

Turkish Businesses Promote Exports

Difficulty:

AVERAGE

Date of release:

Tuesday 25 October 2011

Discussion activities to be done after completing this EA lesson

Today's report was about Turkey's place in the world economy. What successes has it had? What difficulties is it facing?

Extension discussion topics

A. Talking about and going over the specific topic / idea / issue in listening text

Introduction = What economic successes has Turkey had? What difficulties is it facing? Is the report optimistic about its economic future?

1. What do we learn in the report about the current state of the Turkish economy?
 - 17th largest economy in the world.
 - Rapid expansion in the last 10 years ("Turkey has had a great decade").
 - It has increased its exports by 3 times in that period.
 - A lot of wealth has been given to a lot of citizens, even in the poor east of the country.
 - Until now has avoided the effects of the world's financial crisis, but...
 - Some economists fear a slowdown (growth rate predictions are down and the currency has slipped).
2. What do we learn about Turkey's exports and export markets?
 - A flourishing textile market (Turkey grows cotton).
 - In the past Turkey geared its exports to European countries.
 - It is now trying to reduce its dependency on western markets.
 - Unsustainable gap between imports and exports.
3. Can you remember the activities and strong points of the two companies given as examples in the report?
 - Erenson makes industrial boilers with a high degree of quality control ("every boiler entails (contains) all the information about every welder that worked on it").
 - A T-shirt factory ("the only thing we have now is that our quality is better" than our competitors).

Why do you think these companies were chosen as examples? (Erenson as an example of government-led search for new markets; the T-shirt factory as an example of the difficulties facing Turkish companies in a global market - rising costs, fierce competition).

4. How do economists see Turkey's economic future?

- Difficult ("headed for tougher times", "fear of a slowdown").
- Future will depend on exporting more high-tech, value-added goods such as hybrid cars, software and aerospace.

B. Expanding on (one of) the topics / ideas / issues in listening text

Topic = Turkish products and its attempt to join the European Union.

1. What Turkish products do you own, use or know?

- You may have clothes or shoes made in Turkey (flourishing textile and leather industries).
- You probably know Turkish confectionery (Turkish delight or rahat loukoum, baklava, etc.).
- If you live in Europe, a lot of dried fruit comes from Turkey (apricots, prunes, figs, ...) as well as nuts (especially pistachios, almonds, hazelnuts).
- Turkey exports high quality carpets.
- many European cars (Citroen, Renault, Peugeot, Ford, etc.) are made or assembled in Turkey and exported to Germany, Belgium, the United Kingdom, Greece, Portugal and France.

2. What do you know about Turkey's application to accede to the European Union?

- Application for full membership first made in 1987 (Turkey has been an associate member since 1963).
- Turkey signed a customs agreement with the EU in 1995 and was officially recognized as a candidate for full membership in 1999.
- Negotiations were started in 2005, and following public statements by leading European politicians, are today more or less frozen.
- Today Turkey seems to accept the fact that its application will never be successful.

Do you think Turkey has a place in Europe? Are European politicians right to block its entry?

C. Extending discussion of (one of) the topics / ideas / issues in listening text

Topic = SWOT evaluation of Turkey's economic future.

The possible success of a project can be evaluated by listing its Strengths, Weaknesses, Opportunities and Threats (SWOT). Strengths and weaknesses are internal to the project itself, opportunities and threats are related to the environment in which the project takes place (external factors). If there are more positives (strengths and opportunities) than negatives (weaknesses and threats), the project has a good chance of success (and vice versa). From what you learnt about the Turkish economy from the report, and from your own research, apply this evaluation tool to Turkey's economic future. When you have finished your lists, compare them with another student or with your teacher.

(Possible answers below).

Strengths (+)	Weaknesses (-)
<ul style="list-style-type: none"> - Export experience with Europe. - Large country with a large well-educated workforce. - Modern country with good infrastructure. - Geographical situation. - Quality of its products and culture of quality. - Government support for business. - Strong tradition of entrepreneurship. 	<ul style="list-style-type: none"> - Gap between imports and exports. - Slip in currency value (if it persists). - A culture of corruption in business and politics.
Opportunities (+)	Threats (-)
<ul style="list-style-type: none"> - Slip in currency value (can help exports in the short term). - Experience in high-tech fields (if consolidated). - Developing markets in developing countries. 	<ul style="list-style-type: none"> - Competition from low-cost countries (e.g. Bangladesh). - Effects of the world financial slowdown (low growth rate).

Audioscript

(Turkey's economy has been steadily growing thanks to measures put in place since the rejection of its request to enter the European Union. Now, Turkey is looking elsewhere to promote its exports and to expand its regional influence.)

Exporters like Erenson, a company that produces industrial boilers, are thinking globally. In the past, Turkey geared its exports to European countries hungry for quality yet inexpensive goods that could be delivered quickly.

"And this boiler (will) entails all the information about every welder that worked..."

Erenson's CEO Ali Eren says roughly 55 percent of Turkey's export market is Europe. But he is working closely with top government officials to end his country's dependency on western markets.

"We are growing into (the) Asia. Asian markets are very important for us. Africa, starting from North Africa, and the Middle East is a big market and also South America is one of our targets. Of course, in the north, Russia is a very important market for us."

Turkey is now the world's 17th largest economy. The streets of its largest city, Istanbul, glitter with the priciest name brands. The ancient market at the city center draws daily crowds. The Bosphorus is one of the busiest waterways in the world.

International Crisis Group analyst Hugh Pope says Turkey has had a great decade.

"It's increased its exports three times, and it has given a lot of wealth to a lot of citizens and you can feel the tide rising in many places, even in the far poor east of the country. So, that is a great success."

But Turkey's once flourishing textile industry is beginning to feel the bite of a slowing world economy. So far, the country has managed to avoid the main blows of the world financial crisis. But some industrialists worry the country is headed for tougher times.

T-shirt factory owner Turan Comert is worried about rising prices and competition from Asia. "Salaries are getting higher every day, electricity is going up, and I cannot compete with Bangladesh. They have less expenses than we do. The only thing we have now is that our quality is better."

Economists say that the country's currency has slipped. The gap between imports and exports is unsustainably high. Growth rate predictions have been pushed down from previous years to 2.5 percent.

Economist Emre Alkin says the low growth rate presents an obstacle to Turkey's plans. "There is a fear of a slowdown, not a soft landing. Actually, the slowdown is bad."

Turkey's economic future, he says, will depend on how successfully it builds on its traditional exports towards more high-tech, value-added industries such as hybrid cars, software and aerospace.

Until then, Turkey will have to bet on the entrepreneurship of businessmen like Eren.

Sharon Behn, VOA News, Istanbul.