

TURKEY AND ROMANIA - A PROMISING PARTNERSHIP

TURSKA I RUMINIJA - OBEĆAVAJUĆE PARTNERSTVO

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Abstract

Under the general category of international relations; this study shortly brings forward the bilateral economic and political relations between Turkey and Romania, whose cooperation has become closer particularly since Romania's European Union membership. Within this frame the subject of article has been searched in depth as follows: short history of bilateral relations between Turkey and Romania, short analysis about economic outlook of the two countries as well as bilateral foreign trade between the two countries. The topic of article is a current issue. Turkey's present relations with Romania are counted as one of the best foreign policy of Turkey at the Balkans, which have been continuing within the frame of mutual understanding, friendship and cooperation. The reflection of mentioned relations can be seen obviously within economic indicators, where Turkey ranks as the largest trade partner of Romania within the Balkans, Middle East and non-EU countries. On this basis the aim of the study is to reveal the recent developments within bilateral relations and economic performances of the both countries then to determinate problems underlying their economies finally to find out bilateral foreign trade and investment relations.

Keywords: *Cooperation, economy, export, import, growth, relations, Romania, Turkey.*

Sažetak

Pod opštom kategorijom međunarodnih odnosa; ovaj rad razmatra bilateralne ekonomske i političke odnose između Turske i Rumunije, čija saradnja je postala bliža posebno od članstva Rumunije u Evropskoj uniji. Unutar tog okvira, rad istražuje kako slijedi: kratku istoriju bilateralnih odnosa između Turske i Rumunije, analizira ekonomsku budućnost dviju zemalja, kao i spoljnu trgovinu između

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njih. Predmet istraživanja je i sadašnji odnos ovih zemalja. Taj odnos se smatra kao jedan od najboljih spoljnih politika Turske na Balkanu, koji je konstituisan u okviru uzajamnog razumijevanja, prijateljstva i saradnje. Odras toga odnosa može se vidjeti očito u ekonomskim pokazateljima, gdje Turska slovi kao najveći trgovinski partner Rumunije u okviru Balkana, Bliskog istoka i zemalja izvan EU-e. Na toj osnovi, cilj istraživanja je otkriti nedavne događaje u okviru bilateralnih odnosa i ekonomske performanse u obje države, kako bi identifikovali određeni problemi vezani za ekonomije ove dvije zemlje, u cilju daljeg unapređivanje njihovih ekonomskih i političkih odnosa.

Ključne riječi: *Saradnja, ekonomija, izvoz, uvoz, rast, Rumunja i Turska.*

1. INTRODUCTION

"United we stand divided we fall" - an old proverb. Cooperation, partnership or close relations arising from friendship are important strategic facts of being stronger for countries, through which they always support each other materially and spiritually or in case of violation militarily considering current international arena.

In this context the relations of Turkey and Romania have been continuing since 625 years taking the Ottoman Empire period into account. Bilateral relations of Romania and Turkey are quite closed, which have been continuing warmheartedly at strategic partnership level today. Turkey supports Romania's policies everywhere including NATO, and Romania supports Turkey in the EU framework. Bilateral foreign relations of the two countries are counted as one of the best foreign policy of Turkey within the Balkans and Europe.

The impacts of common history and deep cultural links obviously gather the two countries. Today 70 thousand of Ghuzz and Tatarian Turks remaining from the Ottoman Empire live in Romania, alongside of more than a thousand of Romanian immigrants who reside in Turkey.

The reflections of such a good partnership can be seen within economy of the two countries. Today Turkey is the largest trade partner of Romania within the Balkans, Middle East and non-EU countries alongside Turkey is the 5th largest export partner.

2. POLITICAL DIMENSION

Today's Romania is located on the route connecting Turkey with Western and Northern Europe as well it is the second largest country after Turkey compared to Balkan states in terms of area and population. (With an area of 238.391 km² Romania, where live 19.5 million of people is the largest country in Southeastern Europe and the 12th largest country in whole Europe. On the other hand area of Turkey is 783.562 km², where 77.6 million people live. Apart from that Thrace is an extension of the Balkans, centered on the borders of Bulgaria, Greece and Turkey. Within this frame we can compare Turkey with the Balkan states.

