

TOBB President M. Rifat Hisarcıklıoğlu:

EXPANSION OF OUR EXPORT RANGE DEVELOPS OUR FOREIGN TRADE HORIZON

With its growing presence in global trade driven by foreign trade, Turkey aims for a total of 402 billion dollars in exports for the year 2024, consisting of 267 billion dollars of goods and 135 billion dollars of services. To crown this achievement, we must elevate our export range to the level of our competitors. Those with narrow ranges also have narrow horizons. Those who exceed their range can read the world more easily and turn the export wind into a storm.

Turkey's exports reached 256 billion dollars in 2023, with a 1 percent increase compared to the previous year. The export-to-import ratio also increased by 1 point to 71 percent. The foreign trade deficit decreased by 3 percent compared to the previous year, reaching 106 billion dollars. Achieving this performance in exports despite the slowdown in global demand, especially in the European Union, is extremely critical.

30 of our provinces have achieved exports exceeding 1 billion dollars

There was no province that did not export last year. In addition, the number of provinces that previously exported over 1 billion dollars increased from 5 to 30. In 2023, Istanbul became our province with the highest exports, with exports worth 59 billion dollars. Kocaeli followed Istanbul with 31 billion dollars, Izmir ranked third with 24 billion dollars, Bursa ranked fourth with 18 billion dollars, and Tekirdağ ranked fifth with 13 billion dollars. Looking at exports by country, the European Union, our largest partner, managed to remain our most effective market with a total of 104 billion dollars. Our exports to European Union countries and beyond increased by 8 percent, while our exports to the Middle East and Near East countries increased by 2 percent.

Export is increasing with the UAE

The United Arab Emirates (UAE) became the country with the highest increase in the value of Turkey's exports last

year, with a rise of \$2.3 billion. The intensive diplomatic traffic initiated between Turkey and the UAE, especially after the COVID-19 pandemic, to strengthen relations in all fields, also positively affected the commercial relations. We mentioned that the UAE led the countries where exports increased in value. This country was followed by the Russian Federation with an increase of \$1.8 billion and Saudi Arabia with an increase of \$1.3 billion. Let's also look at the top three chapters where our exports increased in value. The first chapter, with a 15 percent increase and \$31 billion, was motor vehicles. This was followed by a 34 percent increase and \$14 billion in precious and semi-precious stones, and an 11 percent increase and \$25 billion in the electrical machinery sector.

There is also an acceleration in our exports per kilogram

The value per kilogram of our exports, which increased in value-added terms, also rose to \$1.6 with an 8.8 percent increase. The number of companies exporting reached 120,000 with an increase of 18,000. On the other hand, the Ministry of Trade announced export statistics by activity provinces, which take into account the production locations of companies and allow for detailed analysis at sub-levels such as province, product, and country. According to the statement made by the Ministry, in addition to the export statistics compiled based on the headquarters of companies, "export statistics by activity provinces," calculated taking into account



the production locations, were also created. These statistics will be shared with the public every month within the scope of the Ministry of Trade Foreign Trade Data Bulletin. It is expected that these statistics, which allow for detailed analysis at sub-levels such as province, product, and country, including important indicators such as the technological level of exports by provinces, will contribute significantly to the determination of data-based provincial/regional policies.

1 Billion Dollar Psychological Threshold Exceeded in 23 Sectors

Turkey increased its share of global exports from 1.02% to 1.06% with \$256 billion worth of goods exports. 12,886 products were sold to more than 240 countries and customs territories. The automotive sector became the export champion with \$35 billion. Chemicals ranked second with \$31 billion, while ready-to-wear and apparel ranked third with \$19 billion. We exceeded the \$1 billion export threshold in 23 sectors. We made the most exports to Germany. While Germany ranked first with \$21 billion, the USA ranked second with \$15 billion,

and Iraq ranked third with \$13 billion. We increased our exports to 113 countries. We increased the number of countries we export more than \$1 billion to 50. The total export target for 2024 is \$402 billion, including \$267 billion worth of goods and \$135 billion worth of services.

While imports from European Union countries to the world decreased by 16%, our exports to the EU increased by 1% to \$104 billion in 2023 compared to the previous year. Export to the Middle East region, where commercial and economic relations have increased in recent times, increased by 2% to \$46 billion. Our exports

to Turkic Republics reached \$10 billion with a 27% increase. Export to the member countries of the Organization of Islamic Cooperation increased by 4% to \$67 billion.

The share of manufacturing industry products in total exports was determined as 94%. The share of high-tech products in manufacturing industry exports was 4%. Turkey's export of medium-high and high-tech products in manufacturing industry reached \$97 billion in 2023. While high-tech product exports were \$7 billion in 2022, it increased to \$9 billion in 2023.

It is expected that the importance of sectors with high export potential will

increase in the face of possible contraction in the domestic market in the coming period. Considering the slowdown in European economies, sectors will need to turn to alternative markets. Therefore, we must expand the axis of exports and broaden our horizons. Turkey's export range is generally behind that of its competitors. Those with narrow ranges also have narrow horizons. Those who exceed their range know the world better than those with a short range. To go further from where we are, we must increase both our export pattern and our range and expand our trade axis.



While the introduction of high-yielding seed varieties saved millions from starvation, it also decreased food quality and increased the toxicity of staple grains. Today, we face the danger of impacting the food chain. To establish a sustainable and nutrient-rich food system, countries may need to reconsider agroecological practices based on small-scale farming. There are over 390,000 identified plant species worldwide, but only three play a significant role in nutrition. Rice, corn, and wheat dominate plant-based calories by 60%. This dominance of three grains largely resulted from major technological advancements,

especially the development of high-yielding seed varieties (HYVs) during the Green Revolution in the 1960s. However, the HYV revolution now signifies irreversible damage to organisms due to high toxicity.

