

TURKEY - CHINA

50 YEARS

“50th Year of Diplomatic Relations and Building the Future”



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CONCEPT DOCUMENT (DRAFT)

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Turkey's near 84 million population, growing and developing economy, the Afro-Eurasian geostrategic position has the midst of mainland Europe, and historical, political and cultural ties with countries at the Black Sea, the Caucasus, Asia, the Middle East, and its increasing activity in the international field, especially at UN, being one of the important members of organizations such as NATO, OSCE and CICA, and within its active foreign policy, Turkey has become an increasingly important player in the international arena.

The People's Republic of China is growing rapidly with its surface area, population of near 1.4 billion, progress in industrialization and technology, growing and developing economy, natural resources, veto power in the United Nations, Shanghai Cooperation Organization (SCO). Now it has become a force that the world has worked hard to establish partnership.

Turkish - Chinese Relations have a very deep-rooted historical background through the Silk Road. It dates back to B.C. 2000s. Bilateral contacts maintained their vitality until 1400s through Silk Road. However, diplomatic relations between the two countries were re-established only in 1971 due to the Cold War imperatives. Following the launch of China's opening up policy in 1979, high level visits has started to happen between China and Turkey but steady process could not be followed after 1985. Turkey-PRC relations, political and economic gained momentum as 2003, and since 2009 has reached the optimum level in all areas. With the strategic cooperation document approved by the Prime Ministers of the two countries in 2010, the relations increased to a different dimension.

Turkey and China, in Central Asia and the Middle East have common interests in the geopolitical and security. Considering energy security and increasing terrorist activities, ensuring peace and security in these regions is essential for the interests of both countries. Turkey and China, both countries have achieved the growth rates in the last period forces both countries to take account of each other in the economic sense. For China, Turkey is a gateway to the Balkans and Europe, a good economic partner in the Middle East and Central Asia. Turkey sees China as a partner to strengthen mutual relations in political, economic and security-related areas.

TURKEY - CHINA 50 YEARS

"50th Year of Diplomatic Relations and Building the Future"

In line with the **Asia Anew** initiative declared in 2019, Turkey gives particular importance to China's cooperation, to developing its relations with Asian countries. Also, Turkey gives great importance to the SCO. Indeed, with support of the PRC, Russia and other member countries, Turkey has been accepted as a dialogue partner of the organization at the summit held in Beijing. In this way, Turkey thinks relationships can be moved to a better spot in many areas of international trade and security, and it is also intensifying relations with international organizations such as cooperation from ASEAN.

People's Republic of China has become the largest trade partner of Turkey, among Japan and South Korea and other countries in the Asia-Pacific region. In parallel with the increase in trade volume, the relations between the two countries have gained momentum.

The significant issue between China and Turkey is that the gap at foreign trade is growing in China's favor. This resulted in the economic and commercial relations being scrutinized at the level of Governments. As the gap in the foreign trade are increasingly opened up in favor of China, there are some reasons caused by Turkey as well as by China. In addition to the unique advantages of China in foreign trade, Turkish business people's timidness to invest in this country has deepened the problem. However, at senior visits, Chinese statesmen stated that they encourage Chinese companies to invest in Turkey. This expression is expected to change from verb to act. China has also begun to offer advantageous financing opportunities for energy and infrastructure projects in Turkey.

Turkey has tried to get the support from China as a permanent member of the UN Security Council, on international issues, especially on Cyprus. PRC compared to the past, takes sensitive attitudes on Turkey's sensitivities on issues including the Cyprus. Subsequent periods, in parallel Turkey's growing influence in the international arena, the collaboration between Turkey and China can be further strengthened on political, economic, cultural and security-related areas with frame of UN, the G-20, CICA, ASEAN, RCEP and SCO organizations.

Both countries can develop an effective strategic cooperation ground regarding the sustainability of the long term interests that bear great importance for both China and Turkey. In this context, it is important to look at the events in a broader geopolitical point of view. In order to bring the Turkey - China relations to an ideal point in the world system that increasingly gains a multidimensional appearance, it is needed to head towards a structure that shall constitute mutual depth not only on the political and strategic grounds but in all parameters.

TURKEY - CHINA 50 YEARS

"50th Year of Diplomatic Relations and Building the Future"

Having been shared with the world public opinion in 2013 by China, Belt and Road initiative gains importance at this point. Direct investments of China place this country into an important position in the world politics and economy with this initiative as one of the utilization methods of its vast amount of foreign exchange reserves. Coming to the fore in huge infrastructure and energy investments across the globe, China may be considered as an important financier for Turkey. Moreover, efforts of China to expand its regional and global cooperation partnerships in the light of recent economic and political developments places Ankara - Beijing relations to a more special and important position in the changing world order.

For Trans Anatolian Natural Gas Pipeline Project (TANAP), which is to transport Caspian Region's rich natural gas to the European market and which is the most outstanding project within the scope of Belt and Road initiative, financial support is provided through Asya Infrastructure Investment Bank (AIIB) having Turkey among its founders, thus contribution was provided to realize the project that helps Turkey to reach its goal to be an energy trade center.

When looked at the course of Turkey - China trade relations, it is seen that intended level could not be achieved and potential could not be reached for a long time particularly in terms of investments. It is understood that investments were limited between two countries until 2000's, but it started to increase afterwards. When it comes to investments, China was a very successful country to attract foreign investments instead of making investments in foreign countries until recently. However, there has been a serious increase in foreign investments in accordance with the change in foreign policy of China and transformation targets of the economic structure in recent years.