We can see 4 critical points considering bilateral relations between Turkey and Romania: Ottoman period, pre-World War II, Cold war period, post-cold-war period and current period.

1) *Ottoman Period.* Bilateral relations between Turkey and Romania date back to 1391, when Romania entered to the Ottoman administration. Those days Romania consisted of three principalities: Moldavia, Wallachia and Ardeal. These three principalities had fallen under the auspices of the Ottoman Empire on 15th and 16th centuries. Within this frame firstly Moldavia entered to Ottoman administration in 1391, then Wallachia and Ardeal. Moldavia had been under the domination of the Ottoman Empire throughout 487 years from 1391 to 1878, Wallachia had been during 423 years from 1455 to 1878 and Ardeal had been through 160 years from 1526 to 1686. Moldavia and Wallachia were buffer states in the Ottoman period. They were independent at internal affairs and they were dependent on Ottoman Empire at foreign relations. They paid taxation to empire and they provided military assistance at wars. Voivodes of principalities were appointed by Ottoman sultans. (Voivode literally means war-lord, which is a Slavic title that originally denoted the principal commander of a military force. During Ottoman times, Voivode was the title borne by the ruler of a province, whose powers included the administration, security and tax collection under a special regime). Besides they supplied the food needs of Istanbul, which was the capital of the Ottoman Empire in that period. For example they provided almost whole wheat need of Istanbul.

When the Ottoman Empire lost the 1806-1812 Russo-Turkish War, it signed the Treaty of Bucharest with the Russian Empire on 28 May 1812 and ceded the eastern half of Moldavia to Russia which afterwards became known as Bessarabia. This agreement divided Moldavia into two. After the second defeat of the Ottoman Empire against to the Russian Empire as a result of Russo-Turkish War (1877-78), Moldavia and Wallachia gained their independence via Treaty of Berlin in 1878 and they merged under the name of Romania. The Romanian War of Independence is a part of the Russo-Turkish War (1877-78). Then the Kingdom of Romania was established in 1881 and existed until 1947 [1;152].

2) *Pre-World War II.* In the meantime the Ottoman Empire collapsed a few years after the World War I and the Republic of Turkey was established on 29 October 1923. Then political developments in 1930s such as Italy's enlargement endeavours at the Middle East and the Balkans, the Nazi Party's rise to power and Europe's arms race were begun to be seen as threat against to the world peace. This situation led Turkey and Romania to come together. Accordingly a new stage in bilateral relations started. Within this frame Turkey and Romania signed an agreement on friendship, non-aggression, arbitration and conciliation on 17 October 1933. Then the Balkan Pact was signed by Turkey, Greece, Yugoslavia and Romania on 9 February 1934 for maintaining the geopolitical status in the region following World War I [6]. Then embassies were opened mutually in both Romania and Turkey in 1938, which strengthened bilateral relations.

3) *Cold War period.* During World War II Romania became as an ally of Nazi Germany against to the Soviet Union until 1944, then it joined the Allied Powers.

After the World War II the world countries were divided as Western and Eastern blocks, in other words polarization came to light and the Cold War period began. In

this period there was an international political and military tension without using violence on the world. The two blocks had completely different political, economic, social and military ideologies from each other. The United States (U.S.) and Soviet Union were two superpowers leading the world, that had strong economic, political and military positions. Countries supporting U.S. including Turkey gathered under the roof of North Atlantic Treaty Organization (NATO), which was also known as "Western Alliance" and other countries supporting the Soviet Union united with the Warsaw Pact. Turkey wanted to take part within NATO to get rid of Soviet threat completely. That's why Turkey sent a brigade of soldiers to the Korean War in 1950 for proving that it accompanies with the Atlantic countries. In this way Turkey's territories and territorial integrity would be secured within the frame of NATO against the Soviet Union. Thus Turkey joined to NATO on 18 February 1952 concurrently with Greece. Within this frame the Kingdom of Romania collapsed after war and Romania was announced as "Romanian People's Republic" which became a socialist republic as well as a member of the Warsaw Pact in 1947.

