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THE ORGANIZATION OF TURKIC STATES: GROWING ECONOMY

Even though there are 19 areas of cooperation in which the Organization of Turkic States (TDT) is currently active, there is cooperation between the members, particularly in the economy and directly related to the economy. These 19 areas of cooperation include various fields, especially in areas such as political, economic, customs, transportation, and education. When the policy implementation areas of the full and observer members of the organization are

examined, chiefly economic relations come to the fore. Even Hungary, which at first glance appears to be in a different position than the member countries due to its observer status and lack of cognate relations, seems to be active in economic cooperation. It is hardly unexpected that TDT members give economic cooperation more priority given the neoliberal system in place today. In addition, it is known that strong economic unions bring together strong political unions. Therefore, it is a

priority for a young organization like TDT to develop economically and ensure cooperation in order to it can take a more significant role in the international community. TDT is not an organization like the EU that applies certain laws and regulations on its members. TDT is an organization that cares about cooperation and gradually increases its area of influence but does not interfere with the sovereignty of its members while doing this. Economic cooperation of TDT members and reaching the targeted economic size of TDT will be a pioneer in the development of other areas of cooperation. TDT will thereafter have a larger hand in the global arena thanks to this strategy.

The current TDT members, Azerbaijan, Kyrgyzstan, Turkmenistan, Kazakhstan, and Uzbekistan, earned their independence following the fall of the USSR in 1991. The Turkic States had a tough time adjusting to this New World since it was distinct from the socialist order. However, as Turkey does not hesitate to support and share its experiences, the Turkic States have overcome many of these problems and display a stance that continues to progress. According to the United Nations' 2020 data, Turkey has 720,098 million dollars, Kazakhstan has 171,082 million dollars, Hungary has 155,808 million dollars, Uzbekistan has 57,707 million dollars, Turkmenistan has 42,845 million dollars, Azerbaijan has 42,607 million dollars, TRNC has 24,612 million dollars, and Kyrgyzstan has 7,736 million dollars Nominal GDP.¹ While Turkey is a part of the G20 group, which includes the world's 20 largest economies, the economies of other TDT

members are expected to grow in the coming years by the IMF. Thus, it is possible to say that the economic growth momentum, which seems to be shifting from the West to the East in recent years, is also valid for TDT, which is a regional initiative.

Free trade is of great importance in the relations of TDT and its members. Within TDT, Turkey stands out with its production capacity, manufacturing industry infrastructure, and competitive power. Other Turkic states are also open to economic development, especially with their energy resources and export positions. The resource and production powers of TDT members, who also have identity bonds, make them highly compatible partners at the same time. Economic interactions also reflect this state of affairs. For example, Turkey's volume of trade with Azerbaijan, which was 4.5 billion dollars in 2019, is expected to increase to 15 billion dollars in 2023. Similarly, Turkey aims to increase its volume of trade with Kazakhstan, which was 2.2 billion dollars in 2017, to 10 billion dollars in the future. The number of statements by TDT member states expressing their desire for more cooperation and joint ventures keeps increasing. There are increasingly more applications, such as the Simplified Customs Declaration Processes (SCDP), that both show interstate confidence and boost profitability for all participants. Obviously, linkages to the economy are not the only factor in this trust. SCDP ensures that trade between countries is carried out in a safe, sustainable, competitive, and risk-free manner, within a certain period, with

¹ United Nations, "Basic Data Selection", Accessed on September 6 2023, <https://unstats.un.org/unsd/snaama/Basic>

predictable cost calculations, as well as the provision of a registered foreign trade. As a result, TDT members' trading capabilities improve. Similar to this, it can be shown that TDT members support one another's domestic production. The recent support from TDT members for TOGG vehicles is one of the clearest evidence of this for Turkey. Moreover, TDT countries support each other in the defense industry. TDT members have a foreign trade volume of around 700 billion dollars. After the Turkic World 2040 Vision Document was accepted at the Istanbul Summit in 2021, the capacity and number of economic cooperation started to increase rapidly. This vision primarily includes financial independence, reducing the use of foreign currencies, and developing an integrated commercial infrastructure. In addition to all these, it is seen that different actors have formed working groups among TDT members. For instance, it has been observed that SMEs and finance groups have been working more integrated in recent years. Also, TDT aims to establish special economic zones in order to deepen the economic relations of the Turkic States, the first of these economic zones is the "Turan" Special Economic Zone (TuranSEZ).

