measure the importance of cities and towns of different sized and the rural areas, too.

Conclusion

Beginning with the post-millennium onwards, Turkey puts increasing emphasis on its relations with Southeast Europe, however the region does not belong to the main geopolitical interests of Turkey, which is also reduced even more by the contemporary geopolitical processes. Amongst the countries of the Southeast Europe more and more EU member states and candidates can be found. As a consequence, the region has a growing impact on the relations between Turkey and the European Union.

The cause-effect relations between the cultural interactions and the economic ties cannot be seen clearly. Nonetheless, one should keep in mind that the export of Turkish culture could increase Turkey's popularity in the region. In addition to the Turkish minorities, the majority of states of the region has started to show interest towards Turkish culture (Bechev, 2012), which might result in the further deepening of economic relations.

It can be said that the economic relations of Turkey are much more intense with the EU member countries of the Eastern part of Southeast Europe than with the countries of the Western part (where the cultural ties are very vivid with several countries). It may be caused by the deeper degree of economic integration (customs union compared to FTA) and by the bigger size and population of the countries, which create more favourable market opportunities.

If Turkey is willing to increase its influence in the region, a number of factors can make the process much more difficult. On one hand, the economic relations are still insignificant compared to other countries and regions, and the role of sectors demanding high knowledge capital is still small. On the other hand, the different people of the Southeast European nations do not accept equally the Turkish aspirations. Furthermore, the growing instability in Turkey is a visible threat. It might be of concern that the deepening of the further relations could be risked by a scenario, in which the interests of Turkey and the European Union are opposing, because in this case the Southeast Europe could be the geopolitical buffer zone of the two sides.

In the future, the authors aim to perform analyses by involving more economic factors and putting a higher importance on spatiality. It may be interesting to see how the same relations between Turkey and Arab states of the Persian Gulf or between Turkey and Central Asian states developed during the recent decade.

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