Within the Cold War period Romania became as one of the most important ally of the Soviet Union and bilateral relations between Turkey and Romania almost stopped. Two countries were at different poles that led them to be ideologically, politically, socially, economically as well as militarily separated from each other. Besides an unobjective and biased generation towards Turkish minority in Romania started to grow due to effect of marxist leninist ideology and education in this manner [15].

4) *Post-cold war period.* The Cold War Period ended in 1991, when the Soviet Union collapsed. But towards the end of Cold war the main countries including Romania that held the Soviet Union together started to dissolve due to economic rout. Even Mr. Nicolae Ceausescu as a General Secretary of the Romanian Communist Party who had been in power during 25 years prompted a revolt resisting evolution, he eventually fell in 1989. One year later the National Salvation Front led by Mr. Ion Iliescu run a general election and took over 70% of the votes. In this way Romania transitioned to democracy, free market economy and a multi-party system.

Romania has started to turn its face to West within transition period. In the context of relations with the West its passion of participation to European family and a common future perspective with NATO opened a new stage at bilateral relations between Turkey and Romania. Romania looked for a cooperation way with the Western World using its trumpcard that it wasn't involved defacto in Yugoslavia's dissolution process in 1990s. Turkey and Romania's high-level visits at this point contributed positive impact at bilateral relations [4; 44].

3. CURRENT RELATIONS

Turkey was the only country, that supported Romania and Bulgaria for NATO membership through a decision, which was accepted in parliamentary assembly of NATO. Romania gained full-membership at NATO in 2004, which also joined to EU in 2007. In other respects Romania is the only country, that supports Turkey in

EU through its policies even EU abstain to enroll Turkey. This was an important point of bilateral relations between the two countries. Mutual understanding, friendship and cooperation dominated at bilateral relations in this period. As is known to all Turkey defends development of political stability, its continuation and peacekeeping at foreign policy directed towards the Balkans. In this context Turkey frequently visits region to enhance international dialogue. Romania supports Turkey's this role in the Balkans.

Within this frame H.E. Mr. Recep Tayyip Erdogan, Former Prime Minister of that period and Current President of Republic of Turkey visited Romania on 24-26 October 2007, then H.E. Mr. Abdullah Gul, Former President of Republic of Turkey of that period visited Romania on 2-3 March 2008. After that the H.E. Mr. Traian Basescu, President of Romania of that period, paid a working visit to Turkey on 21 August 2008. After this visit H.E. Mr. Ahmet Davutoglu, Former Minister of Foreign Affairs of that period and current Prime Minister visited Romania on 2-3 July 2009 and 31 August-1 September 2011. H.E. Mr. Traian Basescu paid a state visit to Turkey in December 2011, during which the Strategic Partnership Declaration aiming at enhancing bilateral relations in every field, particularly in the political and economic domains, was signed. The Action Plan in the implementation of the mentioned document was signed during the official visit of H.E. Mr. Titus Corlatean, former Minister of Foreign Affairs of Romania on 13-14 March 2013. Besides Former Minister for EU Affairs and Chief Negotiator H.E. Mr. Egemen Bagis visited Romania on 4-5 April 2012, while H.E. Mr. Traian Basescu, President of Romania traveled to Turkey within the framework of the Black Sea Economic Cooperation Summit on 26 June 2012. H.E. Mr. Traian Basescu accepted the invitation of H.E. Mr. Recep Tayyip Erdogan President of Republic of Turkey paid an official visit to Turkey on 5-6 February 2014 [9].

