

T.C.
ISTANBUL COMMERCE UNIVERSITY
FOREIGN TRADE INSTITUTE
DEPARTMENT OF INTERNATIONAL TRADE
INTERNATIONAL TRADE PROGRAM

**ROLE OF TURKISH EXPORTERS' ASSOCIATIONS IN TOTAL
EXPORT OF TURKEY**

Case Study: Turkish Steel Exporters' Association

MASTER THESIS

ABDULSAMET DAMAR

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Istanbul, 2018

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Advisor: Assist. Prof. Ahmet Oğuz Demir

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ABSTRACT

While the importance of international trade in the modern world economy is increasing day by day, the change and development process, starting especially in the 2000s, has enabled not only the companies but also the states to develop new strategies in reaching their long term export targets. While the path of strong country economies passes through powerful exporters, the elimination of obstacles in front of exporters and the support of companies have also begun to be of great importance. While the states turn towards many areas such as production of value added products, product differentiation and signing of bilateral free trade agreements to increase their export potential, the chambers of commerce, associations, organizations and unions established with the intention of developing international trade have gained a great importance in recent years. Along with the liberalization of the economy as of the first years of the Republic of Turkey, exporters unions established with the intention of supporting exporters, continue to do so also today, by showing structural differences and improvements over the years. While there are many studies made specifically on the impact of exporters' associations and export promotion exporters' associations in the world literature, a similar work has not been done in Turkey. It is aimed to fill this gap in the literature with this study, and hence the structure and mechanism of Exporters Unions have been examined and also the Turkish steel industry is scrutinized in order to investigate its role in the total exports of Turkey. The period before and after 2005 is examined, which is the year of foundation of Steel Exporters Association, and its activities between 2013 and 2017 and its role in total exports of Turkey are observed.

Keywords: Turkish Exporters Assembly, Exporters Associations, Total Exports of Turkey, International Trade, Export, Steel.

ÖZET

Modern dünya ekonomisinde uluslararası ticaretin önemi her geçen gün artarken özellikle 2000’li yıllarda başlayan değişim ve gelişim süreci sadece firmaların değil devletlerinde uzun vadeli ihracat hedeflerine ulaşmalarında yeni stratejiler geliştirmelerine imkân sağlamıştır. Güçlü ülke ekonomilerinin yolu güçlü ihracatçı firmalardan geçerken ihracatçıların önündeki engellerin kaldırılması ve firmaların desteklenmesi büyük önem arz etmeye başlamıştır. Devletler ihracat potansiyellerini artırmada katma değerli ürün üretim, ürün farklılaştırması, ikili serbest ticaret antlaşmalarının imzalanması gibi birçok konuya yönelirken, uluslararası ticaretin geliştirilmesi amacıyla kurulan ticaret odaları, dernek, örgüt ve birlikler son yıllarda büyük önem kazanmıştır. Türkiye’de de Cumhuriyetin ilk yılları itibariyle ekonominin dışa açılmasıyla birlikte ihracatçıların desteklenmesi amacıyla kurulan ihracatçı birlikleri, yıllar içerisinde yapısal farklılıklar ve gelişmeler göstererek bugün de ihracatçıları desteklemeye devam etmektedir. Dünya literatüründe ticaret organizasyonları ve ihracatı destekleme kurumlarının etkileri özelinde birçok çalışma yapılmışken, Türkiye’de benzer bir çalışmaya yer verilmemiştir. Bu çalışma ile literatürde yer alan bu boşluk doldurulmak istenip İhracatçı Birliklerinin yapısı ve işleyişi incelenmiş ve Türkiye toplam ihracatındaki rolünün araştırılması amacıyla da Türk Çelik sektörü merceğe altına alınmıştır. Çelik İhracatçıları Birliğinin kurulduğu yıl olan 2005 yılı öncesi ve sonrasındaki dönem incelenmiş ve birliğin 2013-2017 yılları arasında yaptığı faaliyetler ile Türkiye toplam ihracatındaki rolü gözlemlenmiştir.

Anahtar Kelimeler: *Türkiye İhracatçıları Meclisi, İhracatçı Birlikleri, Türkiye Toplam İhracatı, Uluslararası Ticaret, İhracat, Çelik.*

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LIST OF ABBREVIATIONS

Aegean Exporters' Association (AEA)

Aegean Textile and Row Metarials Exporters' Association (ATHIB)

Aegean Apparel and Clothing Exporters' Association (AHKIB)

Aegean Tobacco Exporters' Association (ETIB)

Association of Southeast Asian Nations (ASEAN)

Ankara Ferrous and Non-Ferrous Exporters' Association (ADDMIB)

Black Sea Exporters' Association (BEA)

Central Anatolia Exporters' Association (OAIB)

Customs Tariff Statistics Position (GTIP)

Common Market for Eastern and Southern Africa (COMESA)

Commercial Policy Measures (CPM)

Denizli Exporters' Association (DENIB)

DEArTment of Foreign Affairs and Trade (DFAT)

East Mediterranean Exporters' Association (EAEA)

Eastern Anatolia Exporters' Association (DAIB)

Eastern Black Sea Exporters' Association (DKIB)

European Union (EU)

European Union Customs Union (EUCU)

Exporters' associations (EAs)

FOB (Free on Board)

Foreign Direct Investment (FDI)

General Secretaria (G.S.)

Gross Domestic Product (GDP)

Gross National Product (GNP)

Harmonized System Code (HS code)

Hazelnuts and Hazelnuts Products Exporters' Association (FMIB)

International Competitiveness Enhancement Projects (URGE)

International Monetary Funds (IMF)

International Trade Center (ITC)

Istanbul Chemicals and Chemical Products Exporters Association (IKMIB)

Istanbul Exporters' Association (IIB)

Istanbul Mineral and Metals Exporters' Association (IMMIB)

Istanbul Textile and Apparel Exporters' Association (ITKIB)

Organization for Economic Co-operation and Development (OECD)

Mediterranean Exporters' Association (AKIB)

Mediterranean Ferrous and Non-Ferrous Exporters' Association (ADDMIB)

Mediterranean Apparel and Clothing Exporters' Association (AHKIB)

Quasi-experimental design (QES)

Small and Medium Size Companies (SMEs)

Standard Industrial Trade Classification (SITC)

Southeastern Anatolia Carpet Exporters' Association (GAHIB)

Southeastern Anatolia Textile and Raw materials Exporters' Association (GATHIB)

South Eastern Anatolia Exporters' Association (GAIB)

Thai Textile Manufacturers' Association (TTMA)

The Surgical Instrument Manufacturers' Association (SIMA)

The Korean Federation of Textile Industries (KOFOTI)

Turkish Ministry of Economy (EB)

Turkish Exporters' Assembly (TIM)

Turkish Clothing Manufacturers' Association (TGSD)

Turkish Lira (TL)

Turkish Statistical Institute (TSI)

Turkish Steel Exporters' Association (CIB)

Trade Council (TC)

Uludağ Exporters' Association (UIB)

Uludağ Textile Exporters Association (UTIB)

Uludag Apparel and Clothing Exporters' Association (UHKIB)

Uludag Fruit and Vegetable Products Exporters' Association (UMSMIB)

Uludag Fresh Fruit and Vegetable Exporters' Association (UYMSIB)

Uludag Automotive Industry Exporters' Association (OIB)

United Nations (UN)

West Black Sea Exporters' Association (BAIB)

West Mediterranean Exporters' Association (BAIB)

World Development Indicator (WDI)

World Exporters' association (WTO)

INTRODUCTION

Globalization and free trade improved international trade dramatically particularly in the past several decades. Increasing market deregulations and competitive power of international firm, regional trade agreements caused significant growth of the world export. In this regard, export strategy of governments become more crucial in each passing year. It is not surprising that most governments seem to have taken some initiative over the last decade in encouraging firms to export. In this modern world, exports have grown faster than GDP: in 1980–1990 global GDP grew 2.7 percent a year while global trade grew 5.7 percent a year; in 1990–1998 these rates were 2.4 and 6.6 percent; in 2017 World trade volume growth was 2.8 and World GDP growth was 2.7 (World Trade Organization, 2017)

Export is a complicated work effected by information incompleteness. Companies sustaining cross- link economic occasions must engage in a costly process of determining potential interchange partners and evaluating their trustworthiness, credibility, timing, and competency (Rangan and Lawrence, 1999). Many developed and developing governments allocate public funds to export promotion activities. The goal of these activity is to help firms in general and in many cases small and medium sized firms specially to become successful and competitive exporters. Over recent decades several developing countries have established their own national exporters' associations with the object to support their exporters to increase their competitive power and also overall export of the country. While more countries have been establishing their exporters' association as a part of national export strategy, most of the economist focused on activity and efficiency of these exporters' associations.

The international trade alignment for government interrelated in export promotion is based upon the theory of disproportion information and other market disturbance. There is important exterior associated with the gathering of foreign market information related to end user choices, marketing, quality and standardization, etc. Exporters in particular new exporters alone do not procure importer information, as companies abstain to keep up analysis and sales expense that gives advantage to competitors as well. The similar points implement to pioneer exporters, who make a valuable investment in attempts to open a new target markets, generating business contacts. The recent economic literature has established the importance of knowledge

flows beyond the borders of the firm. A particularly important role for international exporters' association has been attributed to international networks, and they have been widely studied in both theoretical and empirical work (Rauch 1999, Rauch 2001).

The main aim of Exporters' association (EA) is supporting exporters to seek new markets to export the products of the firms, as well as provide them with a better understanding of products requested in distinctive target markets. Export promotion services provided by Export Associations can split in four extensive categories: 1) Creating powerful country image (information, networking events, consultancy); 2) export assistance services (workshops, technical support, capacity improvement, including regulatory compliance, financing, transportation, customs, pricing strategy); 3) Enhancing market share (trade fairs, trade and buying missions, e-commerce); and 4) market analysis and publications (sectorial analysis, firm level information, sectorial news, providing statistical data, sectorial report encouraging firms to export, importer and exporter contact databases). (Lederman, Olarreaga, Payton, 2006)

From this point of view, Turkey is one of the developing country which established its own national exporters association much earlier than many other countries in the world. First export association in Turkey is established in 1937 to coordinate the live animal exports of eastern region of Turkey. Since 1937, while Turkey increases the number of exporter association, governments also improve the export strategy of the country by reforming vision and mission statement of the association. Turkish Exporters Assembly (TIM) is the umbrella organization of around 71,000 the exporting firms was established in 1993. It provides its mission on official basis as the professional exporters' association of the companies deal with export. The essential reason of establishment of TIM is retaining the troubles related to the international trade especially for export, support exporters to increase the total export of Turkey, and to guarantee the transfer of the issues of the exporters to the upper level authorities. Each of the exporter firms has to be a member of the association in the sector and region. The exporter firms around 71 thousand operating in 27 separate sectors in which export records are continued direct export transactions on 62 exporter associations organized in region and sector-wide. These 62 associations are gathered under 13 general secretariats.

The main purpose of this paper is to evaluate the role of export association in Turkey and Turkish Steel Exporters' Association (CIB) is taken under the concentration as a case story. Paper is organized as follows, section 1 reviews international literatures regarding the efficiency

of the exporters' associations in the world as well as export promotion instruments that have been used by the exporters' associations. Section 2 reviews history of the export association in Turkey, organizational structure and functions of Turkish Exporters Assembly and Exporters Associations. Section 3 focused on establishment of CIB (2005) and its export promotion activities that carried out to the members in between 2013 – 2017 by using the firm-level data of Turkish Steel Exporters' Association.



CHAPTER 1: EXPORT PROMOTION AIES AND LITERATURE REVIEW

1.1. Exporters' associations (EAs)

Exporters' association is generally non-profit organization of the governments to help their local firms to find a new market for their products, supporting them to overcome trade bias and barriers. The first EA in the world was established in 1919 in Finland, and when it comes to 1960's they became widely common export promotion institute to stick up exports and lower trade deficits, under the organization of the International Trade Center (UNCTAD-GATT). However, in early 1990s effect of Exporters' associations was interrogated (Keesing, D. B., 1993). EAs in developing countries were animadverted for lack of powerful leadership, facing with financial inadequacy, employ staff which was focused on formality and not member purposed, and under the influence of the state.

International business and economics literature has dedicated distinction attention towards the pursuit how exporters' associations and their activities effect firm export performance (Hiller, 2012) Nowadays not only international business and economics literature but also most of the governments focused on exporters' associations to improve its efficiency and service variety.

Exporters' associations provide representation to the exporter firms and joint venture products and services to businesses with common interests. While many of export associations provide services without any fee, many more association work for profit base. In return for a subscription fee, EAs provide wide range of products and services, including workshops, trainings, conferences, networking events, trade missions, buying missions, technical advice, sectorial reports, statistical data and analyses, and publications. However, one of main focuses of Export Association is generally as a legitimate organization setting forward to the common view and position of their members, usually to government departments, officers and regulators and also to the media and other formal decision makers (Czinkota, 2002). At this point, administration of the association plays a crucial role to accomplish their main goal. Exporters' associations are usually non-profit organizations with an administrative body consist of elected delegates from its members, in accordance with their rules, regulation and constitution.

There is no single definition of such trade association in the literature, but Minister for Business and Regulatory Reform Department for Business, Innovation and Skills of United Kingdom, Mr. Lan Lucas MP define Trade associations as:

“Trade associations have a crucial role to play in promoting best practice, helping companies become more competitive and formulating effective public policy and delivery. They have tremendous potential to act as a co-ordinated voice of business when talking to Government, and great value in terms of quickly disseminating messages about Government policy to their members. Productive engagement between associations and Government is very important for the policy making process” (Bolkeat, M., 2003)

In this competitive economic condition, not only firms but also governments seek to develop better strategies in order to increase their export potential and competitive power. Therefore, nowadays international business and economics literature has dedicated distinction attention towards the exploration how exporters' associations or associations and their activities affect firm export performance. When investigating the services offered by exporters' associations to its members and their effects, services accepted worldwide are used by similar exporters' associations at distinctive titles or names. Studies have been carried out to determine whether the Exporters' Association has indeed contributed to the members and therefore to the export of that country.

The most typical characteristics of the exporters associations in Turkey distinguishing those from the similar exporters' association/organizations in other countries is the compulsory nature of the membership to the Associations. This means that each company wants to sell goods from Turkey to other countries in the world has to be a member of “Exporters Association”. In parallel to this, although the objectives are the same, the organizational structures and foundations of other similar exporters' associations in the world differ from each other. These exporters' associations are established either by private sector or by government aids for the purpose of supporting the private sector, and are comprised of exporters' associations, where membership is wholly voluntary. Accordingly, it is believed that the names of the exporters' associations not necessarily required to be “Exporters Association”, like in the case of example of Turkey to examine the other examples in the world, and hence the services offered by exporters' association to be paving the way for private sector, to be supporting the companies and whether or not these services being effective are scrutinized.

1.2. Efficiency of Exporters' association (EAs)

Business-studies tend to count on self-assessment of firms participating in export promotion programmes; however, economic studies count to rely on objective performance measures. Country-level or sometimes plant-firm level data is considered, mostly in a panel dimension. Some firm-level studies use firm-level exports which is product- and destination-specific (Volpe Martincus and Carballo 2010c). The regional coverage of firm-level data studies is constricted to Ireland, China, Spain, South America, and the United States of America. Overall, there is a proof for a positive impact on export promotion, whereby the dimension of the effect and whether it occurs along the extensive or intensive margin of international trade varies across studies.

Alvarez (2004)'s study is one of the first studies to determine whether export support by exporters' associations or associations contributes to the export of companies. In order to examine the impact of support services provided by Prochile, Alvarez (2004) apply for using plant level data to examine the effect of the export essential services of Prochile; the export Committee, taking part in the fairs and the use of Business Information System. The methodology applied in their study is a variant of the basic method of empiric design applied to one "quasi-experimental design" (QES). The QES assess the effect of one project by measuring the changes that have been located in the performance of program target groups and by systematically isolating the impacts of remnant factors that might have contributed to the observed changes. QES allows identifying the impact of a program using a control group. Pre and past observations are taken in both groups, participating and control. In a well-designed evaluation, the control group detects and adjusts for changes that are unrelated to the program, while the participating group identifies changes due to the program. In this way, the changes in the participating group minus those of the control group need to detect the impact attributable to the program. Researcher applied for an exclusive survey to gain data from 365 companies. The sample was selected among the total number of 7, 470 exporting firms and the statistical data in the period of 1992-1996 were gathered from Central Bank of Chile. The samples for both groups are 187 and 178 for control and participating firms, alternately and they were selected by applying laminated random sampling. They found that export promotion activities provided by the agency had a positive impact on the number of markets and indirectly, after a duration of four years, on diversification of products. In addition, they focused on their three

important instrument; exporter committees, presence in international trade fairs and the utilization of a business information system and found out that trade shows and trade missions did not affect the probability of being a successful exporter, a program of exporter committees showed a positive and significant impact.

Doner and Schneider (2000) studied efficiency of the trade association and they focused on the associations in terms on economic and political aspect to determine effect that they have towards their own sectors, and they seek for unintentional conclusion. Researcher divided contributions of the trade association into two categories. One, “market-supporting” activities and this activity contains the promotion of property rights, infrastructure, and removing bureaucratic barriers. On the other hand, the second type of contribution is “market complementing” included services varies from minimizing inflation, to set up standardizations for exports, encouraging education & workshops, and corresponding differences between up and down current circuits of value chains. They check activities of many trade associations and underline that not all the business association work efficiently; however, they emphasize the factors influencing associations in one direction or the other. Weak, unrepresentative, and insufficient staff associations are occasionally capable of regulating state and market ineffectiveness, therefore agencies first need exporters’ associational power or volume to present positive economic movements. Authors stressed in the paper the identifying reasons of exporters’ associational power of associations include intense member request, precious optional incentives, and influential organizational process for attracting member relevance. Optional incentives for example foreign trade quotas, workshop activities, and standardization process to policy contemplation of the decision makers are crucial. These kind of benefits drawn an attention by many potential exporters and provide the association a high intensity of membership and important material resources. Efficient inward services via sufficient member representation, contemplation, and limpidity resolves other inward barriers to mutual acts and lowers interior transaction expenses, therefore simplify rest of the promotional services by the agency and connecting engagements by members.