Turkey is included within the foreign investments of China with its investment stock that is close to 15 billion dollars, but its investment stock is low compared to the Middle Eastern (M.E.) and European countries. When Turkey's potential for attracting more investment within the scope of Belt and Road initiative in the forthcoming years is taken into consideration, it is possible to increase investments by diversification. Turkey, which is in the 6th place among the investments of China to the M.E. countries, falls much behind intended level according to the investment stock existent in Germany, France and England when compared to the European Countries.

China directed most of its investments in Turkey to energy and infrastructure sectors instead of manufacture. Investments made in both infrastructure and transportation sectors energy sectors have been directly effecting manufacturing sector of Turkey, and making contribution to its export indirectly, even though these investments are not concentrated on manufacturing industry - as a matter of fact they have a small share within investments- and they don't provide a direct contribution to the export of Turkey.

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The year **2021**, in which negative effects of the pandemic that shocked the whole world deeply last year starts getting wiped, has also a particular significance as it is the **50th Year of Turkey - China Diplomatic Relations**. While the point the two countries have reached could be defined as "strategic cooperation", the need for their cooperation to find solutions to regional issues is deeply felt.

While the two countries build the future in the 50th year of their diplomatic relations; It is of great importance to study each of them in detail and to establish mechanisms by focusing on the existing limitless potential, especially in the fields of economy and public diplomacy. In this context, the establishment of "mechanisms that work and share policies and transformations comparatively" on macro and sectoral scales is the starting point. A positive radical concept based on mutual empathy and dependence, and the "building the corporate ecosystem" that will apply it is the most important mental threshold.

Determining a road map for joint fight of Turkey and China by primarily establishing a "Centre of Excellence" related to pandemics such as Covid-19 is important for experience sharing. It is possible here to make researches with regard to reconstruction of crisis management, and how these kinds of pandemics must be managed in disaster management logic, and to establish sophisticated systems. Making close cooperation is possible by establishing joint "virology research centers" that may be supported with relevant multidisciplinary fields in order to get prepared for pandemics such as Covid-19 and coping with them when they occurred.

Launching "Turkey China Investment Fund" and designating its shareholders, creating parameters that will enable its sustainability will be a regional and global model. Making strong cooperation for developing market, ecosystem and capacity in the fields of "Biotechnology", "Robotic", "Artificial Intelligence", "Nanotechnology", "Space" and "Strategic Services" that transforms global business model and conventional methods, and matching of all addressees must be taken as reference. Technology levels of both countries have been increasing with each passing day. For a stronger development, cooperation possibilities may be increased by establishing "technology centers".

Turkey and China, which are the lead actors of the "Belt and Road Initiative", particularly railway route, may develop joint mechanisms in the fields such as transportation and railway construction including security dimension in this field.

We are moving towards a period where providing security after pandemic will become more difficult day by day due to the unknown/unrecognized actors that may show up at any time. Establishment of joint "strategic foresight centers" by two countries must be evaluated in order to offer an insight to the future. Accordingly, it will be possible to determine new security risks in these centers and develop measures.

TURKEY - CHINA 50 YEARS

"50th Year of Diplomatic Relations and Building the Future"

The **Asia Anew** initiative launched towards the continent by Turkey who sees the 21st century as the "Asian Age" (as TASAM Turkish Asian Center for Strategic Studies emphasizes for the last 15 years), and China's **Belt and Road** initiative, which has a global impact potential, both contain important structural perspectives for these two countries and the region. With an approach that empathizes with the priorities of both sides, regarding the "50th Year of Turkey - China Diplomatic Relations", the **TURKEY - CHINA 50 YEARS** concept based on a series of public diplomacy efforts to focus on the unlimited potential in many areas such as trade in Economic field as well as tourism, investment, finance, technology and security capacity and much more, accommodates multiple studies in the current year of **2021**.

Main Theme

50th Year of Diplomatic Relations and Building the Future

Sub-Themes

New Paradigms and New Perspectives After Covid-19

World's Renewed Economic Order and Trade / Finance Policies

Asia Anew Initiative and Belt and Road Initiative in Building the Future

Possible Problems and Security Gaps in the New Global Order and Balances

Civil Diplomacy Capacity Building: Sectoral and Financial Deepening

Priority Sectors for Cooperation and Investment Opportunities for Turkey and China

Trade Balance Impact Analysis, and Finance Capacity Analysis and Opportunities

Turkey's Industry Trends and China's Investment Trends: Featured Sectors

Investment Areas and Sectors in Turkey Appropriate to Targets of China

Regional Business Cooperation Opportunities, and Medium and Long Term Benefits

Bilateral, Multilateral Partnerships in the Fields of Economy and Soft Power

Public Diplomacy; Local Governments, Civil Society, Think Tanks, Media

RCEP, ASEAN Region, Shanghai Cooperation Organization and Integration in Asia

Economy, Trade, Banking, Finance and Investments (Strategic Investment Fund)

Education, Science, Technology, Security, Defence and Space Industry

Health, Culture, Tourism, Communication, Transportation, Logistics (Possible Turkish Corridor)

Energy, Construction, Contracting, Infrastructure, Brand Cities and Environment