H.E. Mr. Recep Tayyip Erdogan also paid an official visit to Romania on 1 April 2015 in conclusion. The president of Turkey H.E. Mr. Recep Tayyip Erdogan cut short his official visit to Romania due to pay his condolences to the family of Prosecutor Mr. Mehmet Selim Simsek, who was taken hostage and slain at the Istanbul Caglayan Justice Palace on 31 March 2015. Both countries signed bilateral cooperation agreements on water, forestry, meteorology and hydrology spheres and declaration on the establishment of a joint economic and commercial committee establishment, agreement on cooperation between Anadolu Agency and Romanian National News Agency and memorandum of understanding and agreement on exchange of documents between the National Library of Turkey and National Library of Romania [16].

Even Turkey and Romania don't have a common border, they have a coast on the Black Sea and they are also important to each other with the Bosphours factor. Within this frame both Romania and Turkey are founding members of the Organization of the Black Sea Economic Cooperation (BSEC) and Romania is a member of the Black Sea Naval Cooperation Task Group led by Turkey. Besides they are also two of founding members of the South East European Cooperation Process

(SEECP), which is in force to strengthen security and political situation, to enhance economic economic dialogue and to cooperate in main domains as human resources, democracy, justice and battle against illegal activities. In addition to that both Romania and Turkey take part at international platforms such as Council of Europe, NATO, United Nations (UN), Organization for Security and Cooperation in Europe, World Trade Organization etc.

Another important fact providing such close bilateral relations between Turkey and Romania is obviously deep cultural links and common historical heritage. Bilateral relations date back to the end of 14th century as noted above. Today 70 thousand of Ghuzz and Tatarian Turks as an ethnic minority remaining from the Ottoman Empire live in Romania. According to Article 6 of the Romanian Constitution, the ethnic minorities living in Romania can preserve, develop and express their ethnic, cultural, linguistic and religious identity including education in the mother tongue. Within this frame mentioned Turks alongside of the other 16 ethnic minorities enjoy their rights through organizations established by them. These organizations have political party status and minority groups are represented in the parliament in proportion to their numbers. In this context Ghuzz and Tatarian Turks have one seat each in parliament [9]. Apart from that approximately 20 thousand of Turkish citizens live in Romania as businessman or employee. Accordingly about 90 thousand of Turkish people totally live in Romania, which isn't a small figure. Besides about 1.300 of Romanian immigrants currently live in Turkey.

4. ECONOMIC SNAPSHOT

Romania has the second largest market status after Poland in Central and Eastern Europe, that is a growing country since its EU membership. Romania as an ex-soviet republic had entered to struggle period after the revolution in 1989 to reconstruct its economy. Within this frame Romania has started to adapt to the free-market economy as well as has begun to attach importance to foreign trade with the object of economic development. Besides a great deal of reforms were made by Romania for the same purpose. In this context all state-controlled establishments quickly and transparently have been privatized and policies towards enhancing life standards of Romanian citizens have applied. These reforms were supported by international organizations as the International Monetary Fund (IMF), the World Bank and EU. Romania gained full-membership at EU which makes it one of an attractive country of Europe.

On the other hand national economy have some problems. Romania is the lowest country of the EU after Bulgaria in the context of economic reproductivity. Tax incomes can't reach to sufficient level by virtue of problems such as high-level grey economy, crowded rural population contributing subduedly to tax system, irregular tax collection etc. Besides Romania is one of the most vulnerable country in terms of per capita income, environment standards, education expenditure as well as tax debts. Accordingly country's tight commercial and financial engagement with the Euro area make its economy risky against to developments of Euro area [8].

In the meantime Turkey also as Romania has free market economy today, that stopped import-substitution policies and has started to apply outward-oriented policies for developing and sustainable economy since 1970s. Today Turkish economy has competitive rules, where private sector plays leading role and public sector plays regulator role. As a current emerging economy Turkey has the world's 18th largest nominal gross domestic product with 799.54 billion USD and 17th largest GDP by purchasing power parity (PPP) with 10.500 USD on macroeconomic dimension. Structural reforms in compliance with the EU accession process definitely contributed Turkey to become an important economic player of today. Additionally the EU is Turkey's largest economic partner, accounting for 40% of Turkish trade alongside of Turkey ranks 6th in EU's top import and 5th in export markets via EU-Turkey Customs Union [5]. But as well as Romania Turkey also struggles with current basic economic issues that makes Turkish economy vulnerable such as impact of political instability at neighbour countries, non-falling inflation, current account deficit, fiscal deficit, slowdown of economic growth, external financing needs, increasing unemployment rate.

