

The Importance of Export Market Diversification Strategy on the Overcoming Economic Crises: The Case of Turkey

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Today, importance of export is increasing at providing and sustaining growth in developing countries. Because of their macro-economic instability and fragility developing countries face to crisis and affected by global economic crisis more than developed countries. At the end of 2007 in USA, problems in returning long-term housing loans created mortgage crisis in financial markets. Crisis spread to all of the markets and return to economic crisis.

Leaping of crisis to developed countries which are economically locomotive of global economy caused crisis spreading and deeping world-wide. The average growth rate of global economy was 5% before the crisis. This rate declined to 3% after crisis (IMF). The crisis affected developing countries by exports. The economic crisis deeply existing in EU countries which are traditionally Turkey Republic's markets decreasing the share of Turkey to EU exports in the total amount of Turkey exports. The share of Turkey-EU exports was 55% of Turkey's total export before the global crisis from 1997 to 2008. After the crisis this figure declined 23% in 2009 when the crisis effect was deepest (DTM).

Expectation of the effects of the economic crisis will continue, especially in the EU countries resulted Turkey implementing market diversification strategy in foreign trade. In accordance with the strategy; Turkey performed a group of activities and invested (liaison offices, trade shows, incentives) to rise export focused group of countries especially North Africa and the Near and Middle East country groups.

This paper extends to Turkey's total export amount to different country groups and rates from 1997 to 2008 accepted as the pre-crisis and from 2010 to 2012 post-crisis period. According to this research the share of Turkey-EU export decreased 11% and became 44%. After implementing market diversification strategy Turkey-MENA export rate increased 10% and became from 13% to 23% (TÜİK).

We found that the Turkey's market diversification strategies succeed and Turkey's export volume increased. Because of reason Turkey is the one of the countries least affected by global economic crisis and recent global economic uncertainty and recovering the economy fast. Economy of Turkey is the fastest growing economy in Europe. The average growing rate of Turkish Economy is 5,4% from 2002 to 2011. Turkey's economy expanded 8.5% in 2011 (TÜİK).

The aim of this study is to show negative effects of economic crisis on growth of economy by the channel of export and to test alternative export policies (market diversification strategy) on recovering crisis.

Keywords: Economic Crises, Export, Economic Growth, Market Turkey Economy, Diversification.