According to IMF forecasts between 2022 and 2027, Turkey will reach a national income of 1.354 billion dollars, Kazakhstan will reach a national income of 283.4 billion dollars, Uzbekistan 152.6 billion dollars, Azerbaijan 87.3 billion dollars, and Kyrgyzstan 13.95 billion dollars in 2027.² The Turkic states' economies, which grew to 1.3 trillion dollars in 2022, are anticipated to grow to 2 trillion dollars by 2027. TDT is currently ranked 13th in the

world as measured by nominal GDP. With its national income of 1.3 trillion dollars, foreign trade volume of 560 billion dollars, domestic investment stock of 250 billion dollars, and production capacities, TDT shows that it has economic potential. Economic unions are made easier, in particular, by the member nations' complementary structural elements. For example, the manufacturing industries of Hungary and Turkey, the human resource potential of Kyrgyzstan and Uzbekistan, and the energy resource production of Kazakhstan, Azerbaijan and Turkmenistan show that it is possible to continue to establish various partnerships. Additionally, Turkey and Hungary facilitate TDT's commercial ties with the West because of their geographical locations. In this context, pipelines that enable the energy producer members of TDT to transfer this energy to EU states are on the agenda. The transaction volume between TDT members is around 10 billion dollars. While Turkey stands out as the largest commercial partner, the foreign trade of the members is progressing in proportion to their economic infrastructure. It is known that Turkey, in addition to exporting to TDT members, also imports natural resources from them. Turkey has a significant percentage in the commercial relations of the TDT member states. Thence, economic cooperation has priority in the relations of the TDT states.

Turkey has extensive investments and infrastructure projects in the Turkish Republics. Under current conditions, investments are mostly flowing from Turkey and Hungary to TDT members, while other members have not yet reached

² Kriter Dergi, "Türk Dünyasının Ekonomik Geleceği: 2040 Vizyonu", Accessed on September 6 2023, [https://kriterdergi.com/dosya-turk-devletleri-](https://kriterdergi.com/dosya-turk-devletleri-teskilati/turk-dunyasinin-ekonomik-gelecegi-2040-vizyonu)

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the planned stage of investment. Further, approximately more than 3 thousand companies of Turkish origin operate in Central Asia. It is possible to say that economic relations are not at the idealized level and all members aim to improve them further. As an indication of this intention, the "Turkish Investment Fund" was established by TDT. The Turkish Investment Fund was established based on the principle of equal capital contribution and equal voting rights, and the aim of this fund by TDT is to strengthen cooperation, increase mutual investment, and especially support small and medium-sized enterprises. As a result, it is desired for economic unity to lead to more significant and varied cooperation. It is expected that the Turkish Investment Fund and other investment targets will operate within the framework of the Trade Facilitation Strategy Document and will be implemented through the institutions of Turkish Trade Houses (TTE) and the Turkish Chamber of Commerce and Industry (TTSO).

Economic relations between TDT states and TDT's place in the world economy have growth potential. Member nations are required to put forth more effort to realize this potential. Due to their positions in trade outside the Organization, it is observed that Turkey, Hungary, and Azerbaijan prefer greater open trade under the current circumstances, whilst other TDT members favor less commercial integration. However, it can be assumed that all TDT members are now turning to

open trade and aiming for accelerated economic growth. TDT has increased its partnerships and investments in the economic field and the sphere of economic cooperation has advanced more quickly than other sectors. It is among the expected developments that these economic collaborations will create opportunities for new collaborations in the future. The economic growth of TDT members is also expected to accelerate by independent international organizations.³ As a result, it is conceivable that TDT may acquire greater influence in the years to come, particularly in terms of the economy.

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