5. ECONOMIC PERFORMANCES OF THE TWO COUNTRIES

Romanian economy recorded a rapid increase with 6.9% of GDP growth in 2007 and 8.5% in 2008 thanks to fast economic growth in the middle of 2000s, increase of economic indicators and continuation of this trend after EU membership (See Table 1). But after the beginning of the global recession in 2008 this process was interrupted. In other words its economy decreased 7.1% in 2009, which entered to recovery process in 2010. Accordingly in comparison to 2012 it showed a market improvement in 2013 as well as in 2014.

Table 1. Real GDP Growth of Romania and Turkey within 2004-2014 period

Countries	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Romania	8.4	4.2	8.1	6.9	8.5	-7.1	-0.8	1.1	0.6	3.4	3.0
Turkey*	9.4	8.4	6.9	4.7	0.7	-4.7	9.2	8.8	2.2	4.0	2.9

*Turkey's GDP Growth were taken from the Turkish Statistical Institute by virtue of Eurostat didn't indicate these datas.

Source: Eurostat, January 2016. Acces: <http://ec.europa.eu/eurostat>

We can say that 2008 was a fruitful year for Romania. Its nominal GDP reached to 204.3 billion USD, which has been the highest level ever. After the financial crisis this level fell to 189.8 billion USD in 2011. As of 2014 the given amount has been represented as 199 billion US\$, which is almost fourfold less than Turkey's, however it is a sign of recovery in comparison to 2011. Besides Romania almost caught Turkey in terms of GDP PPP with 9.996 USD as of 2014. Fiscal policies in the country includes enlargement of tax base, prevention of tax fraud, reach the consolidated budget aims negotiated by EU and IMF, while decline tax rates. All we know

that EU in parallel with Euro Area economically came to a dead end due to global financial crisis, which has started to recover recently. Accordingly impacts of crisis in the Euro Area reflects Romania negatively at macroeconomic dimension. Because Romania exports above 70 % of goods and services to EU. Besides approximately 82% of its bank existence belong to the EU's localized banks. In other words they are connected to each other. In this sense crisis in EU affects Romanian economy and foreign companies abstain about realization of investment. But alongside of mentioned problems Romanian economy firstly recorded a visible GDP growth after crisis in 2013 with 3.4% (See Table 2). This is a sign of entrance to recovery process through domestic demand and strong exports even though economic growth level is under pre-crisis. Due to above mentioned investment abstention there was investment decline that led growth level to fall from 3.4% to 3.0% in 2014. Through a stable labour market, domestic demands and economic assistances real GDP growth was observed as 2.7% in 2015, which is expected showing a small growth in 2016 [3;3].

Table 2. GDP Growth Rates in volume of the EU, Turkey and Romania based on seasonally adjusted data

Countries	2014 in total (%)	2015 Q1 (%)	2015 Q2 (%)	2015 Q3 (%)	2015 in total (%)	2016
EU-28	1.4	0.6	0.5	0.4	1.7	2.1
Romania	3.0	1.4	0.0	1.4	2.7	2.9
Turkey*	2.9	2.5	3.8	4.0	3.7	4.0

*Turkey's GDP Growth Rates in the first, second and the third quarters were taken from the Turkish Statistical Institute by virtue of European Commission didn't remark these datas.