Of course, the Green Revolution was a real innovation in the 1960s, until humanity discovered how much harm it could cause to nature. The innovations of the 1960s brought significant benefits; it substantially increased access to staple foods and saved millions from hunger. However, the increased agricultural production, especially concerning the planting process, brought along a series of other problems.

INCREASED CHEMICAL INPUTS CREATED A SEMI-ARID WORLD

The increased productivity of HYV seeds is largely dependent on the availability of reliable irrigation and the application of various chemical inputs, especially fertilizers and pesticides. Consequently, the adoption of HYV seeds led to overuse of canal irrigation and subsequently, flooding issues, forcing farmers even in semi-arid regions to rely on groundwater irrigation. Similarly, the use of nitrogen-based fertilizers significantly increased following the transition to HYV-based agriculture.

The natural susceptibility of these

varieties to pests and their tendency to be grown in monoculture often led to infestations and widespread, indiscriminate use of chemical pesticides, triggering uncontrollable toxicity in plants and grains. With pests developing resistance to these chemicals, the search for new technological solutions became necessary, including the development of genetically modified crops designed to be naturally resistant to pests (at least some of them). Additionally, while technologies altering plant genetics were neutral in scale, access to necessary inputs and markets often did not show a neutral effect. In other words, while large-scale farmers gained disproportionate power, agricultural inequality became evident because small-scale farmers did not benefit enough from the change. However, our only concern is no longer income inequality. Our new concern is a semi-arid world based on high toxicity.

NUTRITIONAL SECURITY DECLINED

As if these challenges weren't frightening enough, experts are increasingly concerned about the deterioration of nutrient content in high-yield crops. For instance, a recent study suggests that while the Green Revolution helped India achieve self-sufficiency in food, it weakened the country's nutritional security.

Researchers are tracking the long-term effects of HYV-focused cultivation programs by analyzing the quality and potential toxicity of approximately 1,500 rice and wheat varieties developed and introduced in India from the 1960s to 2018. They found that these programs altered the nutritional composition of grains, significantly reducing their nutritional benefits and leading to higher toxin concentrations.

In short, while the primary aim of cultivating these grains was to increase nutrition, the emphasis on yield enhancement is significantly jeopardizing their nutritional value. Specifically, vital nutrients such as zinc and iron levels in rice and wheat, which are India's two most important staple foods, have decreased significantly. There has been a 33% decrease in zinc and a 27% decrease in

iron in rice, while zinc and iron content in wheat decreased by 30% and 19%, respectively. What's worse, arsenic levels in rice increased by 1,493%.

The findings have broad health implications for consumers of these grains. Strong evidence suggests that the intake of "metal toxicants orally" could lead to serious health issues such as lung cancer or chronic respiratory diseases, cardiovascular diseases, hyperkeratosis, kidney toxicity, and impaired bone calcification. The increased consumption of staple foods like rice and wheat, which were the targets of the Green Revolution, could further exacerbate India's already significant disease burden.

HEALTH ISSUES MAY INCREASE

Considering the findings on a global scale, we are confronted with the fact that health issues may increase for many other countries that heavily rely on HYVs to increase productivity and staple crop production. For instance, the recently rebranded Green Revolution Alliance in Africa continues to advocate for an outdated industrial agriculture model that fails to deliver the expected nutritional benefits.

Now let's look at nutrition from a scientific perspective. What does science say? "Nutrition should not be viewed solely from the perspective of total calorie consumption based on single-crop cultivation. A diet rich in diversity is essential for healthy living." However, achieving this requires not only technological innovation but also a shift in focus towards cultivating various crops that are most suitable for local environments and climates. This approach not only improves nutritional outcomes but also supports sustainability by reducing carbon dioxide emissions throughout the food lifecycle.

India's experience offers a teaching moment for developing countries. It is becoming increasingly evident that adopting agroecological practices based on small-scale farming is the most effective way to develop sustainable and nutrient-rich food systems. However, this requires a shift away from exploitative commercialized agriculture that primarily serves the interests of large agricultural

enterprises towards a model that benefits real food producers and consumers.

FOLLOWING THE SAME PRINCIPLES AND FOOTBALL

In this issue, we will look at climate change through the lens of the dangers in the food sector and attempt to provide solutions for developing economies striving to combat climate change. The impasse we find ourselves in has become so profound that we are steadily heading towards a cycle where 70% of humanity will soon be unable to fully benefit from staple foods. Setting aside the dire situations in agriculture, we aim to fundamentally shift our perspective on combating climate change from here. Addressing climate change requires action from society, government, and the economy at all levels around the world. With so many actors working towards a common goal, everyone needs to operate according to the same principles, define terms in the same way, and measure progress using the same criteria.

Let's take a moment to think about football. Football has been around for centuries, but it hasn't always resembled the game we know today. In fact, it didn't even look the same across different geographical areas. In some places, players were allowed to use their hands, while in others, there were no crossbars on the goals; elsewhere, pushing opponents was allowed, but pulling was not. However, in the mid-19th century, rules were standardized, allowing teams from different places to compete against each other. As a result, football began to expand and evolve rapidly. Today, we talk about it as the most widely played sport in the world.

Just as common rules enabled the development of football, a single set of rules will also accelerate progress in combating climate change. The logic is simple. Given the scale of the climate issue, its solution requires action at all levels of society, government, and the economy. If so many actors worldwide need to work towards a common goal, usually through direct collaboration, everyone must operate according to the same principles, define terms and concepts consistently, and measure progress using agreed criteria.