Selecting new target market not only for export but also for domestic market is one of the most important and critical task for the exporters’ associations. Doner and Schneider (2000) provide several cases noted in the empirical literature which endorse their aspects.

- Trade shows organized by Brazilian footwear associations were absolutely crucial for the exporters due to reaching out local firms to the North American market which are potential customer for them.
- Early 1970s when the recession happened and market share declined, the Thai Textile Manufacturers 'Association (TTMA) organized networking event and elucidating their members regarding the variation in European demand, and pressurize the members in terms of the increasing exports to the EU before facing with baseline quotas.
- From the early 1920s through the persistent export promotional activity of Juan Valde'z, Colombia's Federacafe' has consistently focused on exchanging information among the coffee exporters and importers. From this point of view, Federacafe' which is the official agency even hired a staff in the Colombian consulate in Brazil to spy trade related information from their competitors. It might not be an example for the fair trade; however, it shows the desire of the associations regarding to the support to their members.
- Korean associations reduced the expenses of gathering information from target markets, which not only lessened the entry barriers to replaceable export markets but also promote to 'nationalize' exports by hindering Japanese trading companies. They believed that every single sectorial association needs to follow this process to protect their producers and exporter and also support them by removing the barriers in front of the exporters.

One of first literature regarding Exporters' associations, de Wulf (2001) conducted a survey to emphasize the significance of on-shore activities. Most of the agencies have exporters' associationally paid attention on off-shore activities, such as information gathering, trade exhibitions and trade and buying missions, sometimes neglecting the importance of home country supply conditions. He determined that while government spend too much time and effort to the exporters' associations, they should not reduce the support of domestic market due to great combination of export and import balance.

In their effective research of exporters' associations in the 1980s, Hogan, Keesing, and Singer (1993) determined that Exporters' associations in developing countries were not effective as much as developed countries due to lacked of powerful administration, having insufficient financial support, heavily bureaucratic procedures, and not member oriented. In addition, they underlined that those EAs had to accomplish strong trade barriers to be effective which they were not successful. When examining organizational structure and services of EAs in last decade, it has been changed in the direction offered by Singer, Hogan and Keesing.

Also, foreign trade policies of the governments are becoming more export-oriented. At this point, literature also advice that today's EAs are beneficial in terms of having an effect on national exports. According to the research for every \$1 spent by EA to support firms, brings additional \$490 dollars of exports in Latin American countries, \$227 in Asia, \$160 in the OECD, \$137 in SSA and \$96 in Middle East and North Africa, even though the last two figures are not statistically quite different from zero.

Martincus and Carballo (2008) studied an effect of the exporters' associations and their export supporting instruments in a middle developing country. They would like to find an answer to these questions; Effectiveness of export promotion activities in developing countries, type of export promotion vehicles and measuring their impact in the intensive and extensive margin. During their research they focused on Peru to understand the efficiency of the export exporters' association. PROMPEX is national exporters' association of Peru and its aim is supporting firms in their internationalization endeavor. In the line with this objective, PROMPEX provide services to the nonexperience firms on their export process, sales, branding, marketing and negotiations, having country and product base market analyses, enabling critical information regarding business opportunities in foreign countries. PROMPEX also provide counseling and technical assistance in terms of the standardization, certification and advocacy services. On the other hand, the agency attempt to increase the total export of the firms by organizing sales oriented trade and buying missions, trade shows (fairs/exhibitions), and arranges VIP meetings with potential foreign buyers in particular. Finally, the agency organizes trade related networking events, sponsoring to set up consortia of firms aiming to strengthen their competitive position in external markets. On the research, they first determine the average impact of assistance by PROMPEX on assisted firms applying the difference-in-difference method and then control the robustness of their findings to rectification for probable econometric problems and to the use of alternative determination strategies via performing systematical matching difference-in-differences estimations. They find that export promotion activities provided by PROMPEX have positive impact on their trade by helping Peruvian firms to expand their exports, primarily along the extensive margin, both in terms of markets and products, whereas no robust significant effect could be identified on the intensive margins of exports. The evidence from Peru delivers an associated message to the other developing countries with overwhelmingly specialized export structures. It is stated on the research that

export promotion vehicles may foster product and market export diversification and impact overall all export of the firm and country unless performed properly.

1.3. Export Promotion Instruments of EAs

Exporters' associations, associations play a crucial role in total export of the country. At the same time, service diversification and quality are also extremely important. Establishing national export exporters' association of the country may not be enough to increase the export potential of the firms and also to be sufficient. In late years, many countries in the world have established their own trade promotion activities. Impact of these activities are not homogeneous, changing in accordance with the distribution of the total export and also they create a great deal of impact especially on small and medium dimension companies (Gençtürk, Kotabe, 2001)

Export promotion instruments have been used by exporters' associations in distinctive ways. While one the national exporters' association focuses more on marketing activities, others may have interested in lobby activities. Pro Chile is exporters' association of Chile which is established in 1974. The agency has commercial offices and also representations in more than 40 countries and also 13 regional directorates within Chile. Pro Chile aims to promote goods and services exports from our country by providing a wide variety services like other national exporters' associations. From this point of view Volpe Martincus, Carballo (2010a) believes that most of the studies before them assessed whether exporters' associations efficient or not; however, in this study they would like to address the effect of export promotion instruments and trying to answer these two questions; Do export promotion vehicles have homogeneous impact over the distribution of the related export outcome variables? Are the sizes of firms effective in benefiting from export incentives? Accordingly, they studied on the appraising the distributional effect of export promotion activities performing beneficial treatment effect to measure on service providing, total export, and highly comminuted export data for the overall population of Chilean exporters in between 2002-2006. First, they observe the total export performance of the firm which is under assigned by Pro Chile and compare it with the firms that are not assisted by the agency to estimate that how export promotion activities effect on distinctive type of firms. Then, they evaluate the impressiveness of these activities that is provided by Pro Chile to additional exports over the distributions of both total exports and export margins, namely, the extensive margin (performed number of countries and number of products) and the intensive margin (average exports per country, average exports per product,

and average exports per country and product). In addition, while they make an evaluation, they not only consider manufacturers but also whole exporter's scales including traders. It is extremely essential for a developing country such as Chile where nonmanufacturing exports explain a large portion of total exports (Moreira, 2006). They found that export promotion activities provided by PROCHILE have had distinguished impacts over the distribution of total export. These effects are mainly focused on the lower level of the distribution of (growth of) total exports and the bottom line and upper ends of the distributions of (growth of the) number of countries and number of products. Which means effects of the exporters' associations tend to be more efficient more in small firms than big firms. They emphasize that obviating the barriers associated with internationalization is frankly more struggling for smaller, comparatively nonexperience exporters; therefore, export promotion instruments are likely to be more efficient in supporting these firms.

There are many export promotion activities offered by national or private exporters' associations such as entering a new market, training and sectorial data support. Lobby activities of the Associations is also one of the most important service to support the members; In Pakistan, pressure from inter-industry associations applied to the Punjab state government to solve the issue of fulminant power shortages. The Surgical Instrument Manufacturers' Association (SIMA) collaborate with the local port authority in terms of improving customs, cargo handling, storage, and other facilities that are crucial for the export capacity of them. In addition, The Colombian coffee association, Federacafe', offers an outstanding case in infrastructural development. The government ensured it the right to collect an export tax that Federacafe' was then contractually obliged to spend on benefits for producers, especially transportation infrastructure, port facilities, and warehouses. On the other hand, power over the allocation of export quotas holds great potential for mischief, such control can be beneficial where quota rents are distributed in exchange for market performance and/or used to promote productivity. Moreover, The Turkish Clothing Manufacturers' Association (TGSD) was created quota distribution platform to provide leverage for smaller firms. This association not only managed the quota system but policed the distribution of these rents and linked quota privileges to performance. The Korean Federation of Textile Industries (KOFOTI) linked quota operations to its management of a fund for Textile Industry Modernization and it was also extremely beneficial services for the members.

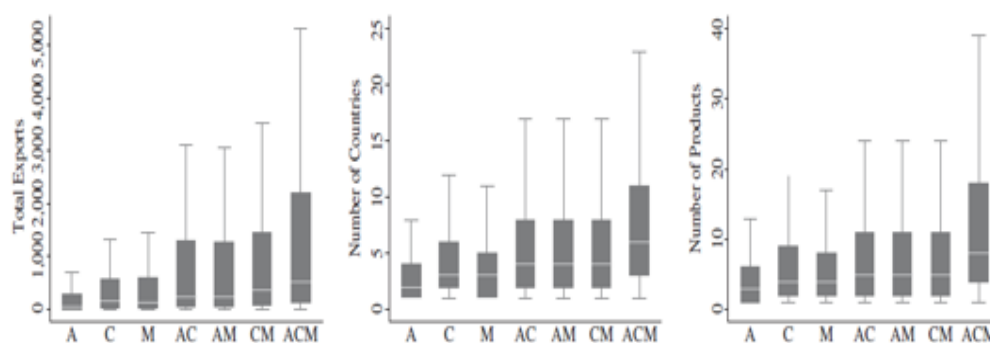
Martincus, Carballo, Gallo (2011) studied whether trade related exporters' associations operating in foreign countries such as diplomatic representations and trade promotion organizations have an impact on overall trade. Author has explored the existence of potentially asymmetric effects of exporters' associations across export margins using data for Latin American and Caribbean countries over the period 1995-2004. They find out that diplomatic foreign mission and trade promotion agencies tend to be associated with larger exports along both margins. However, their effects are irregular. Establishing a branch office of these organizations abroad seems to subscribe more to increasing the number of goods sold abroad than to expanding average exports. Beside, contribution of these trade offices is larger impact on total trade than having additional diplomatic representations abroad because representative in consulates is not sales oriented, they focused on more representation and communication; however, staff of trade offices abroad seek for new channel to create a business.

Over the decades, most of the developing countries have been establishing trade association to support their firms and also overall economy of the country. Exporters' associations generally provide practical trainings on the export process for nonexperience exporters; provide information on market opportunities and consultant services; organize co-financed trade missions and buying missions and fairs. Essential part of this events are arranging b2b meetings with potential buyers; and manage a special project in terms of to enhance the competitive power of involved firms in international markets. Even though all these vehicles have a common purpose which is developing export performance of the firms, impact of these export promotion vehicle may differ from each other in terms of their effectiveness. From this point of view, there is no single research about the impact of the services whether on the extensive and intensive margins of firms' exports against each other. Martincus and Carballo (2010b) studied that having assessed the relative effectiveness of different promotion activities carried out by Colombia's PROEXPORT by directly comparing their effects with each other on several precautions of export performance with a methodology of matching difference-in-differences approach. PROEXPORT was official exporters' association of Colombia with the aim of providing wide range of services to the Colombian exporters. Following a common practice in the literature, researcher divided the basic services into three substantially homogeneous categories: counselling (C), trade agenda (A) and trade fairs, shows and missions (M).

Counselling vehicles composed of a wide range of services including training on the export process, providing trade related information on export opportunities for especially Colombian products in target markets in general and specialized data on specific target markets notably as well as on transportation; and support in the formulation and implementation of individual and collaborative export plans. Trade agenda refers to the scheduling an appointment with potential customers via the trade offices of the agency. In doing this, the product to be offered and the customer profile illustrated by the exporter are taken into account. It also contains support to business management. Trade fairs, shows and missions are international events in which firms may gain experimental information, demonstrating their products, establishing contacts and closing deals (signing the contract). Fairs consist of multiple booths in a convention hall in which firms exhibit their products over a period ranging from two days to two weeks (Wilkinson and Brouthers, 2000) Missions can be both trade and buying. In the first case, Colombian exporters visit to a foreign country to determine the market, meeting with clients and after that reinforce and rise the businesses between the countries. It followed by expanding the network of distributors and launch new products. In the second case, foreign buyers are invited to Colombia with the aim of hatching business relationships guiding to exports. PROEXPORT coordinates and co-finances participation in these events. Martincus and Carballo emphasized that due to exporters participate in more than one of these events in the same year, they wanted to performed their assessment on package services formed by alternative combinations of the basic ones: A, C, M, AC, CM, MA, ACM, plus NP, which is the no participation status.

Figure below is a series of box plots showing the dispersion of three key variables qualifying the degree of internationalization of the participants in the distinctive activities: total exports, number of countries they export to and number of products sold abroad. The figure recommends a common pattern thoroughly variables. It is stated that exporters that are more engaged in international trade along the proportion measured by these variables tend to participate in various activities, thus applying for higher concentrated use of export promotion activities provided by PROEXPORT.

Figure 1 Distribution of Totals, Number of Countries and Number of Products across Groups of Firms Participating in Different Export Promotion Programmes



Notes:

A, trade agenda; C, counselling; M, trade missions, shows and fairs; AC, AM, CM and ACM are combinations of these services.

Exports are expressed in thousands of US dollars.

Source: Martincus and Carballo (2010)

Even though, this econometric analysis is not gives the definite answer, mentioned export promotion services have a positive effect to the firm's export. In additionally, they found that combined services with counselling, trade agenda, trade missions and fairs that can be thought as providing exporters with a combined relationship throughout the process of beginning export activity and strengthen buyer-seller relationships with foreign partners are more efficient than insulation backing actions such as trade missions and fairs alone. Moreover, the largest effect is observed precisely where the lack of information is likely to be more severe, namely, when enhancing exports on the extensive margin and especially on the size of the country.

Hiller (2012) studied the impact of the Danish Exporters Association (DEA) on firm's total export. He used Danish firm-level data from 1995 – 2007 and tend to understand whether the major private Danish export association encourage their members' export along these dimensions or not. He applied for matching techniques by focusing on the machinery sector. First of all, research suggests that DEA members sell 11.6% more products and export to 16.3% more countries, whereas there seems to be no DEA premium with respect to total export sales or the intensive country or product margins. On the contrary, DEA firms seem to perform better also domestically. Total sales (including exports, though), are 7.8% higher for members and they have a higher total wage bill, exceeding the non-DEA bill by 8.4%. Then he found a positive causal effect of membership on growth rates of export sales and the average value per

product in the first year after entry, as well as an impact on the growth rate of country coverage two years after entry. Overall, the research results strongly suggest the existence of a membership premium on levels of export outcomes. Further, he studied using the regression techniques to assess how network firms active in the same country or product markets impact on firm performance of a co-member. He used a dataset at the firm-country level, as well as a dataset on the firm-product level in order to consider the following outcomes. If there is a network effect, the interaction effect of membership and the dummy of being an exporter should be greater than zero. However, he found no strong evidence in favor of a network effect, according to which members' export outcomes are distinctively affected by presence of fellow members in their product or country markets. (Hiller, 2012) Export promotion services provided by Export Associations can be split into four extensive categories:

- 1) Creating powerful country image (information, networking events, consultancy);
- 2) Export assistance services (workshops, technical support, capacity improvement, including regulatory compliance, financing, transportation, customs, pricing strategy);
- 3) Enhancing market share (trade fairs, trade and buying missions, e-commerce)
- 4) Market analysis and publications (sectorial analysis, firm level information, sectorial news, providing statistical data, sectorial report encouraging firms to export, and importer and exporter contact databases)

While the number of national exporters' associations in the world have increased, number of academic research about these exporters' associations their functions and efficiency is increasing with each passing year. However, there has been not many cross-country research especially with statistical analysis of the efficiency of exporters' associations on the total exports of the countries. Lederman, Olarreaga, Payton (2006) also focused on the impact of the EAs on the country's overall export. They conducted an 18 questions survey of exporters' associations of all around world. They contacted with agencies or Ministries in 147 countries. However, due to not all the countries have their national EA, they did not get an information from 31 countries. They get response from 88 exporters' associations. The survey consists of five categories:

1. Organizational structure of the agency,
2. Responsibilities of the agency,
3. Revenues and expenses,
4. Export promotion strategies,
5. Services and supports.

After the statistical analyses of the survey, they found that EAs have a favorable and statistically robust effect on total exports of the country. There is different type of components across levels of improvement, however negative effects of these agencies have been observed in countries with GDPs below \$ 982 (but statistically insignificant) impact on exports, therefore advising that poor countries or governments may not have the capacity to manage EAs effectively. On the otherhand, EA in the countries which GDP is above \$982 has significantly positive effect. Lastly, the agencies become statistically robust (at the 5 percent level) only in countries with a GDP per capita above \$2790. There is not homogeneousness across regions: greatest impacts are determined in Latin America and Asia, followed by with agencies in Sub-Saharan Africa and the Middle East and North Africa.

Most of the countries allocate resources with the object of supporting firms to access foreign markets. They provide wide range of export promotion programs. The impacts of the activities differ from company to company depend on size categories because these programs are primarily intended and expected to benefit from small and medium size companies. Most particularly, backing small and medium-sized companies (SMEs) in international markets is an essential aim of Exporters Associations or Exporters' associations. It is also announced by governments and even also in their legitimate statements of purposes. Actually, SMEs are affected by the international issues in exporting more than larger size of companies due to lack of information, finance, business culture and other related reasons, on the contrary they are also the primary beneficiaries of public trade promotion programs. Thus, the valued added by such programs to firms own internationalization performance can be anticipated to differ upon dimension of the firms. In other words, it is expected that there might be heterogeneous effects of export support programs over firm size categories. Gaining sectorial info from abroad and contacting with importers or trade partners seem to be one of the major barrier for SMEs because lack of enough budget for market research and communication (Katsikeas and Morgan, 1994) On the contrary, larger firms are in a better position to take care these expenses because they are able to provide them over a significant number of units sold; as well, they are better

able to aspirate the information from such projects and to use it to come up with an efficient marketing strategy (Wagner, 2001). In line with this, Volpe Martincus, Carballo, Garcia (2010) also studied impact of export promotion services on the export performance of firms within explicit dimension categories, using an appropriate firm-level dataset of Argentina over the period 2002-2006. Data categorizations are exports by product and country of destination and employment for nearly the overall population of Argentinean exporters. They wanted to determine whether there is a correlation between dimension of the firms and export promotion vehicles that is been used. Fundación ExportAR which is official exporters' association of Argentina, provide a wide range of export promotion activities with the object to support exporters and finding a solution for their informational barriers. Number of the staff is around 85 and an annual budget of approximately 4.5 million dollars of the Agency (Jordana, Martincus, Gallo 2009). According to the result of the study, even though indeed export promotion activities have irregular impact over the dimension distribution of firms, it is observed that significant effect of the exporters' association seems to be on small and medium size firms. Moreover, it is stated on the research that export promotion activities are associated with an increased rate of growth of total exports and an increased number of export destinations in particularly case of small and medium-sized companies, but on the contrary they did not encounter any distinguishable impact on the export outcomes of large size firms.