Source: European Economic Forecast-Winter 2015, prepared by European Commission

Within the frame of economic assistances, Romania's amount of utilization from EU foundations will be more compared to past years according to expectations. The amount of foundation for Romania is about 22 billion Euro for 2014-2020 period. Besides amount of foundations for Romanian agricultural sector is 17.5 billion Euro. In other respects Turkish economy's growth performance is under potential, which paints an unsteady picture, compared to Romania. Economy recovers after crisis and retrenches. As Romania Turkey also entered to crisis period in 2009 with 4.7% decrease of real GDP growth (See Table 2). In 2010 economy of Turkey recorded a visible high growth with 9.2% however its growth was 2.2% in 2012, 4% in 2013 and 2.9% in 2014, which is less than Romania's. This unsteady picture is an argument of structural problems and a wrong growth model entering to axis of global capital movements notably of United State's Federal Reserve System. On the other hand middle income trap that can not move Turkey's GDP PPP amount forward from 10.000 USD creating differences across the country from the point of regional development, which are closely related to this situation. Besides, Turkey's

economic growth realizes mostly by import and external financing, which makes Turkey to be dependent on outside source [14; 9].

Turkey's economic growth in 2015 was observed as 3.7%. This can be counted as success under the hard conjuncture of 2015 against to such as uncertainties of two elections, financial market fluctuations based on expectation of interest rate hike of Federal Reserve System, geopolitical tensions, EU's economic problems and economic slowdown of China.

Within this frame economic growth of the third quarter contributed Turkey's overall picture in 2015, which was 4.0% above expectations (See Table 2). In this period Turkish economic growth was about two times more than other emerging countries. Domestic consumption with 2.2 point, inventory variation with 1.0 point, public final consumption with 0.8 point and net export with 0.1 point drove up the growth. According to expectations Turkish economic growth will reach up to 4% in 2016 which is above Romania through newly adopted reforms. Economic growth perspective of both Romania and Turkey looks higher than whole EU. In other words EU's total economic growth was 1.7% in 2015, which is expected to be 2.1% in 2016.

6. ROMANIA IS IN ADVANCE AT TOURISM

On the other hand tourism is one of main item of economic development for both Turkey and Romania. Besides it is the biggest developed sector in Romania, which outdistances trading sector. The contribution of tourism to total GDP was 4.8% in 2014 and 4.9% in 2015, according to the World Travel and Tourism Council's Economic Impact 2015 report. On the other hand a visible decline is coming into question for Turkey in comparison to Romania. The contribution of tourism to total GDP of Turkey was 4,7% in 2014, which fell to 2,8% in 2015 due to recent political developments in Turkey. The number of tourists visiting Turkey declined 7.29% only on December 2015. Majority of tourists visiting Turkey are from Germany (15,4%) and Russia (10%). Economic sanctions due to the recent crisis between Turkey and Russia together with emergence of security concern based on recent attacks in Turkey are the main reasons of mentioned decline.

Romania is the fourth fastest growing country in the context of tourism. Besides Sibiu as one of the biggest city of Transylvania and one of the most important cultural centres of Romania was designated the European Capital of Culture for the year 2007 along with the city of Luxembourg. On the other hand Turkey ranked as the fourth biggest tourism destination of Europe and the 6th biggest destination of the world in 2014 according to the 2015 Tourism Highlights report of UN World Tourism Organization. Besides Istanbul was a capital of the four big empires (Roman Empire, Byzantium Empire, Latin Empire and Ottoman Empire), which was designated the European Capital of Culture for 2010 year. In conclusion 426 thousand of Romanian tourists visited Turkey and 38 thousand of Turkish tourists visited Romania in 2014 according to the National Statistics Institute of Romania.

6. BILATERAL FOREIGN TRADE FIGURES

Alongside of developing political bilateral relations economic cooperation between Turkey and Romania gains momentum every year. Today Romania is a developing country and the only supporter of Turkey within EU. Besides Romania seems by Turkey as a center country for spreading to EU. There are several signed agreements in the context of economic relations. Free Trade Agreement in 1997, Agreement and Protocole Agreement in Energy and Infrastructure Domains in 2001, Tourism Cooperation Agreement in 2002 and Economic and Commercial Cooperation Agreement in 2006 were signed by the two countries. Romania joined to the EU on 1 January 2007. As of mentioned date bilateral trade between the two countries has been repealed due to Romania's EU membership, which has come under the EU-Turkey Customs Union.