Munch and Schaur (2015) studied the effect of export promotion actives on the firm level performance by using firm level export data from 2002 – 2012 of Danish exporters. As they mentioned in their study, most of the existing literature in the world tent to identify the performance or efficiency of the exporters' associations or the export promotion instruments that has been used by the agencies. In line with most of the literature, Munch and Schaur examine effects of export promotion on total firm-level exports as well as firm-level performance measures that are usually not determined such as employment, value added, and value added per worker. Governmental export promotion activities in Denmark are provided by the Trade Council (TC) under the Ministry of Foreign Affairs. Today Denmark has 28 Consulates-General and Trade Commissions. When examined the operation of the Trade Council, it had approximately 75 employees in Denmark and 405 employees abroad located at more than 100 embassies, consulates general and trade commissions. TC focuses on proving tailor work support to Danish exporters on their all critical issues for their international activities, and according to their web page *“The goal is to offer the Danish business community*

the opportunity to enter a close partnership which will enhance the professional analysis of foreign markets and thereby increase the competitiveness of the companies.” The point is firms purchase an export promotional services from TC and Munch and Schaur (2015) first stressed that export performance of the firms is not imperatively similar as company performance. The Trade Council’s promotional services help firms through the entire dimension distribution drive into the new target markets and in particularly medium sized companies which have 20 to 50 employees gathers the greatest increase in their export values because of the export promotion activity. In the course of export promotion improves value added and also seems to create jobs in specific industries, long run positive productivity effects are isolated to the smallest firms. It is stated in the research that all the gains in employment and value added are beneficial for the smallest firms of 1 to 20 employees. On the contrary of many literatures, they found out that export promotion activities have some of the strongest effects on export performance filed in service industries rather than manufacturing industries.

Before the establishment of export development agencies became widespread, most countries used consulates or commercial offices to communicate abroad (importers) and to inform and support their exporters or drive into a new market. In recent years, export development agents have played an effective role in this issue as well as or instead of consulates and trade offices. One of the first researcher in this regard is Rose (2005), who wanted to determine whether the presence of an embassy or consulate may have an impact on bilateral trade by applying for a gravity model. Rose argues in his study that due to communication costs fall, foreign embassies and consulates have lost much of their role in information-gathering and communication with potential importers and therefore they mainly focused on sales oriented and increasingly marketing themselves as agents of export promotion. With concentration of twenty-two exporting countries of which eight are developing countries and around 200 potential trading partners he found that for each additional consulate abroad increase exports by 6 to 10 percent. In a same line with Rose (2005), Gil-Pareja, Llorca-Vivero, Martínez-Serrano (2005) is also studied the role of regional trade agencies which are located abroad on the total export of Spain. These regional trade agencies established to support exporters in abroad like consulate and commercial offices. They applied for gravity model of bilateral trade and have situated that regional trade agencies are involved to an upper level of international trade. The gravity parameters are in an economical and statistical manner crucial with plausible comments: bilateral trade increases depending upon the dimensions of the economies, on the

contrary it decreases with distance among the countries. The results indicate in the research that, all else equal, the total exports decreased by 55% if in the trading partners there are islands and by 66% in the case of surrounded by the lands. Conversely, the regions export 153% more with European Union and EFTA (European Free Trade Association) countries. In a similar way, sharing common language or mutual border increases exports by 458% and 33%, sequentially. At this point, even though Rose(2005) indicate that consulate and commercial offices increase the exports by 6-10 percent, regional trade agencies effect the exports increase more in the study of Gil-Pareja, Llorca-Vivero, Martínez-Serrano (2005).

Volpe Martincus et al. (2009), respectively, determine gravity equations to figure out the role played by both diplomatic foreign missions and offices of exporters' associations abroad in terms of the dual exports from Latin American and Caribbean countries throughout the intensive and extensive margins. They find that mentioned offices have a larger impact on the extensive margin of exports, especially in the case of exporters' associations. In a parallel with that Volpe Martincus, Estevadeordal, Gallo, Luna (2010) studied on role played by export promotion exporters' associations in abroad figuring the comprehensive margin of Latin American and Caribbean countries' exports over the period 1995-2004. They also found out that having a foreign trade office in abroad positively effect the total export of the firms and country as well.

Roberto Azevêdo, Director-General of World bank states that total good exports of the world have increased (in value) by about 32 percent since 2006, peaking USD 16 trillion in 2016. At the same time, world exports of services have expedited by about 64 per cent, achieving a total of USD 4.77 trillion. In this competitive international trade, while trade exporters' associations play an important role for firms, it is essential for countries as well. It is known that World Exporters' association plays an important role in world trade. The World Exporters' association (WTO) engage in the global rules of international trade among nations. Its main engagement is to guarantee that world trade improves as precisely, fairly and as possible as expected. In a parallel with this research, Rose (2004) studied again regarding the effect of mentioned international exporters' associations WTO, IMF and Organization for Economic Cooperation and Development (OECD) may have an effect on international trade by using gravity model. He used the trade data for the regression analysis and gain from the "Direction of Trade" data set improved by IMF. It covers bilateral product and service trade in

between 178 IMF commercial creature between 1948 and 1999 and found that the effects of both IMF and GATT/WTO membership on total trade are generally quite small. On the other hand, The OECD has an absolutely positive effect on trade that is both economically and statistically considerable. Rose (2005) also studied on World Exporters' association whether it increase the international trade in the World. Rose emphasized that even though World exporters' association seems one of the most important international organization which organize and increase the total trade of the World, there is no theoretical study, strong statements or empirical evidence showing that the The General Agreement on Tariffs and Trade (GATT)/WTO has actually strengthen international trade. From this point of view, Roberto Azevêdo used trade data of International Monetary Foundation (IMF) from 1948 to 1999 by using "gravity model". When one compared World Exporters' association with its apparent competitors such the IMF and the World Bank, World Exporters' association (WTO) is perhaps the most recognized international organization inside the profession. Then, he found that membership in the GATT/WTO is not related with advanced trade, when standard factors have been considered. To make it more clear, there is no significantly distinctions in term of the trade pattern between the member and non-member countries.

While seeking for practices of the best exporters' association in the world, Australian model is drawn an attention. The Australian Trade Commission (Austrade) is the official exporters' association in charge of supporting Australian firms in terms of increasing total export and international business. The agency has a special object: "to reduce the time, cost and risk associated with selecting, entering and developing foreign markets." Austrade is administrated by a Board of Directors which is responsible to the parliament over the Department of Foreign Affairs and Trade (DFAT). In this paper, I considered Australia's export promotion system because Australia, as a developed country, is quite unique among the many countries with its distinguished export promotion services. The agency is located in Australian embassies and consulates around the world and provides two types of services, one of them is free of charge services that mainly focused on pre-export activities such as getting ready exporters to the international market. Second one is fee-based services such as market research and development services that generally appeals to the experienced exporters. The main goal of Australian government is to reduce the information skew between small and medium-sized firms and large firms. Thus services that help "intenders" and "new exporters" build export-readiness, select target markets, and gaining fore market information are free. On the other

hand, special export promotional services that help companies figure out and enter new export markets are charged on a total cost-recovery basis with approximately US \$130 per hour. When one compare Australian export promotion system that is perceived as good with Turkey, Turkish Exporter Association provide same services for their member for free based. Moreover, variety of export promotion instruments in Turkey is larger than Australia. Hence, export promotion system and organization in Turkey is also perceived as good.



CHAPTER 2: HISTORY, LEGAL STATUS AND DUTIES OF EXPORTERS ASSOCIATIONS IN TURKEY

"No matter how big political and military victories are, they will not be continuous if they are not crowned by economic victories" (M. Kemal Atatürk)

2.1 Turkish Foreign Trade and Exports in the First Years of the Republic

Ataturk, convening Izmir Economic Congress in February 1923 before the proclamation of the Republic, was forming the building blocks of the economic structure of the state to be established. In the Congress, while the nationalist and liberal economic policies were adopted, the applied economic policies appeared to be an outward-oriented structure that attached special importance to free enterprise. Economic provisions of the Lausanne Peace Treaty constituted the overriding reason for the implementation of an open economic policy (Savrul, Özel and Kılıç, 2013). Mustafa Kemal Atatürk and his friends were advocating for the opinion "No matter how mighty they are, political and military victories cannot endure unless they are crowned by economic triumphs" (Atatürk, M. K., 1961). The Turkish economy had to be independent and developed with its own internal dynamics. Because, political ability of a state, relying on outside economically, damages to a great extent and it becomes difficult for it to make independent decisions. The economic perspective of Ataturk also included this understanding. Rapid determination of the economic policies of a new state to be formed, before proclaiming the form of government of the state yet to be founded, constituted the meeting purpose of the Izmir Economy Congress.

When the private sector, tried to be supported with incentives within the period from the Izmir Economic Congress decisions to 1929 World Economic Crisis, could not achieve the desired success, the state has started to be more effective in the economy and the mixed economic system has become the economic policies of Turkey. In addition to this, both the liberal and the mixed economy eras were contemplated and put into practice by approaching realistically for the rapid growth of Turkey. This period does not mean that the state was the only dominant force in the economy. Hence, " Statism " policy does not mean that only the state dominates the economy and keeps the private sector out of the economy. During the period, the private sector still plays a role in the economy, but major investments related to development targets have been made directly by the state power. (Türkdoğan, 2009) With the effect of the

global crisis, interventionist role of state had to be strengthened in Turkey like all over the world for economic development and revival. Turkey, increasing the state control over international trade and exchange also imposed restrictions on imports and increased customs duties. In 1923, imports were 51 million USD and exports were 87 million USD. When the exports increased to 75 million USD and imports to 124 million USD, and hence the foreign trade deficit reached 49 million USD due to the Great Depression in 1929, restrictions on foreign trade were imposed as of the early 1930s to reduce foreign source dependency, and while Turkey had foreign trade deficit between the years 1923-29, the new customs tariff was put into force in 1929 as the duration of the article in the Treaty of Lausanne stipulating “Turkey not to change customs duties until 1929” expired, and following this Turkey had increasing foreign trade surpluses in 1930 and 1931.

The aim of the First Five-Year Industrialization Plan (1933-37), which is the starting point of the application of statism, is to reduce as much as possible or even close the foreign trade deficit. In this period of rapid industrialization, the State actively intervened in economic life by establishing and operating factories. Exporting agricultural products by bringing them to finished or semi-finished state, restricting the import of goods that were also produced domestically, purchasing products from the countries purchasing the goods of Turkey and liberalization of imports of goods subject to bilateral agreement are the main characteristics of these policies. At this point, clearing agreements (import against export) were also made with many countries.

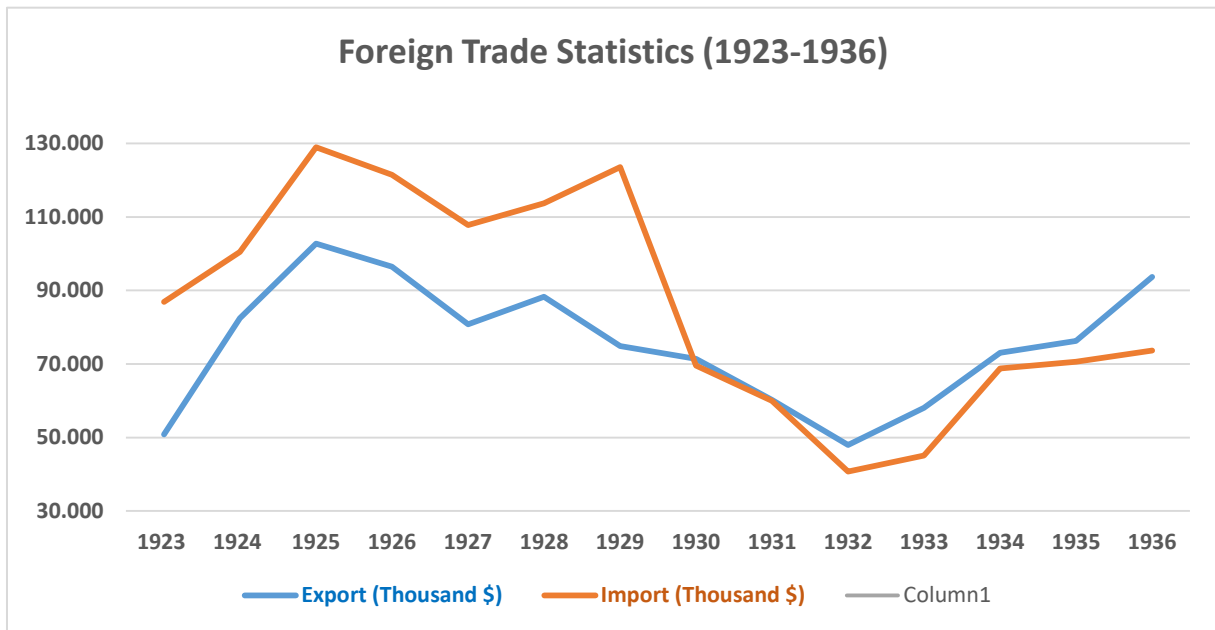
Table 1 1923-1936 Foreign Trade Statistics of Turkey

Year	Export (Thousand \$)	Import (Thousand \$)	Balance of Foreign Trade (Thousand \$)	Foreign Trade Volume (Thousand \$)	Rate of exports meeting imports (%)
1923	50.790	86.872	-36.082	137.662	58,5
1924	82.435	100.462	-18.027	182.897	82,1
1925	102.700	128.953	-26.253	231.653	79,6
1926	96.437	121.411	-24.974	217.848	79,4
1927	80.749	107.752	-27.003	188.501	74,9
1928	88.278	113.710	-25.432	201.988	77,6
1929	74.827	123.558	-48.731	198.385	60,6
1930	71.380	69.540	1.840	140.920	102,6
1931	60.226	59.935	291	120.161	100,5

1932	47.972	40.718	7.254	88.690	117,8
1933	58.065	45.091	12.974	103.156	128,8
1934	73.007	68.761	4.246	141.768	106,2
1935	76.232	70.635	5.597	146.867	107,9
1936	93.670	73.619	20.051	167.289	127,2

Source: Turkish Statistical Institute (TSI)

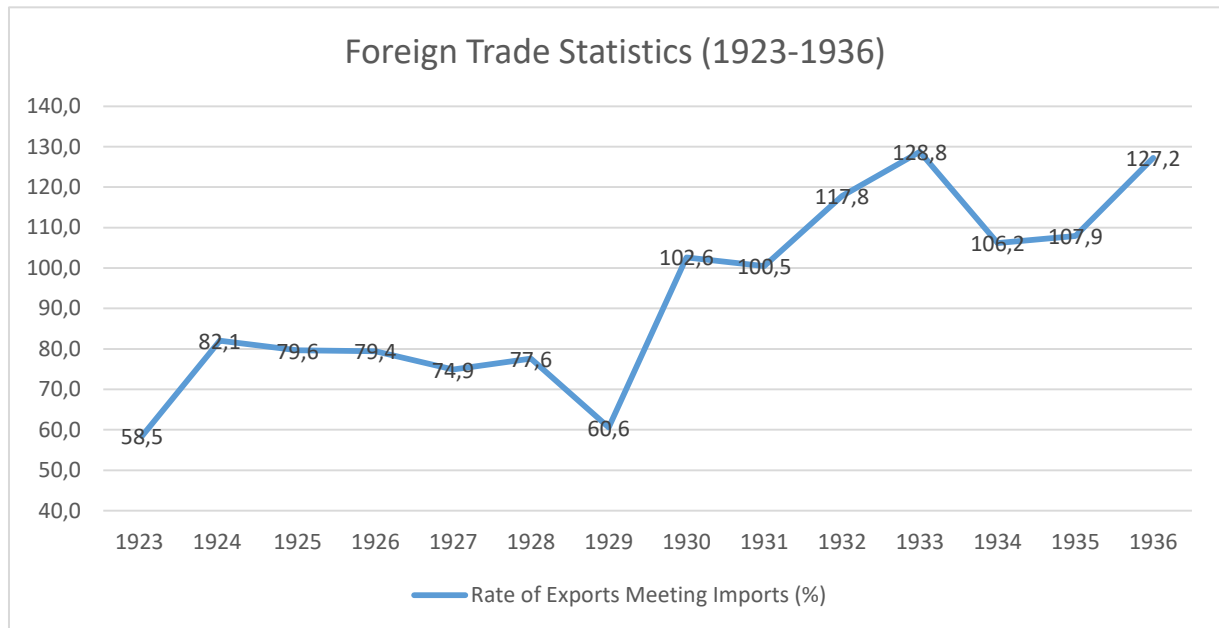
Figure 2 1923-1936 Foreign Trade Statistics



Source: Turkish Statistical Institute (TSI)

The second five-year industrial plan is prepared following the first five-year industrialization plan in Turkey, and it is aimed to increase especially the exports with this plan. In this plan, the increase in imports required by industrialization intended to be met with exports. Therefore, in this plan exports are desired rather than maintenance of imports. Mining, power plants, earthenware industry, food industry, machine industry and chemical industry were given a place in the second plan, which were not given much place in the first plan, however the Second Five Year Industrial Plan covering 1938-1942 period could not be implemented due to the outbreak of World War II.

Figure 3 1923-1936 Rates of Exports Meeting Imports of Turkey



Source: Turkish Statistical Institute (TSI)

In 1930s, export subject was now discussed around “export community” in Turkey. An article was written by Dr. Muhlis Mete in Cumhuriyet newspaper dated 26 June 1930 and this subject was discussed in details. In his article, Mete was drawing the attention to the losses incurred by the exporters in the absence of an organization for exports, and was asking for the foundation of export exporters’ association and bureau, more importance to be attached to business colleges, and he was asking for the enactment of business foreign bureau law as soon as possible, which was sent to the Parliament two years previously but was not enacted somehow.

2.2 1937 Foundation and History of Exporters Associations

New legislative regulations oriented towards both the domestic and foreign trade policies were required also in our country due to the reasons such as rapidly changing economic balances in the world, exploitation giving way to competition, trade getting under control. In 1936, legislative regulation allowing the foundation of Exporters Association in Turkey was enacted; however, the required authorization concerning the foundation of Exporters Associations within the framework of 7th article of Law No. 3018 was given to the Ministry of Trade with Bylaw No.2/6107 dated 4 March 1937.

Beginning of the history of Exporters Associations in Turkey is considered as 1937; however, the first Exporters Association, the organization of foreign trade in the history of the Republic, was established as a joint-stock company with Bylaw No.2/7098 on 16.07.1937 within the framework of

“As it is considered necessary to establish Tradesmen Associations to engage only in export of sheep, cattle for now in the east and south provinces with the intention of resolving the economic difficulties incurred by the livestock trade having an important place within the development plan of Eastern Provinces, to this end, the proposal made with the letter no. 4887/62 dated 30/01/1937 of the Ministry of Economy for giving authorization to the said Ministry to implement the 7th article of Law No.3018 and to prepare and determine the required status is approved by the Cabinet on 4/3/1937”

In the said bylaw; it is stated that

“Articles of association document of Eastern and Southern Provinces Region Livestock Exporters Association Turkish Incorporation started to be established for a period 30 years and with 150.000 Turkish lira capital with head office in Kars for the purpose of engaging in all kinds of livestock sales and organizing the export of these goods in accordance with the domestic and foreign market conditions and carrying out studies to find new export market and finance the commercial transactions regarding this matter or for the purpose of participating in the profit, and the bank letter showing that ten percent of the capital being provided are read and approved by the Council of Ministers on 16/7/1937”

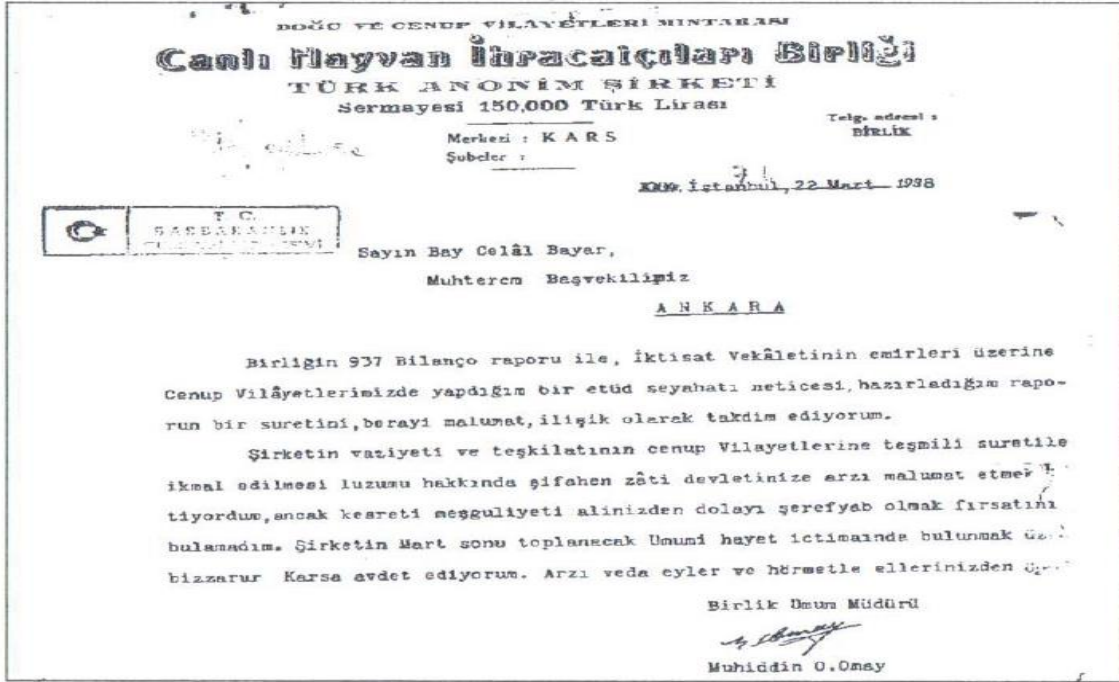
Articles of association document of Eastern and Southern Provinces Region Livestock Exporters Association Turkish, approval by the Council of Ministers on 16/7/1937¹

T. C. BAŞVEKÂLET KARARLAR DÂİRESİ MÜDÜRLÜĞÜ	Kararname	T. C. BAŞBAKANLIK CUMHURİYET ARŞİVİ	
Karar sayı: 2 7098			
<p>Her nevi canlı hayvan satışı ile uğraşmak ve bu işleri iç ve dış piyasaya göre ihracatı tanzim ve yeni ihracat piyasalarını bulmak hususunda tetkikler yapmak ve bu mevzuat ticarî muamelelerin finansmanını temin veya ona iştirak etmek maksadıyla merkezî (Kars) olmak üzere 30 sene müddet ve 150,000 Türk lirası sermaye ile teşkiline bağlanan (Doğu ve Güney Vilâyetleri sınırlarında) Canlı İhracatçıların Birliği Türk Anonim Şirketi'nin İktisadî Vekâletinden gönderilen esas mukaveleleme lâyhâsı ve sermayenin yüzde onunun tedarik olunduğunu gösteren banka mektubu İcra Vekilleri Heyetine 16/7/1937 tarihinde okunarak mukavele hüsninin tasdiği onanmıştır.</p>			
16/7/1937			
REİSİCUMHUR K. Atatürk			
Bş. V. D. İsmail	Ad. V. E. Sarıoğlu	M. M. V. H. Ö. Paşa	Da. V. V. S. İsmail
Ha. V. V. M. İsmail	Ma. V. V. S. 3099	Mi. V. S. İsmail	Na. V. V. Y. İsmail
K. V. C. Başoğlu	S. İ. M. V. V. K. İsmail	G. İ. V. K. İsmail	Zs. V. S. İsmail

As it can be understood from the bylaw, the main objective of the Exporters Association is indicated as “sales of all kinds of livestock” and one year later Gaziantep Hasan Keyif Tobaccos Exporters Association Turkish Incorporation is established again as a joint-stock company with the Cabinet Decree No.2/9299 dated 21.7.1938.

¹ Özkan AYDIN, İhracatçı Birlikleri, 2012

The first Exporters' Association established in Turkey is "Livestock Exporter Association" in 1937.²



² Özkan AYDIN, İhracatçı Birlikleri, 2012

Exporters Association, foundation of which is published in the Official Gazette dated **06.03.1940**

Çukrova Cotton Exporters Association

İzmir Cotton Exporters Association

Exporters Association, foundation of which is published in the Official Gazette dated **25.03.1940**

South Provinces Live Animal Exporters' Association (Mersin)

West Provinces Live Animal Exporters' Association (İzmir)

Antep Pistachio Exporters Association (Gaziantep)

Aegean Region Dried Fruit Exporters Association (İzmir)

İstanbul Cereals, Pulses and Oil Seeds Exporters Association (İstanbul)

İzmir Cereals, Pulses and Oil Seeds Exporters Association (İzmir)

Mersin Cereals, Pulses and Oil Seeds Exporters Association (Mersin)

Samsun Cereals, Pulses and Oil Seeds Exporters Association (Samsun)

Turkish Hazelnut Exporters Association (Giresun)

Turkish Acorn Exporters Association (İzmir)

Turkey Mohair and wool exporters Association (İstanbul)

Turkey Olive Oil and Vegetable Oil Exporters Association (İzmir)

Turkey Intestine Exporters Association (İstanbul)

Egg Exporters' Association (İstanbul)

While Turkey was trying to control the domestic and foreign trade and support the development of the economy of the country, the outbreak of World War II upset her plans. Within this period, Turkey, making preparations for war at any moment, also imposed restrictions in production, and she became a member of International Monetary Fund (IMF) in terms of economic relations with the world in 1941. The efforts for joining international economy were continuing during

this period. Turkey had foreign trade deficits in 1938, 1947, 1948, 1949, 1950 during the period of implementation of mixed economy between 1930-1950. She had foreign trade surpluses in other years (Özdemir & Yiğit & Oral, 2013).

Although Turkey established 18 Exporters Associations in 1939 and 1940 with the regulations she had enacted after the foundation of the Republic, she has not established any other exporters association until 1956 by taking into consideration the war years experienced, global economic stagnation, efforts of avoiding dependent economy model, which she tries to get out of, but Turkish Hazelnut Exporters Association was divided into Black Sea Region Hazelnut Exporters Association and Istanbul Exporters Association in 1951, and the total number of associations reached 19.

Exporters Association, foundation of which is published in the Official Gazette dated **19.02.1957**

- Turkish Citrus Exporters Association (Mersin)

Exporters Association, foundation of which is published in the Official Gazette dated **26.07.1957**

- Turkish Southern Coast Freshwater and Sea Food Exporters Association (Mersin)

Exporters Association, foundation of which is published by bylaw dated **20.08.1963**,

- Turkish Seedless Raisins Exporters Association (Izmir)

Exporters Association, foundation of which is published by Cabinet Decree dated **04.09.1963**,

- Turkish Fresh Fruit and Vegetable, Various Dry and Dried Fruits and vegetables and Products Exporters Association (Istanbul)

Exporters Association, foundation of which is published by Cabinet Decree dated **25.01.1965**,

- Van Province and Surroundings Livestock Materials and Products Exporters Association

Exporters Association, foundation of which is published by Cabinet Decree dated **25.04.1966**,

- Aegean Fresh Fruit and Vegetables and Products Exporters Association (Izmir)

Exporters Association, foundation of which is published by Cabinet Decree dated **01.06.1968**,

- Antalya Exporters Association (Izmir)

Exporters Association, foundation of which is published by Cabinet Decree dated **17.04.1969**,

- Aegean Tobacco Exporters Association (Izmir)

Along with the transition to planning horizon as of 1963, reference is made to the necessity of making radical and structural transformations in long term for the development of Turkish economy. The objectives such as the improvement of level of welfare, minimization of level of development differences between regions form the basis of these transformations. At the same time, the import substitution approach has been adopted in the industry for economic growth.

While production incentives intended for domestic markets continued within the framework of development plans; although attempts were made to encourage exports by making a new devaluation in 1970, the share of exports of Turkey in world exports is unchanged due to increase in the volume of world trade. The devaluation of 1970 has increased the volume of foreign trade in trade and economic relations with the European Economic Community. However, "the oil shocks experienced in the period of 1973-1974 and the emergence of high inflation in the west" led to the deterioration of the international terms of trade and the increase in current account balance deficits "(Özdemir & Yiğit & Oral, 2013)

In the 1970s, the efforts of the state to establish Exporters' Association continued in a planned manner and there was a significant increase in the number of Live Animal Exporters Association established in Eastern Anatolia. The main reason for this was the distribution of quotas for livestock trade, which was done intensively within the framework of bilateral agreements especially with USSR, Iran and other neighboring countries (Özkan, 2012). For that reason, the first association establish in the 1970s was "Ağrı Province Livestock Materials and Products Exporters Association".

Exporters Association, foundation of which is published by Cabinet Decree dated **03.02.1971**,

- Ağrı Province Livestock Materials and Products Exporters Association (Ağrı)

Exporters Association, foundation of which is published by Cabinet Decree dated **05.02.1971**,

- Erzurum Province Livestock Materials and Products Exporters Association (Erzurum)

Exporters Association, foundation of which is published by Cabinet Decree dated **20.03.1971**,

- Iğdır Province Livestock Materials and Products Exporters Association (Iğdır)

Exporters Association, foundation of which is published by Cabinet Decree dated **13.03.1973**,

- Turkish Wood and Fruit Products and Forestry Products Exporters Association (Istanbul)

Exporters Association, foundation of which is published by Cabinet Decree dated **12.06.1973**,

- Turkish Forestry Products Exporters Association (Mersin)

Exporters Association, foundation of which is published by Cabinet Decree dated **22.04.1975**,

- İstanbul Yarn, Raw Materials and Textile Exporters Association (İstanbul)

- İzmir Yarn, Raw Materials and Textile Exporters Association (İzmir)

- Cukurova Yarn, Raw Materials and Textile Exporters Association (Mersin)

Exporters Association, foundation of which is published by Cabinet Decree dated **02.02.1976**,

- Turkish Mineral Exporters Association (Istanbul)

Exporters Association, foundation of which is published by Cabinet Decree dated **25.08.1977**,

- Central Anatolian Grains, Legumes, Fleece Wool, Angora Wool, Livestock and Animal Products Exporters Association (Ankara)

Exporters Association, foundation of which is published by Cabinet Decree dated **26.04.1978**,

- Turkish Ready Made Garment and Apparel Exporters Association (İstanbul)

Exporters Association, foundation of which is published by Cabinet Decree dated **26.04.1978**,

- İzmir Ready Made Garment and Apparel Exporters Association (İzmir)

When Turkey's foreign trade is scrutinized, the existence of big differences between pre and post 1980 draw the attention both in terms of government policies and developing industry and increased subsidies. Along with 24 January 1980 decisions, Turkey has now adopted an economic model based on exports and has started supporting its economy, which was based on agriculture until the 1980s, with industry. As a result, there has been an increase in the exports of industrial products, and the increase in the outward expansion of Turkish firms has been a major development in state support. These changes and developments have steered the foreign

trade of the country, and in connection with this, they caused the aim, vision and mission of the Exporters' Union to undergo a change.

Many different arrangements have been made in functioning, bodies and legal status of Exporters' Associations until they gain their present structure as compared to their structure in 1940s.

1986 regulation entered into force upon the publication of Cabinet Decision No. 86/11159 dated 30 October 1986 in the Official Gazette No.19303 dated 6 December 1986. With this regulation, it is intended to ensure coordination between Exporters' Association and uniformity in services and procedures in all associations. Some of the associations established until 1986 changed their names, some were merged into another name, and new associations continued to be established.

Following 1986 regulation, another regulation is enacted in 1991; and this was the **Decision No.91/1934 dated 23 May 1991 on the foundation of Regional Exporters Associations, Turkish Material Exporters Associations and Turkish Exporters Associations Council**, which entered into force upon its publication in the Official Gazette No. 20916 dated 1 July 1991. With this decision, the current Exporters' Association were named "Regional Exporters Association". Joint administrative boards established with 1986 regulation for coordinated working of multiple associations showing activities in the same area are structured as the roof association under the name of "Turkish Material Exporters Association". The most important change of 1991 is "Turkish Exporters' Associations Council", short name TIBKON, established as a legal entity, representing all associations and exporters.

Turkish Exporters' Associations Council established in 1991 was renamed as "Turkish Exporters' Assembly" and restructured with the change made in 1993.

2.3 Establishment, Duties, Functions and Organizational Structure of Turkish Exporters' Assembly

2.3.1 Turkish Exporters' Assembly

Duties, functions and organizational structure of Turkish Exporters' Association are examined herein below.

2.3.2 Duties and Functions

Turkish Exporters Association (TIM) is defined in Law No.5910 on Foundation and Duties of Exporters Associations with the provision; *‘‘It refers to Turkish Exporters Assembly, the legal entity, roof organization of exporters associations having a special budget, established to ensure coordination between associations, to conduct studies to solve the problems of the exporters, to carry out studies fostering foreign trade in line with the national interest and to represent the exporters at the highest level’’* (Official Gazette No: 27277).

Duties of TIM (Official Gazette, 27277);

- a) Represent the exporters at home and abroad.
- b) Carry out studies assisting the development of foreign trade in pursuance of the benefits of the country and suggest proposals to the under secretariat.
- c) Ensure coordination between the associations.
- d) Conduct studies for identifying the fields of activity of associations and to submit these to the under secretariat.
- e) Establish council, committee and trade center and participate in already established ones under the coordination of the under secretariat with the intention of improving foreign trade and investment opportunities.
- f) Assist the existing foreign trade educational exporters’ associations, pioneer and contribute to the foundation of new ones, providing that the approval of the under secretariat obtained.
- g) Establish and develop relations with international exporters’ associations to protect the professional interests of its members within the framework of national interest.
- i) Providing that the approval of the Under secretariat is obtained and within the bounds of its budget; buy, construct, sell, lease estates and assets, and establish and release lien and mortgage on them, establish foundations, companies, associations, exporters’ associations and enterprises or to participate in already established ones both at home and abroad, ensure the coordination of the activities of foundations, enterprises and facilities of the associations in order to achieve its goals and to fulfil its duties.

i) Present opinion to under secretariat for participating in exhibitions and fairs to be organized at home and abroad, and ensure the coordination of exhibitions and fairs, support the project and activities concerning the promotion of Turkish products abroad.

j) Contribute to the studies concerning improvement of logistics facilities in foreign trade, establish, operate logistics centers at home and abroad, and participate in already established ones with the approval of the under secretariat.

k) Carry out other duties concerning foreign trade to be assigned by the under secretariat.

The main target of TIM, as expressed by its chairman Mehmet Büyükekeşi, is:

“Our target is to achieve 500 billion USD exports and to increase our share in international trade to 1,5% level in 2023, which is the 100th anniversary of our Republic, by raising our performance to a higher level in a sustainable manner” (TIM Report, 2014).

In order to reach its 2023 export targets, TIM is working intensively on 2023 Strategy software program aimed at ensuring sustainable export increase in line with the targets set for export breakthrough of Turkey (TIM Report, 2014). Country desks are established under the coordination of the Ministry of Economy in order to reach 2023 targets of TIM.