In regard to bilateral foreign trade, foreign trade volume has been about 6 billion USD for the last five years (See Table 3). Accordingly it will also be around 6 billion USD at the end of 2015 as expected. That's why both Turkey and Romania intend to increase foreign trade volume up to 10 billion USD.

Table 3. Bilateral Foreign Trade Indicators of Romania and Turkey (Million USD)

Year	Export	Import	Volume	Balance
2010	2.599	3.449	6.048	-850
2011	2.878	3.801	6.680	-922
2012	2.497	3.236	5.733	-739
2013	2.617	3.592	6.210	-974
2014	3.008	3.362	6.371	-354
2014 (January-November)	2.793	3.047	5.840	-254
2015 (January-November)*	2.597	2.404	5.001	193

*The full datas of 2015 hasn't been available yet.

Source: Ministry of Economy of the Republic of Turkey, January 2016. Access: www.ekonomi.gov.tr

Turkish export was represented above 3 billion USD and its import was 3.362 billion USD in total of 2014 that led foreign trade volume to be above 6 billion USD. On the other hand Turkey has foreign trade surplus for the first time at January-November period of 2015 in comparison to the same period of 2014. While foreign trade deficit is one of the most important problem of Turkish economy, this situation even if just a drop would relieve Turkey in financial context. Today Turkey is the largest trade partner of Romania within the Balkans, the Middle East and non-EU countries. Besides Turkey is the 5th largest export market, the 9th import partner of Romania. Additionally Turkey is the 14th largest partner of Romania in terms of foreign trade surplus [6].

The main export items of Romania from Turkey are textile, iron-steel, land vehicles, machines and devices producing energy and the main import products of Turkey from Romania are metal ores, iron-steel, crude petroleum products and land vehicles [9].

Romania looks like being Turkey's future electricity exporter

Speaking of petroleum it would be reminded that there are insignificant number of countries containing underground energy resources within own borders without colony. Romania is one of them, that has one of the largest petroleum reserves in the European continent and the biggest natural gas reserves in Central and Eastern Europe. Its proved oil reserves are totally 60 million tons, while its geological reserves in total 2 billion tons. Besides its proved natural gas reserves approximately total 150 billion m³, while its geological reserves total 615 billion m³. Additionally 30 billion cubic meters of natural gas reserve was founded at common petroleum and natural gas exploration of Lukoil, PanAtlantic and Romgaz on 15 October 2015 within territorial borders of Romania. Romania's current oil reserves could be depleted approximately in 23 years, while its current natural gas reserves would be enough for 14 years. Romania can become self sufficient in this context [13]. Solely Turkey is a foreign-dependent country at energy sphere as compared with Romania. In this context Turkey only can produce 7% of petroleum and imports 93% of crude oil in total. The main oil importers of Turkey are Iraq with 31%, Iran with 30%, Saudi Arabia with 11%, Nigeria with 10%, Kazakhstan with 9%, Russia with 3%, Egypt with 1% and Italy with 1%. In respect to natural gas Turkey only can produce 1% on its own. Within this frame Russia (56%), Iran (19%), Azerbaijan (9%), Algeria (9%) Nigeria (7%) and LNG and spot market (1%) are the main natural gas supplier of Turkey. Electricity is one of the main item of energy. In this context Romania exported approximately 7.28 TWh of electricity in 2014, which is 54% higher compared to 2013. Besides its electricity consumption totaled 41.1 Twh in 2014 that declined 0.9% compared to 2013. This situation shows that Romania's electricity production is more than its consumption making Romania to become an important electricity producer, which might further open to foreign countries as a supplier [12]. On the other hand Turkey's electricity needs are increasing year after year. Turkey's electricity production remained 4.06% and reached up to 252 TWh, whose electricity consumption parallelly increased 3.58% and reached up to 257 Twh in comparison to 2013. In respect to electricity trade, Turkey's electricity export reached up to 2.7 Twh with 119.7% increase, whose electricity import reached up to almost 8 Twh with 7.6% increase [2;1-3]. According to projections of Ministry of Energy and Natural Resources of Turkey, its electricity requirement would reach up to 414 Twh in 2023 [10]. Accordingly Turkey is looking for other source and route alternatives due to regularly increasing need. Turkey's main electricity suppliers are Bulgaria, Iran and Greece today. Within this frame Turkey plans to import electricity from Romania by submarine power cable in the Black Sea, which of negotiations has been continuing since 2006. In case of realization of this project, both countries might transmit 1000 MWe of electricity by 450 km of line. The feasi-