Duties of Country desks;

a) Submit the execution plan and projects developed to monitor, evaluate foreign trade and investment opportunities for the concerned country/country group and to set targets for the following years and to reach these targets in order to ensure that the targets set in the framework of the 2023 Export Strategy can be achieved to TIM, and together with TIM’s opinion, to the General Directorate for approval at the latest by October of each year,

b) Provide assistance in the determination of market entry strategies for the country / country group concerned, give opinions and suggestions to TIM, and along with the opinion of TIM to the General Directorate, on market entry activities such as the selection of trade delegation, sectoral trade delegation, buying mission, fair organization, foundation of trade centers, etc. for the country / country group concerned,

c) Make contacts with equivalent NGOs operating in the country/country group concerned in order to promote the existing foreign trade and investment relations between these country /

country group and our country, and submit report on the results of these contacts to TIM, and with the opinion of TIM to General Directorate at the latest within one month,

d) Provide assistance with the work to determine the entry barriers to the relevant country / country group market, and to make suggestions on the solution of the problems identified to TIM, and with the opinion of TIM to the General Directorate,

e) Make contribution to the studies and activities carried out by the General Directorate, TIM and Exporters' Associations on the country / country groups,

f) Organize informative meetings, seminars, events and market research on foreign trade and investment opportunities in the relevant country / country market.

As a result of increasing exports in the country;

- With exports, it will be possible to recover some of the funds that lost with imports.
- World scale growth will be realized with broad vision, instead of a growth relying on domestic market.
- It will be possible to close foreign exchange gap and to increase per capita income by increasing the share of exports in GNP.

TIM is of great importance strategically for ensuring the abovementioned developments and realizing the 2023 strategic targets of Turkey.

2.3.3 Organizational Structure of TIM

Organizational structure of TIM is in the form of vertical organizational structure. In this type of organizational structure; the structure is formed by adding a staff department to the organization. There might be one or more personnel in the staff department depending on the size of the enterprise. The duty of the staff department is to provide recommendations and technical information to the executive administrators with vertical authority. Thus, administrator assumes the research and specialized information collection responsibility of the management staff. Vertical authority is the power emerging in the form of controlling, coordinating the works done and accountability by way of superiors giving orders to subordinates as per command type organizational structure.

Organizational structure of TIM is as follows;

- Chairman of TIM: Chairman of TIM is elected by the general assembly from among permanent members of sectors council for a period of four years and he is also the chairman of the sectors council and the board of directors. TIM is represented by the chairman or deputy chairman to be authorized by him.
- Board of Directors: It is composed of one chairman and ten permanent members elected by General Assembly for a period of four years. The general assembly also elects substitute members corresponding to the number of the permanent members bearing the same qualifications.
- Supervisory Board: Three permanent members from among members with rights to participate in the general assembly are elected for the supervisory board for a period of four years to audit the activities and accounts of the associations.
- Council of Sectors: Council of sectors is comprised of one permanent member and one substitute member to be elected for four years by the TIM general assembly representatives of the related sector from among the chairmen or vice chairmen of the sectoral boards being the representatives at the TIM general assembly.
- Secretary-General and Assistant Secretaries-General: The Secretary-General and maximum three assistant secretaries-general are appointed by the board of directors provided that the positive opinion of the under secretariat is obtained. The Secretary-General is the executive chief in charge of the management and administration of the operations of an association or associations.
- Administrative Personnel: These are the personnel subject to Labor Law No.4857, employed with permanent, special and definite duration employment contract in the TIM, association, liaison office and social facilities.

2.4 Duties, Organizational Structure, Size of Exporters' Associations and Definitions

Duties and functions, organizational structures of exporters associations and some statistics concerning exporters associations are examined under following headings.

2.4.1 Duties and Functions

Exporters Associations are defined in Law No.5910 on Foundation and Duties of TIM/Exporters Association with the provision "Exporters Association founded as legal entity

with special budget to increase exports by organizing exporters and to ensure the development of foreign trade in line with national interests (Official Gazette, 27277)’’.

Duties of Associations are as follows;

a) Conduct studies on issues related with foreign trade; in this context, to carry out protective and constructive studies before the state exporters’ associations and organizations, non-governmental organizations and national and international organizations in order to safeguard the interests of its members within the framework of national interests.

b) Ensure professional ethics and solidarity among the exporters.

c) Provide assistance to the existing educational exporters’ associations, pioneer and contribute to the establishment of new ones related to its sector provided that the opinion of TIM and the approval of the under secretariat are obtained.

ç) Provided that the opinion of TIM and the approval of the Under secretariat are obtained; to establish foundations or participate in already established ones; within the bounds of its budget, to buy goods and services, have such done, sell, hire, establish and release lien and mortgage if required, to establish companies, societies, exporters’ associations and enterprises related with its field of activity in order to render common services, to participate in already established ones when required, to support its members in laboratory, test, inspection and certification issues, to organize fairs, exhibitions and advertising activities, to participate in fairs and exhibitions to be organized and engage in promotional activities in order to achieve its goals and duties.

d) Perform other foreign trade related duties to be assigned by TIM.

2.4.2 Organizational Structure of Exporters Association

Organizational structure of TIM is in the form of vertical organizational structure. In this type of organizational structure; the structure is formed by adding a staff department to the organization. There might be one or more personnel in the staff department depending on the size of the enterprise. The duty of the staff department is to provide recommendations and technical information to the executive administrators with vertical authority. Thus, administrator assumes the research and specialized information collection responsibility of the staff (Ertürk, 2017). Vertical authority is the power emerging in the form of controlling,

coordinating the works done and accountability by way of superiors giving orders to subordinates as per command type organizational structure.

Organizational structures of associations are as follows (Official Gazette, 27277).

- **Chairman of Board of Directors, Deputy Chairmen and Treasurer Member:** Association is represented by the chairman of the board of directors or by the deputy chairman authorized by the chairman. Members of the board of directors convene within fifteen days as of the date of general assembly and elect maximum two deputy chairmen and one treasurer member from among its members.

- **Board of Directors:** It is comprised of one chairman and ten permanent members elected by the General Assembly to serve for a period of four years. General Assembly also elects substitute members corresponding to the number of the permanent members bearing the same qualifications.

- **Supervisory Board:** It is comprised of three permanent members elected by the general assembly for a period of four years from among the members with rights to participate in the general assembly to audit the activities and accounts of the associations.

- **Coordinator Chairman:** In situations where the affairs of more than one association are conducted by the same secretariat-general, a coordinator chairman is elected by a majority vote of chairmen of the board of directors to conduct the common affairs of the relevant associations and to represent them jointly before the public exporters' associations and organizations and third parties. In the event of equal vote in the election of coordinator chairman, the candidate elected by the chairman of the association made more exports within the last two calendar years become the coordinator chairman. Also, one deputy coordinator chairman is elected.

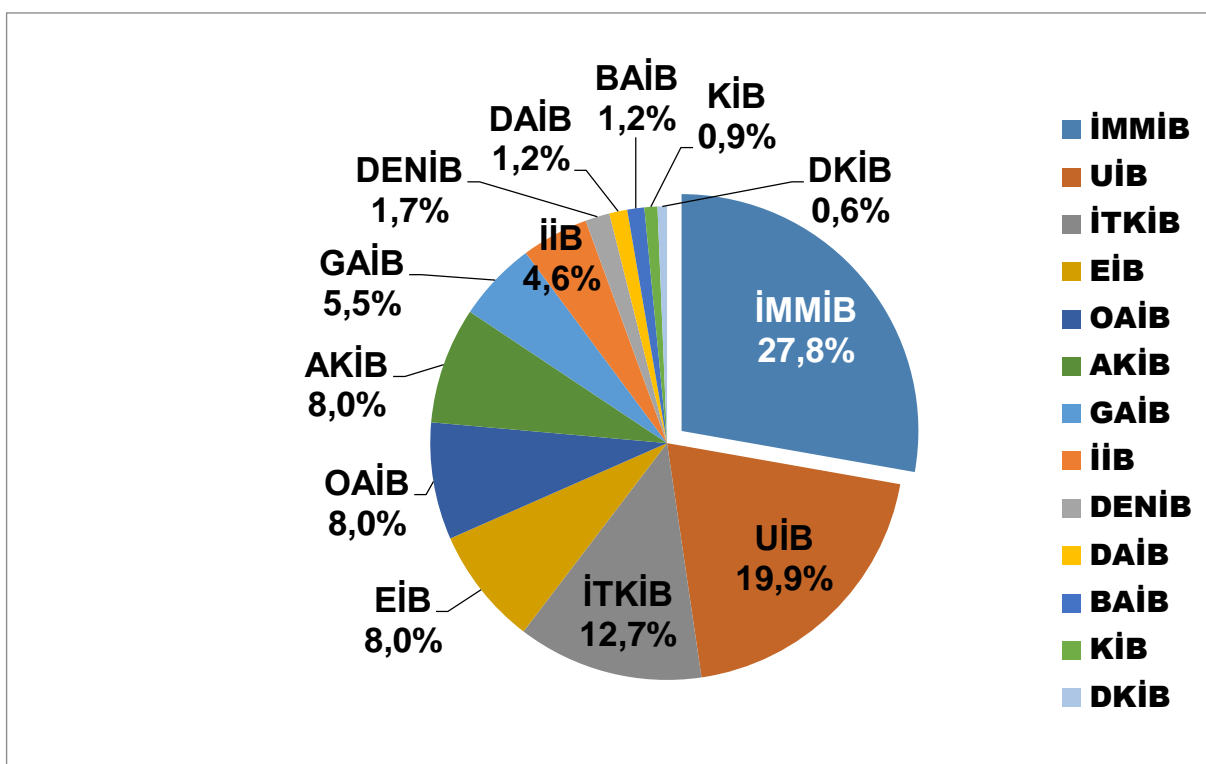
- **Secretary General and Assistant Secretaries General:** One secretary general and maximum three assistant secretaries general are appointed by the board of directors providing that positive opinion of under secretariat is obtained. The Secretary-General is the executive chief in charge of the management and administration of the operations of an association or associations.

- **Administrative Personnel:** These are the personnel subject to Labour Law No.4857, employed with permanent, special and definite duration employment contract in the TIM, association, liaison office and social facilities.

2.4.3 Exporters Associations and Statistics Throughout Turkey

There are 13 general secretariats and 62 associations under these general secretariats. General Secretariat and Associations are founded within the framework of export policies, strategies, target markets and promotional activities determined by the Ministry with the intention of developing the perspective and the exports of Turkish products at home and abroad, and to fulfil duties concerning sector and/or product based collaborative market research, branding, R&D, promotion, marketing and similar activities and studies and continue with their operation at the bound general secretariats.

Figure 4 Breakdown of Turkey's total exports by General Secretariat of Associations, 2017



Source: Data gathered from Turkish Exporters Assembly, 2017.

As it is also understood from the Table, the biggest export passes through Istanbul Mineral and Metals Exporters' Association General Secretariat with 27,8% share, the smallest export passes through Western Mediterranean Exporters' Association General Secretariat. Export figures of the general secretariat and exporters association under them at the end of 2017 are as follows.

a) Istanbul Mineral and Mine Exporters Association (İMMİB)

Istanbul Mineral and Metals Exporters' Association (İMMİB) is a non-profit organization which deals with all of the export activities within regions that have a high level of export activities.

IMMIB carries out an outstanding role representing around 22,000 members who produce and/or export almost all kinds of minerals, natural stones, chemicals and chemical products, ferrous and nonferrous metals, electrical/electronics, cosmetics, jewelry, service and many more. Thus, IMMIB is composed of 7 Exporters' Associations.

These Associations are the following:

- Istanbul Chemicals and Chemical Products Exporters Association (IKMIB)
- Istanbul Ferrous and Non-Ferrous Exporters' Association (IDDMIB)
- Electrical Electronics Exporters' Association (TET)
- Steel Exporters' Association (CIB)
- Istanbul Mine Exporters' Association (IMIB)
- Jewelry Exporters' Association (JIB)
- Service Exporters' Association (HIB)

Total export of IMMIB in 2017 is 40.922.274.617 US dollars (data from TIM 2017). Its share from the total export of Turkey is %27.8 and according to this figure IMMIB is the largest secretary general under Turkish Exporters Assembly.

b) Uludag Exporters Association (UIB)

The Uludag Exporters' Association (UIB) organizes exporters to within interests of the country. It is made up of five separate associations operating in different sectors under a special budget within the framework of "Law No. 5910 on the Foundation and Duties of the Turkish Exporters Assembly and the Exporters' Associations, and formed within the "General Secretariat of Uludag Exporters' Association." UIB is composed of 5 Exporters' Associations.

These Associations are the following:

- Uludag Textile Exporters' Association (UTIB)
- Uludag Apparel and Clothing Exporters' Association (UHKIB)
- Uludag Fruit and Vegetable Products Exporters' Association (UMSMIB)
- Uludag Fresh Fruit and Vegetable Exporters' Association (UYMSIB)

- Automotive Industry Exporters' Association (OIB)

Total export of IMMIB in 2017 is 29.310.775.338 US dollars (data from TIM 2017). Its share from the total export of Turkey is % 19,9 and according to this figure IMMIB is the second largest secretary general under Turkish Exporters Assembly.

c) Istanbul Textile and Apparel Exporters' Association (ITKIB)

ITKIB is one of the 13 general secretariat of Turkish Exporters Associations exist in country-wide. The Associations is the leading textile industry association in Turkey, bringing together 28,000 manufacturers and exporters of textiles, apparel, carpets, leather, leather wear and ready-to-wear garments. ITKIB is composed of 7 Exporters' Associations.

These Associations are the following:

- Istanbul Apparel and Clothing Exporters' Association (IHKIB)
- Istanbul Textile and Row Materials Exporters' Association (ITHIB)
- Istanbul Leather and Leather Products Exporters' Association (IDMIB)
- Istanbul Carpet Exporters' Association (IHIB)

Total export of ITKIB in 2017 is 18.697.632.904 US dollars (data from TIM 2017). Its share from the total export of Turkey is % 12,7 and according to this figure IMMIB is the third largest secretary general under Turkish Exporters Assembly.

d) Aegean Exporters' Association (EIB)

Aegean Exporters' Association (EIB) was founded in 1939 in Izmir. Today, the association comprises 12 sectors with over 7.500 member companies.

These Associations are the following:

- Aegean Dried Fruit and Products Exporters' Association (AKMMIB)
- Aegean Fishery and Animal Products Exporters' Association (ASSIB)
- Aegean Olive and Olive Oil Exporters' Association (AZZIB)
- Aegean Cereals Pulses Oil Seeds and Products Exporters' Association
- Aegean Furniture, Paper and Forestry Products Exporters' Association

- Aegean Fresh Fruit and Vegetable Exporters' Association
- Aegean Tobacco Exporters' Association (ETIB)
- Aegean Textile and Row Materials Exporters' Association (ATHIB)
- Aegean Apparel and Clothing Exporters' Association (AHKIB)
- Aegean Leather and Leather Products Exporters' Association (ADDMIB)
- Aegean Mine Exporters' Association (AMIB)
- Aegean Ferrous and Non-Ferrous Exporters' Association (ADDMIB)

Total export of EIB in 2017 is 11.838.757.518 US dollars (data from TIM 2017). Its share from the total export of Turkey is % 8,0 and according to this figure EIB is the 4th largest secretary general under Turkish Exporters Assembly.

e) The Central Anatolian Exporters' Association (OAIB)

The Central Anatolian Exporters Association which is abbreviated to OAIB was established in Ankara in 1989 with a view to offering services to cement, glass, ceramic, and earthenware products. Today, eight different exporters' Associations operates under the OAIB general secretariat.

These Associations are the following:

- Cement, Glass, Ceramic and Soil Products Exporters Association
- The Central Anatolian Cereals Pulses Oil Seeds and Products Exporters' Association
- The Central Anatolian Furniture, Paper and Forestry Products Exporters' Association
- Ankara Ferrous and Non-Ferrous Exporters' Association (ADDMIB)
- Machinery and Accessories Exporters' Association (MIB)
- Ornamental Plants and Products Exporters' Association
- HVAC-R Industry Exporters' Association
- Defense and Aerospace Industry Exporters' Association

Total export of OAIB in 2017 is 11.780.389.830 US dollars (data from TIM 2017). Its share from the total export of Turkey is % 8,0 and according to this figure AKIB is the 5th largest secretary general under Turkish Exporters Assembly.

f) Mediterranean Exporters' Association (AKIB)

Mediterranean Exporter Associations began its activities in 1940 with three exporters' associations. Today, there are eight sectorial association operates under the AKIB general secretariat.

These Associations are the following:

- Mediterranean Textile and Row Materials Exporters' Association
- Mediterranean Furniture, Paper and Forestry Products Exporters' Association
- Mediterranean Ferrous and Non-Ferrous Exporters' Association (ADDMIB)
- Mediterranean Apparel and Clothing Exporters' Association (AHKIB)
- Mediterranean Cereals Pulses Oil Seeds and Products Exporters' Association
- Mediterranean Chemicals and Chemical Products Exporters Association (AKMIB)
- Mediterranean Fishery and Animal Products Exporters' Association
- Mediterranean Fresh Fruit and Vegetable Exporters' Association

Total export of AKIB in 2017 is 11.719.196.867 US dollars (data from TIM 2017). Its share from the total export of Turkey is % 8,0 and according to this figure AKIB is the 6th largest secretary general under Turkish Exporters Assembly.

g) Southeastern Anatolia Exporters' Association (GAIB)

The Southeastern Anatolia Exporters' Association (GAIB), has been formed by bringing four different "Exporter's Associations" that are operating in different sectors under one General Secretariat.

These Associations are the following:

- Southeastern Anatolia Carpet Exporters' Association (GAHIB)
- Southeastern Anatolia Cereals Pulses Oil Seeds and Products Exporters' Association

- Southeastern Anatolia Dried Fruit and Products Exporters' Association
- Southeastern Anatolia Textile and Row materials Exporters' Association (GATHIB)

Total export of GAIB in 2017 is 8.066.056.919 US dollars (data from TIM 2017). Its share from the total export of Turkey is % 5,5 and according to this figure GAIB is the 7th largest secretary general under Turkish Exporters Assembly.

h) Istanbul Exporters' Association (IIB)

Istanbul Exporters' Associations (IIB), which began to operate in 1940 with the foundation of Istanbul Cereals Pulses Oil Seeds Exporters' Association, is one of the 13 general secretariats under TIM. IIB is composed of 7 Exporters' Associations.

These Associations are the following:

- Istanbul Furniture, Paper and Forestry Products Exporters' Association
- Istanbul Hazelnut and Hazelnut Products Exporters' Association
- Ship and Yacht Exporters Association
- Istanbul Cereals Pulses Oil Seeds and Products Exporters' Association
- Istanbul Dried Fruit and Products Exporters' Association
- Istanbul Fishery and Animal Products Exporters' Association
- Istanbul Fresh Fruit and Vegetable Exporters' Association

Total export of IIB in 2017 is 6.754.017.051 US dollars (data from TIM 2017). Its share from the total export of Turkey is % 4,6 and according to this figure IIB is the 8th largest secretary general under Turkish Exporters Assembly.

i) Denizli Exporters' Association (DENIB)

There is only one exporters' Association under the DENIB general secretariat;

- Denizli Exporters' Association (DENIB)

Total export of DENIB in 2017 is 2.449.058.562 US dollars (data from TIM 2017). Its share from the total export of Turkey is % 1,7 and according to this figure DAIB is the 9th largest secretary general under Turkish Exporters Assembly.

i) Eastern Anatolia Exporters' Association (DAIB)

There is only one exporters' Association under the DAIB general secretariat;

- Eastern Anatolia Exporters' Association (DAIB)

Total export of DAIB in 2017 is 1.810.662.345 US dollars (data from TIM 2017). Its share from the total export of Turkey is % 1,2 and according to this figure DAIB is the 10th largest secretary general under Turkish Exporters Assembly.

j) West Mediterranean Exporters' Association (BAIB)

There is only one exporters' Association under the BAIB general secretariat;

- West Mediterranean Exporters' Association (BAIB)

Total export of BAIB in 2017 is 1.706.524.041 US dollars (data from TIM 2017). Its share from the total export of Turkey is % 1,2 and according to this figure BAIB is the 11th largest secretary general under Turkish Exporters Assembly.

k) Black Sea Exporters Association (KIB)

There are two one exporters' Associations under the KIB general secretariat;

These Associations are the following:

- Hazelnuts and Hazelnuts Products Exporters' Association (FMIB)
- Cereals Pulses Oil Seeds and Products Exporters' Association

Total export of KIB in 2017 is 1.308.512.638 US dollars (data from TIM 2017). Its share from the total export of Turkey is % 0,9 and according to this figure KIB is the 12th largest secretary general under Turkish Exporters Assembly.

l) Eastern Black Sea Exporters' Association (DKIB)

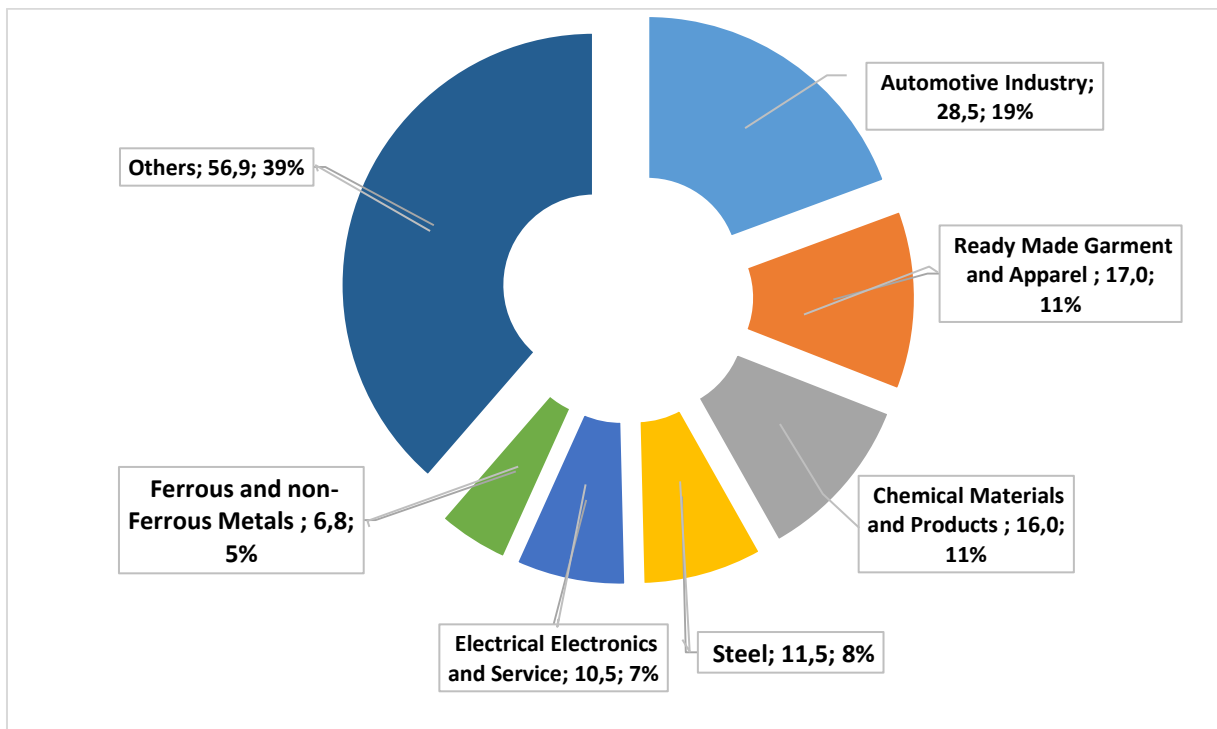
General Secretariat of Eastern Black Sea Exporters' Association (EBSEA) is a non-governmental exporters' association consisting of over 1500 members in its body. The Eastern Black Sea Exporters Association (DKIB) owns the last General Secretariat established in 1998, in Trabzon. Eastern Black Sea Association covers Trabzon, Rize and Artvin provinces of Turkey's Eastern Black Sea Region with in the context of its field of its activity.

There is only one exporters' Association under the DKIB general secretariat;

- Eastern Black Sea Exporters' Association

Total export of DKIB in 2017 is 952.021.946 US dollars (data from TIM 2017). Its share from the total export of Turkey is % 12,7 and according to this figure DKIB is the 13th largest secretary general under Turkish Exporters Assembly.

Figure 5 Turkey's the most export-oriented sectors, 2017



Source: Data gathered from Turkish Exporters Assembly, 2017.

As it is also understood from the Table, the biggest share in total exports of Turkey belongs to Automotive Industry with 28,5%, Ready Made Garment and Apparel with 17%, Chemical Materials and Products with 11%, Steel with 11,5%, Electrical Electronics and Service with 10,5%, Ferrous and Non-Ferrous Metals sector with 6,8%.

2.4.4 Revenues of Exporters' Associations (Official Gazette, 27338)

The objective in foundation of Exporters Associations in Turkey is these associations making contribution to the exports of Turkey and providing services to their respective members in line with this. The expenses concerning activities to be carried out by these exporters associations

are met from the entrance fees and yearly contributions, which are statutory obligations. Revenues obtained by associations are explained herein below.

a) Entrance Fee: is determined by the general assembly of the association and is finalized after the approval of the Ministry. Entrance fee is collected during membership entrance. Entrance fee cannot be more than fifty percent of the minimum gross salary applied for persons over 16 years of age. No further annual contribution is charged on the year of entrance fee collection.

b) Annual contribution: is determined by the general assembly of the association and is finalized after the approval of the Ministry. Separate annual contribution may be determined for service sector in the associations having service sector in their activity field. Annual contribution cannot be more than fifty percent of the minimum gross salary applied for persons over 16 years of age. Annual contribution is paid by the end of February every year.

c) Proportional Payment: it is collected over the export transactions at the rate determined by the general assembly of the relevant association and approval of the Ministry between minimum two per ten thousand and maximum one per thousands of FOB price by calculating over the buying rate of exchange of Central Bank of Turkey on the transaction date. Proportional payment collected for the same product cannot be at a different rate. The Ministry is authorized to equalize the rate of payment, by obtaining the opinion of sectoral board upon proposal of TIM, in order to ensure uniformity between associations in this respect.

e) Other Revenues: Other revenues to be collected from member companies are determined by the board of directors of the association, and are finalized after the approval of the Ministry.

Other revenues apart from these are registered directly as revenue by the association.

- Interest income on bank deposits,
- Fair Application Revenues,
- Mutual Funds Revenues,
- Exchange Difference Revenues – Exchange Difference Expenses (-) (income-expense difference),
- Real Estate, Fixtures and Fittings, Participation, Revenues on the Sale of Shares and Other Securities (only the profit on sale),

- Inward Processing Authorization Certificate/ Outward Processing Authorization Certificate Application, Change, Revision, Closing Revenues,
- Training and Seminar Revenues (income-expense difference)
- Communication Revenues,
- Printed Material, Document and Printed Matter Sales Revenues,
- Rental Income,
- Donations and Grants,
- Advertising and Publication Revenues
- Contributions collected from national and international exporters' associations within the scope of special projects (only the project income-expense surplus),
- Agricultural Product Export Refund, Support, Purchase, etc. Application Revenues,
- State Aids Application Revenues,
- Revised Transaction Revenues,
- Fair Organization Revenues (income-expense difference),
- Trade and Buying Committee Organization Revenues (income-expense difference)
- Other Revenues for Service.
- Other Revenues.

Sharing of Proportional Revenues by Associations

Revenues of Associations play an important role in the efficiency of exporters association, quality and variety of services offered to members. Because, theoretically the more the annual total revenue of the association, the more will be the services it offers to the members. Accordingly, It is necessary to know the definitions of FOB and GTIP terms to understand the proportional revenues and shares of associations. Also, each of the current 63 exporters associations in Turkey has specific areas of activity and GTIP codes unique to itself. Hence, GTIP codes play an important role in sharing of proportional payments.

-FOB Free on Board Term: it means that seller delivers the goods upon goods passing over the ship's rail at the indicated port of lading (Onursal, 2000)

-GTIP: it is the abbreviation used for customs tariff statistics position. More clearly, it is the common ID number of the product in circulation.

Use of GTIP codes; 12-digit code is used in the customs tariff nomenclature. The first six digits refer to the first six digit of the harmonized system, i.e., World Customs Organization's Harmonized System. 7th and 8th digits to EU combined nomenclature type, 9th and 10th digits to national subheadings and 11th and 12th digits refer to statistical code (TIM Academy, 2014)

As the association are obliged to carry out the transactions of members of other associations, in the event of transaction made over the FOB value being in the field of activity of the association of the exporter, whole of the collected proportional payment is sent to the association of the exporter by the end of following month. However, in the event of transaction made being in the field of activity of the association carrying out the transaction, 20% of the proportional payment is retained by the association making the transaction, and 80% is sent to the association of the exporter by the end of following month. (Amended: Official Gazette No.28939 dated 12.03.2014, Amended Official Gazette 30286 dated 30.12.2017). In the event of transaction made not being in the field of activity of the association of the exporter, 20% of the collected proportional payment is sent to the association of the exporter and 80% is sent to the association/associations in the relevant sector nearest to the registered head office address of the exporter in the registry office by the end of following month. Within the scope of this paragraph, in the event of amount required to be sent to other associations not being sent in due time, legal interest is applied as of the due date¹⁶. (Amended: Official Gazette No.28939 dated 12.03.2014, Amended: Official Gazette No.30286 dated 30.12.2017). In the realization of sharing, the association of the exporter and the customs tariff statistical position of the sector have the determinant feature.

As it is also understood from the table above, Exporters Associations include a certain proportion of the exports of their member exporters into their own budget as a legal deduction. The budget obtained from these deductions is used for the purpose of making contribution to the exports of member companies with many activities like training activities (seminar, conference, etc.), market research activities (trade and buying missions, fairs, etc.), sectoral reports, statistics, daily news bulletins, etc

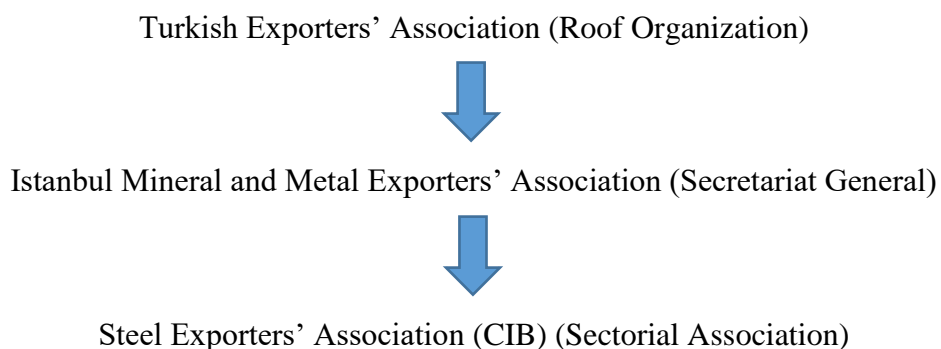
CHAPTER 3: EXAMINATION OF STEEL EXPORTERS ASSOCIATION AND TURKISH STEEL EXPORTS

3.1 Foundation, Objective and Priority of Steel Exporters Association

Steel Exporters Association is one of the sixty-two exporters associations under the roof of Turkish Exporters' Assembly, and continues its operations within the body of Secretariat General of Istanbul Minerals and Metals Exporters Association (IMMIB). Steel Exporters Association, being established in 2005 and set its primary goal as promoting Turkish steel sector in world markets and increase its market share, is also a non-profit organization rendering services to its members to ensure Turkish steel products to have variety and quality meeting the requirements of importing countries and to solve the problems encountered by its member exporters at home and abroad.

Accordingly, the Association provides services to its members through market researches, trade and buying mission organizations, fairs, seminars and trainings; the reports prepared, sectoral analysis and market research activities oriented towards target countries. In addition to this, it follows up internal and external legislations concerning exports, provides information to its members about the decisions made by international courts with respect to the sector, provides the necessary support to solve the problems encountered by its member at home and abroad, and expresses the opinion of its members and generates solution suggestions by representing them on relevant platforms.

Steel Exporters' Association had been operating under the body of Istanbul Ferrous and Non Ferrous Metals Exporters' Association since 1986 which is one of the five associations under the body of General Secretariat of Istanbul Mineral and Metals Exporters' Association (IMMIB). In October 20, 2005, Steel Exporters' Association was established with the decision of the Board of Ministers as the sixth member of IMMIB.



Mission Statement; “To develop and implement the strategies in order to increase the share of the Turkish steel exports in global markets and to maintain a sustainable global competitive strength.”

Vision Statement; “To direct and assist the members of TURKISH steel sector to become a leading country in the global steel trade.”

Values; “Quality, reliability, continuous improvement and innovation.”

Figure 6 Support services of Turkish Steel Exporters’ Association



Source: Turkish Steel Exporters’ Association

3.2 International Harmonized Codes and Product Range of Steel Exporters Association

While examining the structure and functioning of exporters associations in Turkey, I thought it would be beneficial to understand the system of establishment of sectoral associations and their fields of activity. When examined, membership to exporters associations is mandatory, and is sufficient for a company wishing to export to become a member of one of

the current 62 exporters association. Field of activity of each exporters association is determined, and the relative income from the export made by the company to be transferred to exporters associations is shared between the exporters association of the exporter and the exporters association accommodating the product exported within its field of activity.

Because of this reason, structure of exporters associations in Turkey play a big part at the point of relative income earned by the associations and the services rendered to their respective members.

International customs tariff schedule is taken as a basis when determining the fields of activity of Exporters Associations. International customs tariff schedule is a commodity and economic value index forming the foundation of national tariff schedules of member countries of the organization, entered into force on 01.01.1958 with the aim of ensuring uniformity in classification of international trade commodities within World Customs Organization, and is implemented today by 200 countries including Turkey. Commodity codes in national tariff schedules are made of 6 digit codes; however, countries may use 4 or 6 more digits after these 6 digits according to their needs. This 12-digit code used in our country is called Harmonized System Code (Customs Tariff Statistics Code Number - GTIP). Harmonized System (Tariff Schedule) in the World is organized into 21 CHAPTERS, which are subdivided into 96 chapters. Chapters are divided into 2-digit code, each chapter into positions with 4-digit code and each position into 6-digit sub-positions. 2-digit, 4-digit and 6-digit codes of each country in the tariff schedule are same all over the world. Harmonized system was introduced by World Customs Organization and came into effect in 1988.

Structuring of exporters associations in Turkey is divided into two groups as “sectoral” and “regional”. Regional associations may be named according to their geographical region; for example, Eastern Black Sea Exporters Association. However, when the sectoral associations are examined, it is seen that the differentiation of these can be explained with chapters and Harmonized System Code under relevant chapters. Therefore, different exporters associations taking place within the body of different secretariats general can be differentiated according to chapter groups falling within fields of activity. While 72nd chapter is indicated as “iron and steel” products, whereas 73rd chapter is indicated as “articles of iron or steel” all over the world. When “Steel Exporters Association” within the body of IMMIB is first established in parallel to international system, its title was “Istanbul Iron and Steel Exporter Association” initially,

and it is seen that almost all of the products in its field of activity were composed of products falling within the definition of chapters 72 and 73. These two chapters are also taken as a basis to a large extent as field of activity at the point of assessment of many matters like foreign trade data, membership procedures, international investigations, relative fees, etc. Descriptions of various secretariats general and some exporters associations within their body and their representative chapter numbers together with relevant chapters take place in the examples given in the following table.

Table 2 Several Exporters' Associations and their product range (HS Codes)

Exporters' Association	Chapter (Hs Code)	Description
Electrical Electronics Exporters' Association	85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles
Steel Exporters' Association	72 + 73	Iron and steel + Articles of iron or steel
Jewelry Exporters' Association	71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation Jewelry; coin
Automotive Industry Exporters' Association	87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
Istanbul Carpet Exporters' Association	57	Carpets and other textile floor coverings

Source: Turkish Exporters' Assembly

While the Harmonized System Codes (GTIP) falling within the field of activity of Steel Exporters Association are 72 and 73, a certain proportion of exports of companies exporting GTIP subject products is transferred to the budget of the association as income; however, Steel Exporters' Association (CIB) is not the only exporters association accommodating these GTIP numbers within its body in the system in Turkey. Mediterranean Ferrous and Non-Ferrous

Metals Exporters Association, Aegean Ferrous and Non-Ferrous Metals Exporters Association and Ankara Ferrous and Non-Ferrous Metals Exporters Association and other regional associations accommodate these HS codes within their body. Accordingly, this means that the relative fee income gained from iron-steel product exports is not transferred to the CIB budget only. However, while approximately 70% of steel exports of Turkey is made through Steel Exporters Association, whereas 30% is made through other associations.