bility studies haven't finished yet. The cost of this line is expected to be about 600 million Euro. Within this frame the two countries signed memorandum of understanding of agreement on electricity transmission and business management cooperation on 23 January 2014 [11].

Turkey's contribution to bilateral trade is pretty much

Considering bilateral investment 13.808 Turkish private companies actively operate in Romania today. Besides the two important banks of Turkey (Credit Europe and Garanti Bank) are in service in Romania, where exist a large number of their branches.

The main fields of activity of Turkish companies existing in Romania are construction, industry, agriculture, banking business, real estate, trading and manufacturing sector. But they are more effective within construction sector (as in Russia and many other countries). In this context amount of projects to date implemented by 90 Turkish construction firms have cost above 6 billion USD. Additionally Turkish companies rank number two after China at Romania's first 250 foreign companies.

The cost of Romanian investment in Turkey is 20 million USD. As mentioned above bilateral foreign trade volume is above 6 billion USD. Considering these amounts 95% of foreign trade volume belongs to Turkey at bilateral foreign trade [16]. Another reason of this situation is Romania's foreign trade with the EU. 70% of Romanian foreign trade takes place within the EU member states.

Romania is pleased to employment generation by Turkish companies. Besides it provides convenience to Turkish firms. Accordingly we can suppose that bilateral relations between the two countries and bilateral relations of chambers of commerce and industry of the two countries are pretty good. As a proof of this, The Goodwill has been signed by Foreign Economic Relations Board of Turkey and Chamber of Commerce and Industry of Romania on 1 April 2015 in Romania. The bilateral investment and foreign trade volume can further increase and gain momentum in this manner [7].

CONCLUSION

The bilateral relations of the two countries gradually have been gaining momentum more particularly after strategic partnership within the frame of mutual friendship, cooperation and understanding. Common history and deep cultural links, neighbourhood of the two countries on the Black Sea together with their similar approaches to regional security and political and economic interaction will strengthen further their relations.

In respect to economic indicators Turkish economic growth paints an unsteady picture compared to Romania taking the last five years into account. Both countries recorded a visible economic growth in 2015 with 2,7% (Romania) and 3,7% (Turkey) that economies of the two countries are also going to progress in 2016, according to expectations.

Tourism as a significant contributor of economy is the most developed sector in Romania comparing to Turkey. Accordingly tourism's contribution to total GDP of Romania is gradually increasing in opposition to Turkey's. Economic sanctions aimed at Turkey due to Russian crisis and security concern arising from recent bombing attacks gave cause for a visible decline in 2015 from 4,7% to 2,8%. If Turkey doesn't take necessary measures, decline would further continue and effect Turkey's economic growth.

Romania seems by Turkey as a center country for spreading to EU. Bilateral foreign trade volume have been recording around 6 billion USD during the last five years which is mixed blessing. Both countries aims to increase this level up to 10 billion USD, which means 6 billion USD doesn't satisfy them. One of the main reason of this situation is movement of 70% of Romanian goods within EU. On the other hand Turkey is the largest trade partner of Romania within non-EU countries, Balkans and the Middle East, which means that the rest of Romanian goods are imported by Turkey.

Turkish private companies' investment in Romania is above 6 billion USD. Romanian investment amount in Turkey is 20 million USD. Considering these amounts, majority of foreign trade volume and investments belong to Turkey. The number of Turkish private companies in Romania is closed by 14 thousand today, which means Turkey has employer status in Romania.

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