Table 3 Iron and steel products CHAPTER of international customs tariff schedule

HS CODES	PRODUCT LABEL
79	Zinc and articles thereof
78	Lead and articles thereof
76	Aluminium and articles thereof
75	Nickel and articles thereof
74	Copper and articles thereof
73	Articles of iron or steel
72	Iron and steel
71	Natural or cultured pearls, precious or semi-precious metals, metals clad with precious metal, and article thereof, imitation Jewelry; coin
70	Glass and glassware
69	Ceramic products
68	Articles of stone, plaster, cement, asbestos, mica or similar materials
67	Prepared feathers and down and articles made of feathers or od down; artificial flowers; articles of human hair

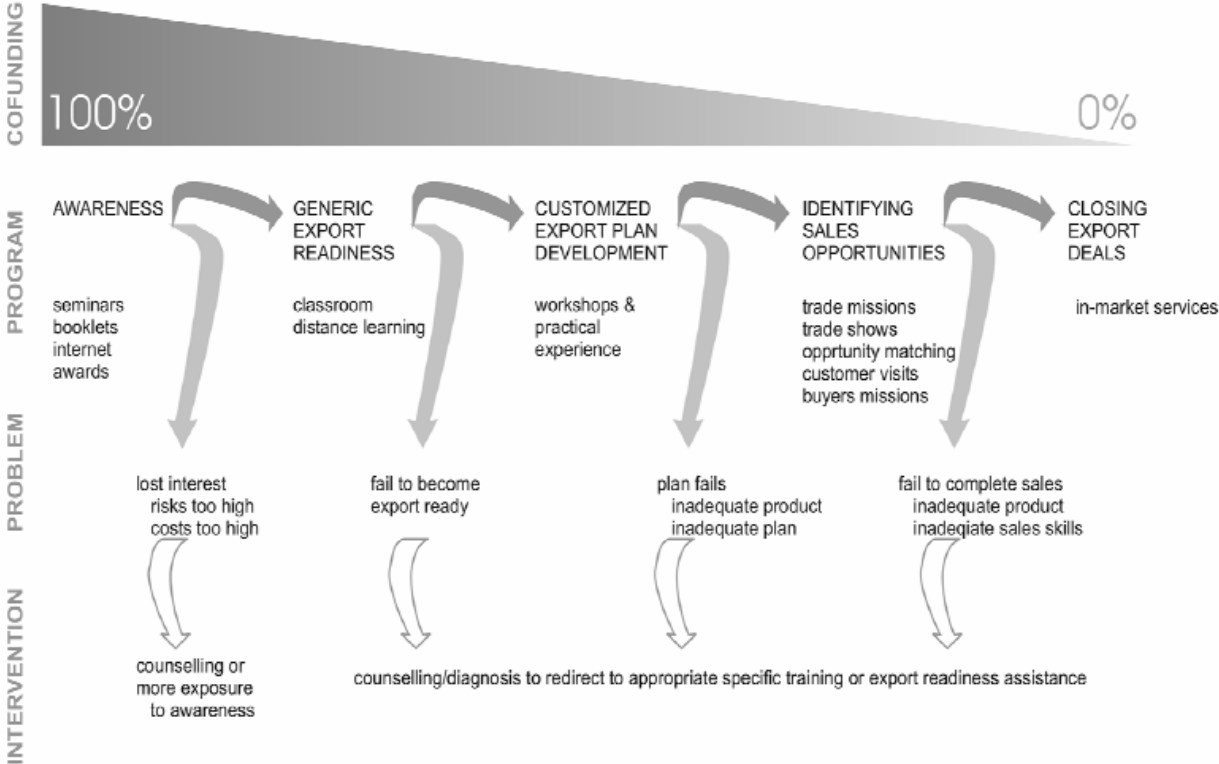
Source: International Customs Tariff Schedule

3.3 Methodology and Export Promotion Delivery Vehicles by Steel Exporters' Association

The Steel Exporters' Association carries on its operations with the aim of increasing the export potential of the Turkish steel sector and having a globally sustainable competitive strength. Adopting promotion of Turkey in global markets and increasing the market share as the primary goal, the Steel Exporters' Association also serves its members so as to ensure the products are in type and quality commensurate with importing countries' needs and solve the problems that member exporters face at home and abroad. Accordingly, the methodology implemented by "Austrade", which is the exporters' association of Australia taking place

among the developed countries, and also taken as an example in the establishment of El Salvador Exporters' association is also referred in the examination and classification of services offered by Turkish Steel Exporters Association. Export promotion services offered according to the methodology are examined in 5 different categories. These are; Raising Awareness, Building export-readiness, Selecting target markets, Identifying sales opportunities and Closing export deals respectively.

Figure 7 Relationship system between the association and members



Source: Technical Report of Nathan Associates Inc., 2004

Exporters' categorizes divided into five classes: Non-intender, intender, accidental exporter, born global exporter, regular exporter.

1- Non-intender; not interested in exporting, generally because of the perception of high risks and costs

2- Intender; interested in exporting but not export yet.

3- Accidental exporter; Made at least one export sale, but not a regular exporter. These companies has no intention of exporting, just made once or more accidentally.

4- Born global exporter; these companies are exporters for at least two years and they see their future overseas.

5- Regular exporter. They generally had at least one export market and had been exporting for longer. They had larger total and export income.

Then, alternative export incentive assistance initiatives for each exporter are evaluated by their problem solving ability. CIB focus on followed five actions;

- Rising the export purpose
- Rising possibilities for accidental exporters
- Rising success ratio of intenders
- Increase the total number of born global
- Increase the total number of regular exporters.

From this point of view organization focuses on initiatives for each kind of potential firms and the tools that are suitable for supporting every single category. CIB provide a tailor made services to the exporters in accordance with their capabilities. The export promotion services and capability levels are followed;

Table 5 Capability Level and Initiative chart of Exporters' association

Capability Level	Export Promotion Support / Initiative
Raising awareness	Main aim of this supports are to increase the raise awareness of the benefits of exporting and to provide a general understanding of exporting as a means of promoting non-intenders into intenders.
Building export-readiness	Export promotions provide internalization occasion especially for intenders to acquire the information and talents requested to become new exporters.
Selecting target markets	These supports generally focus on intenders determine and understand special target markets/ sectors where their products or services have enough contingency and therefore they can become new exporters. It support regular exporters move into new markets as well.
	These support instruct intenders, new exporters, and experienced exporters regarding the professional clients and their request, reveal

Identifying sales opportunities	products to buyers, and match exporters with potential buyers via b2b meetings, networking events, trade shows...etc
Closing export deals	These export promotion services support intenders moving to the new exporters or experienced exporters enhancing their market shares by assisting them to reach potential buyers, then provide the offers, and finally finalize the export deals. This support sometimes contains the follow-up services after signing the contract.

Source: Nathan Associates Inc. Expro Project, 2004

3.3.1 Raising Awareness

Information problems are one concerned trade- intimidating factor. One of the most important problems encountered especially by small and medium sized enterprises in international trade in the world is lack of information or difficulty in reaching commercial information outside the territories of the country. Firms must learn about the alternative ways to ship the merchandise and the corresponding costs, the potential markets abroad and their demand profile, the conditions to enter these markets, and the channels to generate awareness of and advertise their products and those through which these products can be marketed (Volpe Martincus and Carballo, 2008)

It is seen that a great variety of services are offered by TIM and exporters associations by examining the role of exporters association in total exports of Turkey in the light of services at international standards offered to companies. Companies wishing to export and not having adequate knowledge are encouraged to start exporting with the pre-shipment brochures prepared by Turkish Exporters' Assembly. These brochures can be obtained free of charge from TIM website (www.tim.org.tr).

Also, while information concerning the sector and the incentives is shared with export firms thanks to websites of Istanbul Minerals and Metals Exporters Association Secretariat General (www.immib.org.tr) and Steel Exporters Association (www.cib.org.tr) designed in Turkish and English; whereas, importers wishing to purchase steel from Turkey reach contact

information of Turkish steel exporters by means of “company/product” search criteria thanks to these websites.

Steel Exporters Association daily news bulletin are prepared by the professional personnel of the Association and shared with members through e-mail every day. Besides the news from Turkey and the World concerning the sector, the export figures shared daily by Turkish Exporters Assembly are also shared in these daily news. This, in turn, helps the member exporters to closely follow up the steel sector locally and nationally.

Stars of export award ceremony is organized by CIB every year to encourage export firms, which are the locomotive of Turkish economy, and to support the development and sustainability of exports as well as to raise the awareness about the sector players in national and international press and also to encourage other exporters. 48 different awards and 160 achievement certificates in total as 10 certificates in each category are distributed in the award ceremony organized in 16 different categories.

3.3.2 Building export-readiness

Many export promotion activities are organized by the Steel Exporters’ Association in order to increase the export potential of the members who are not yet ready for export (non-intenders) or the companies exporting very low volumes (intenders) such as training them to figure out export business with focus on processes and formalities, trade documentations, negotiations, marketing, public relations, networking, customer relation, co- financing, costing and pricing, business protocol & etiquette and branding. One of the main responsibility of exporters’ associations is to get ready their members to widely competitive international trade no matter what is their level of export experience. Agencies need to take next steps and determine if their member is ready to export or expand into new markets. From this point of view, The Steel Exporters’ Association provide a wide range of export promotion services to build export readiness of their members. Activities are as followed;

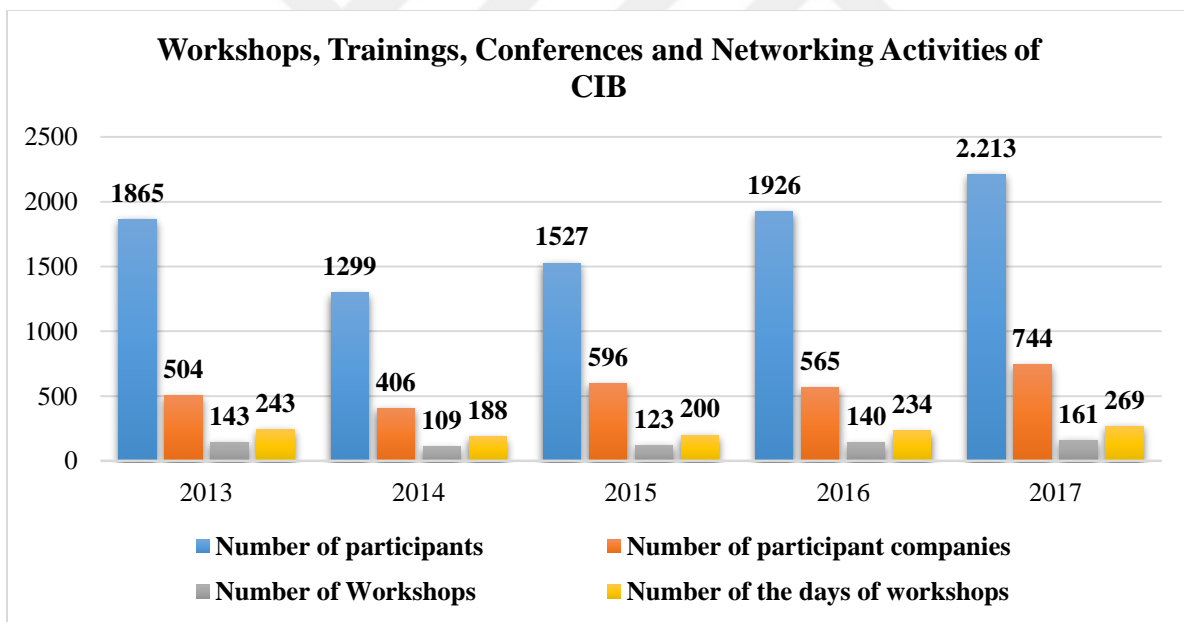
3.3.2.1 Workshops, Trainings, Conferences and Networking Activities

Providing information to members is a core function of trade associations. An association should be seen as meeting-point for industry information. An association must be skilled at information management and make effective use of its website for providing information both to members and outsiders (Boléat, 2003) Information does not mean only

teaching “how to export” it means providing wide range of experiences via workshops, trainings, conferences and networking activities.

Variation of activities organized by Istanbul Minerals and Metals Exporters Association Secretariat General and Steel Exporters Association within 2013-2017 period is shown in the following table. Although econometric analysis is not made, it is observed in the light of feedbacks received from the exporters participated in the training and the international studies on this subject that training and information activities contributed positively to all exporters led by small and medium sized enterprises. Because of this reason, it is intended to develop the contents and increase the variety and number of activities organized year by year. Training activities organized are examined under 4 main headings. These are Foreign Trade Training (marketing, sales, finance, etc.), Personal Development Trainings, and Technical Trainings (certification, kaizen, 6 sigma, etc.)

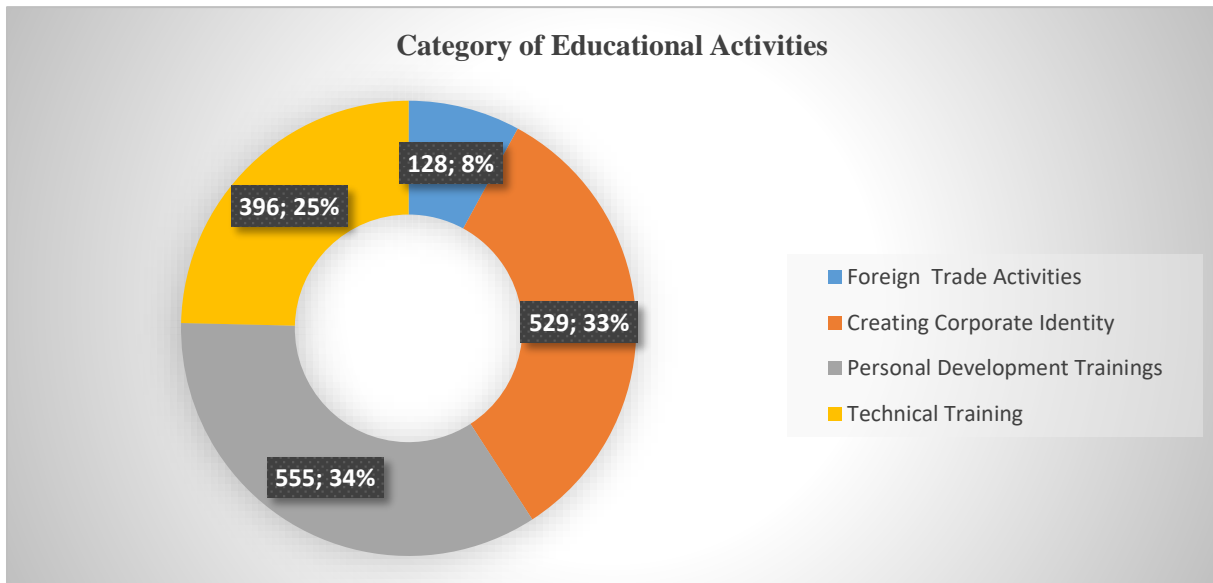
Figure 8 Workshops, Trainings, Conferences and Networking Activities of CIB



Source: General Secretariat of Istanbul Mineral and Mine Exporters’ Association (2017)

As it can also be seen from the table above, number of trainings increasing as of 2013 reached the highest number in 2017, and 161 different trainings are provided to 2213 people from 744 companies throughout 269 days. Increasing demand in trainings year by year is an indicator of the contribution made to the exports of companies by this service.

Figure 9 Subject distribution of educational activities of CIB



Source: General Secretariat of Istanbul Mineral and Mine Exporters' Association (2017)

As it can also be seen from the table above, majority of trainings organized for exporters cover personal development trainings with 34% and corporate identity creation trainings with 33%. These are followed by technical trainings with 25% and Foreign Trade trainings with 8%.

3.3.2.2 Daily News, Sectoral Reports and Statistical Data

Information incompleteness is a substantial barrier to trade especially for small and medium-sized firms. It is important to have national and international sectorial trade information at the point of development of international trade. Daily news, sectoral reports and statistical database service of CIB is aiming at reducing information gaps should therefore have larger effects on the extensive margin of goods exports. This provides a natural strategy to determine the influence of export promotion exporters' associations on trade.

PR and R&D departments of Steel Exporters Association review the news concerning steel sector in national and international arena every day and share this news with its members through daily bulletins with the aim of increasing export potentials of member companies. In addition to this, export data is also included in these bulletins. Finally, CIB R&D department addresses the export statistical data requests of its members on individual basis, it also offers product and country based market research reports prepared to its members periodically. When compared with the services offered by other exporters associations or similar exporters'

associations in the world, the services offered by CIB draw attention for being beyond world standards as well as being free of charge.

3.3.2.3 Branding (Turquality and Branding Program)

Along with globalization boom, removal of borders between countries in modern world economy caused liberalization of commodity, service and capital flows, and hence companies to operate in international markets to be unavoidable. Strong branding helps companies differentiate from their competitors in global competition environment and positioning on consumer's mind.

Turquality is the first and only state-sponsored branding program in the world. Intensifying competition and changing consumption patterns today are encouraging companies, wishing to gain a place in the international market, to create strong global brands that means more added value and more market share. Turquality is a support platform initiated by the Ministry of Economy with the aim of companies, possessing product groups giving competitive advantage to our country and having branding potential, becoming global players with their own brands by ensuring them to gain administrative knowledge, exporters' associationalize and develop in a manner to cover all processes from their production to marketing, from sales to after sales services.

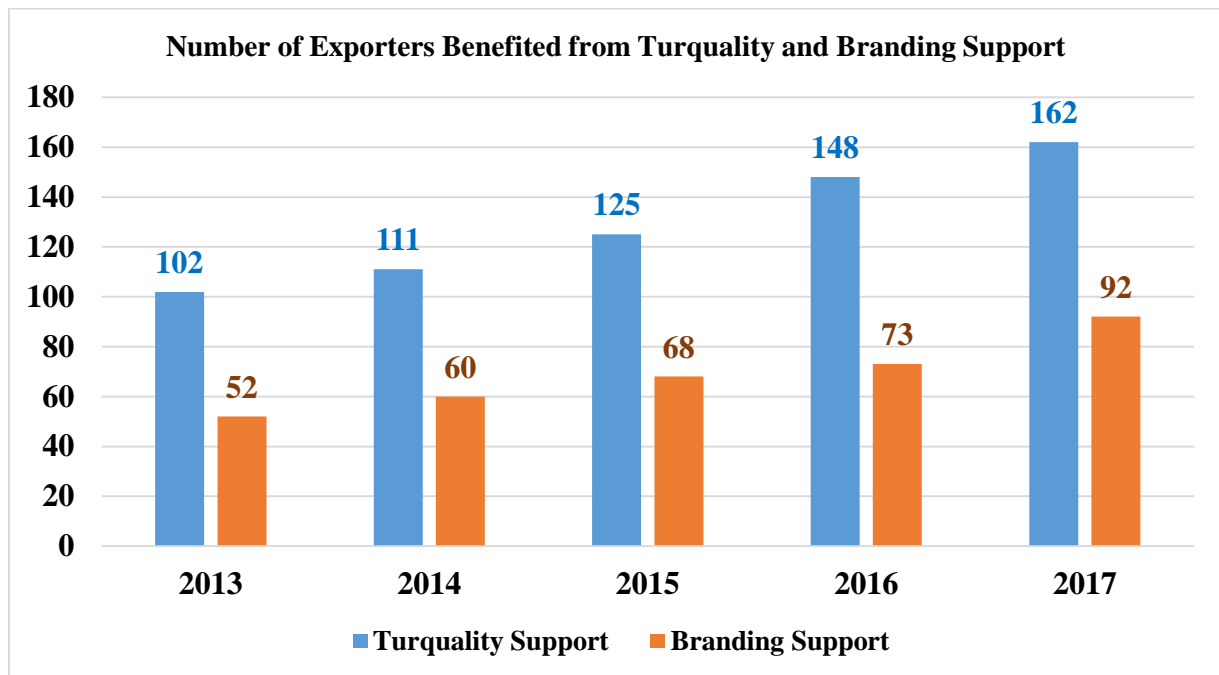
Mission statement of Turquality "Increasing exports of our country by developing strong global brands and strengthening the "Made in Turkey" image and reputation of Turkey through the Turkish brands developed.

Visions Statement of Turquality;

- Play an accelerating role in branding by providing financial resources to companies, having brand potential, on the path of becoming a global company,
- Supporting the development of companies and brands for creating global Turkish brands by providing them strategical, operational, organizational and technological consultancy services,
- Strengthening total number of employees by providing training support oriented towards management departments of companies falling within the scope of the program,
- Ensuring the creation of a sustainable positive "Made in Turkey" image abroad with communication and promotion activities,

- Increasing the brand potential and recognition of Turkish products,
- Providing intelligence support to Turkish companies for them to take action within the scope of market knowledge,

Figure 10 Number of exporters benefited from Turquality and Branding support during the year 2013 – 2017 in Turkey



Source: Turkish Exporters' Assembly (2017)

Advantages to be gained by internationalization and branding will ensure creation of stronger capital structures by strengthening the position of Turkish companies in foreign markets. In this context, Turquality, which is the first and only government supported brand support program initiated by the Ministry of Economy with the intention of developing exports, aims to be a driving force behind companies having international branding potential, and at the same time Turkey showing an increase in branded product exports along with the demand to be created by Turkish brands in foreign markets. Özbaysal, Onay (2017), who have carried out a study on whether Turquality supports have created positive effect on exporters, conducted face to face interviews with 3 companies benefited from this support, and evaluated the data obtained by taking four criteria, i.e., organizational structures, marketing mix decisions, training policies and brand management of companies as a basis. They concluded at the end of study that Turquality supports made branding processes of the companies easier, and the economic

supports provided along with R&D and training supports have increased the exports and levels of activity of the companies in foreign markets.

3.3.2.4 Distribution of Green “Special” Passport for the Exporters

In this research, obviously it is determined the service of Turkish Exporters’ Association whether they support their members adequately or not. What kind of services do they provide to their members? Then, last important question is Are these services beneficial for the Turkish exporters? From this point of view, the research focused on green passport service of Turkish Exporters’ Association to the members which is one of the crucial export promotion instrument of the Associations. There is a fact that exporters cannot have successful and permanent business unless they often visit to their overseas customers. It is not easy to get a visa to most of the developed countries and therefore; visa became one of the critical barrier for exporters not only to get into new market but also to continue sales in existing markets.

Green passport is a special passport that is given by the Turkish Cabinet of Ministers on Principles and gives a privilege to travel most of the countries (among 128 countries) across the globe without any visa requirement. At this point, Turkish Government decide to distribute green passport to the Turkish Exporters by Cabinet Decree dated 22.03.2017 and applications for Turkey's green passport which will be given to the executives of companies exporting over \$1 million in exports are being accepted according to a decision by the Council of Ministers published in the Official Gazette. According to export revenues reported over the last three calendar years 2014 to 2016 green passport will be issued to companies. According to the regulation;

- Export volume between \$1 and \$10 million will be awarded 1 green passport
- Export volume between \$10 and \$15 million will be awarded 2 green passport
- Export volume between \$15 and \$25 million will be awarded 3 green passport
- Export volume between \$25 and \$50 million will be awarded 4 green passport
- Export volume between \$50 and \$100 million will be awarded 5 green passport

Exporters’ Association plays a crucial role in this process; applications for the special passport are to be made via the request form jointly determined by the Interior Ministry and Economy Ministry of Turkey. The relevant exporters' associations will determine documents submitted by the exporters, suggesting that the applicant is an executive of the company and determining whether the applicant is authorized to commit and represent the firm signing the

request form. The signed request form needs be provided to the regional directorate. The presiding executive of the applicant company, those authorized to represent the company, the chairman and deputy chairman of the exporters association will maintain legal responsibility for any missing, incorrect or misleading declarations provided on the request form. The company officials who have the right to obtain the special passport have to return it within 15 days after it is understood that they do not fulfill any of the aforementioned requirements or the passport has lost any of these conditions within the validity period. Exporters will lose their chance to gain a special passport for 10 years if it is found that they have not returned the passport or they have not informed the authorities regarding the issue.

According to the data obtained from Secretariat General of Istanbul Mineral and Metals Exporters' Association, 2174 green passports are distributed to their members in 2017 since decision is made by the government. In particularly, 101 green passports are distributed to the member of CIB. Mehmet Büyükeksi, Chairman of the Turkish Exporters' Assembly, emphasized that 10,000 companies are expected to benefit from the decision with around 14,000 passports. The Chairman also highlighted that the passports are significant especially for exporters travelling to European countries since Turkey sends almost half of its exports to the EU.

In light of the above information, even though there is no empirical evidence on impact of green passport to be distributed to the Turkish exporters that increased the export of the firm, the positive effects of this service on total exports of Turkey seem to be felt in the coming years.

3.3.2.5 Advocacy and Consultancy Services

Areas of global trade also bring along international mutual disputes. World Trade Organization (WTO), carrying out studies on protection of free trade with its laws, gives power to member countries to regulate their trade in this direction.

Commercial Policy Measures (CPM), forming the subject matter of WTO laws, appear before us as regulations on protection of competition in international arena. In the context of these regulations, the firms that are the subject matter of/party of investigations in export markets are obliged to make a defense for their sectors and companies. The defense in question is of great importance for proving that the company does not cause any damage to the export market and for ensuring that it continues trading in the said market with the relevant product. One of the most important barriers in front of Turkish steel sector is the enquiries held against

CIB conducts activities on this matter with the intention of protecting both the sector and also the exporters that are the subject matter of these enquiries.

Exporters Associations are authorized to make support payments for the expenses of advocacy and consultancy services received by the companies for the commercial policy measures enquiries involved abroad, within the scope of duties of Association indicated in 3.3. (a) article of Law No.5910 on Foundation and Duties of TIM and Exporters Associations. Maximum 50% of the advocacy/consultancy expenses (maximum USD 100.000) made by the companies involved in anti-dumping, subvention and protection measures enquiries held for the first time and effective anti-dumping, subvention and protection measures review enquiries (including administrative review enquiries, final review enquiries and new supplier enquiries) may be paid to these companies in line with the Implementation Procedures and Principles regulated within this scope.

Steel exporters often involved in commercial policy measures enquiries in international arena benefit from this support through CIB. Associations authorized on support with the said Implementation Procedures and Principles are left at liberty on whether to provide support to the companies with the expression “*Budget possibilities of Association are taken into consideration in final evaluation concerning support payments to be made to the companies*” within the scope of Article 6. Besides this financial support provided to companies CIB assumes active role in receiving advocacy/consultancy services on behalf of Turkey and Turkish steel sector in the face of lawsuits and enquiries encountered by the sector, in protecting export markets by conducting the necessary lobby activities.

CIB has provided support to 8 companies for 17 enquiries since 2013. Defenses of the companies provide benefit to them to continue trading in their relevant market as well as helping to cancel tax rates under the heading of others calculated for Turkish steel exporters not being party to the proceedings directly.

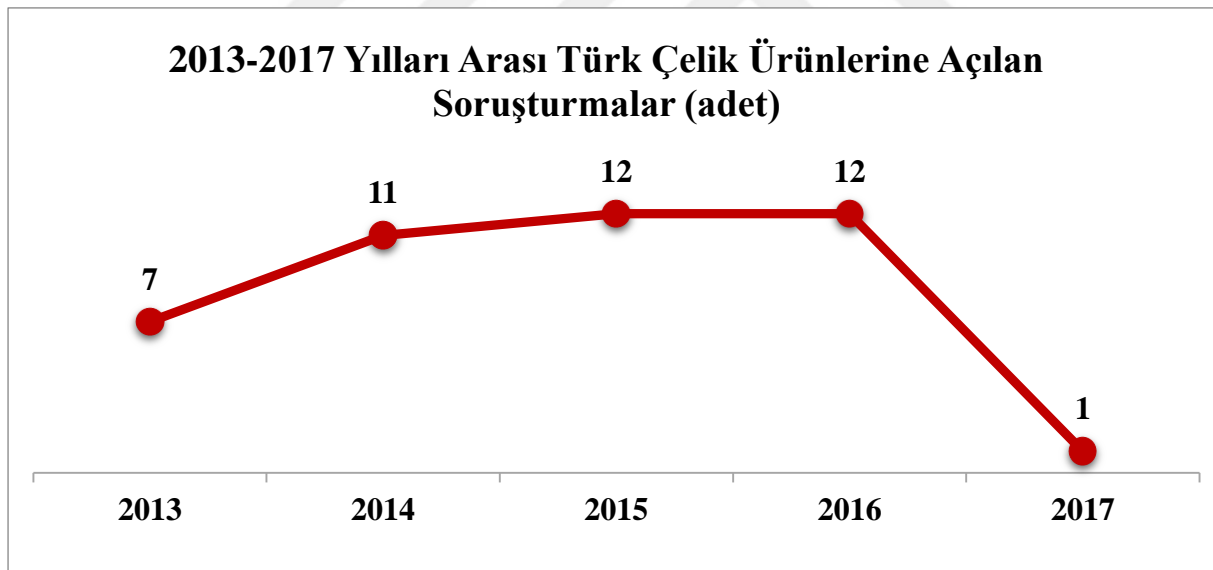
Therefore, supporting companies and their defenses helps directly and indirectly Turkish steel exports to continue in the country, in which the enquiry being held.

For example, two member companies of CIB being party to the case pleaded in the anti-dumping enquiry held by USA in 2 October 2013 with respect to construction steel imported from Turkey and Mexico, and are acquitted at the end of enquiry with zero tax. Tax not being

calculated for both companies also cancelled the tax rates of other companies automatically, and enabled all Turkish steel exporters to continue to send their products to USA market with zero tax rate. Exports of Turkish steel to USA, which was reduced due to uncertainty during the lawsuit process, continued increasingly after the conclusion of the enquiry. Specific to this example, calculation of high margins for Mexico provided great advantages to Turkish rebar exporters in terms of competition.

Rebar exports of Turkey to USA, which was 575 thousand tons in 2012 calendar year prior to enquiry, approached 1 million 500 thousand tons in 2015, which is the calendar year following the conclusion of the enquiry. If the Turkish steel exporters were not a party to the enquiry and had not conducted their defense properly, they would encountered high taxes and hence Turkish steel sector would suffer great losses. Attorney fees are high as defenses require rather detailed efforts, and hence the financial support provided to companies through associations of great importance for the total exports of the sector.

Figure 11 Number of enquiries held against Turkish steel products between 2013 -2017



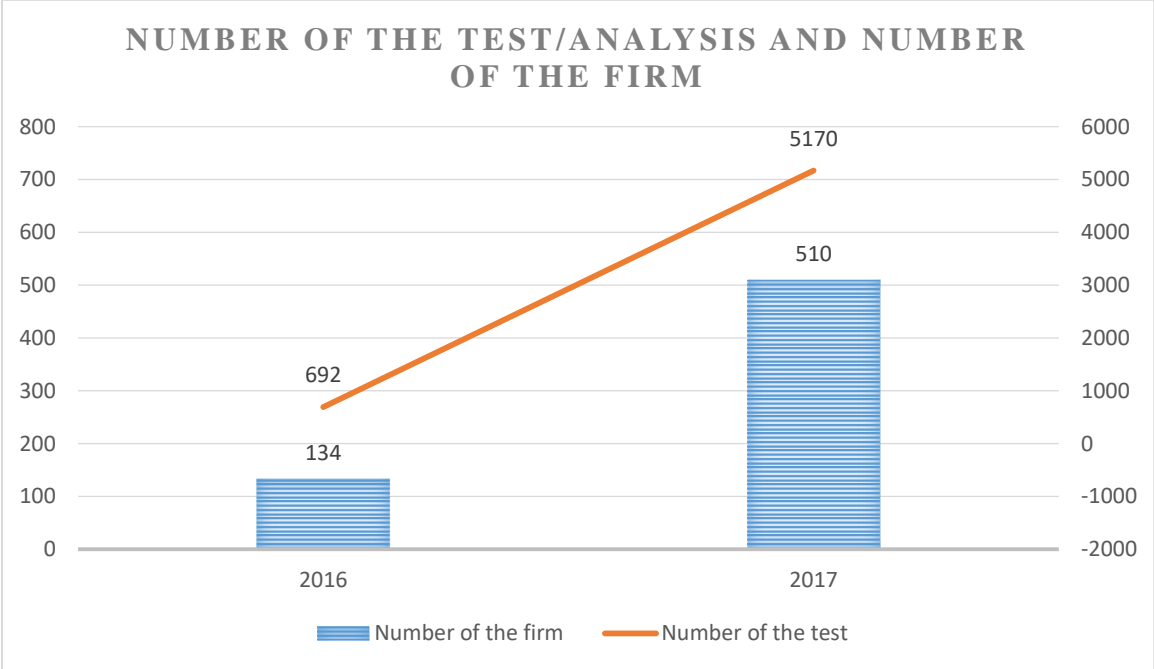
Source: Turkish Steel Exporters' Association (2017)

3.3.2.6 Material testing and Innovation Centre

Matil, Material Test and Innovation Laboratory Inc. has been established in 2012 by CIB in order to perform activities in vocational and technical education fields with R&D, innovation, accredited test analysis, product conformity evaluation since end of. This center has been providing services not only for members of CIB but also for international steel companies.

Steel Test and Research Centre which operating under Matil is to be national laboratory to represent with independent and objective services; also, to supply with international test services to sector and to execute for global scale studies in scope of R&D and innovation studies not to depend on any corporation and association. Matil Inc. aims at contributing to development for related sectors while technological solution are represented for all metals in particular to steel by means of getting into a partnership with independent product certification and compatibility evaluation corporations.

Figure 12: Number of firms that applied for the test and number of test/analysis completed in 2016-2017



Source: Material Test and Innovation Laboratory Inc.

3.3.3 Selecting target markets

Market research is essential task of exporters for several reasons. In the first place, this process helps in the selection of markets and products by evaluating their export potential before having the final decision. Secondly, it allows to condense the company’s resources and avoids selection mistakes. In third place, the research enactment a commercial entity, an added value to the company in terms of the producing more and better quality. And finally, it is convenient for evaluating opportunities regarding entering a new market, attracting customers, and in general increasing the export potential.

Small and medium size firms in particular struggles to seek for opportunities in abroad evaluating the importer countries in terms of tax, buying power, political risk, and free trade agreement, seeking for partner and perhaps entering a market. It is not an easy task to analyses all these factors from overseas without having any support. Exporters' associations play essential role in this regard to provide these services to the exporters.

Export Compass portal launched by TIM is an information platform containing all data and information concerning foreign trade, showing which products you can export to which countries under which conditions with a single click. Our main objective as TIM, the representative of 71 thousand exporters, is to increase our exports in a sustainable manner. Our Export Compass portal offered to serve this purpose is both a guide for users wishing to start exporting and also a support point for the exporters wishing to increase their exports.

The portal, which can be accessed by exporters at www.ihracatpusulasi.org.tr address, is a platform operating with business intelligence systems, enables users to select a target country on HS Code basis, to examine the import details of the relevant country, and by this means to determine the target country and finally access the information of the target country. In addition to this, it promotes target market countries by conducting “export compass” activities, and the difficulties encountered in determining the target market tried to be overcome, and attempts are made to create a healthy foreign trade ecosystem by canalizing the companies to right markets.

International Competitiveness Enhancement Projects (URGE) conducted under the coordination of the Ministry of Economy play an important role at the point of CIB providing support to its members in determining target market and exporters entering into these markets determined. Company requirement analysis are carried out in the project by taking the product ranges into consideration with the aim of enhancing especially the competitive power of small and medium sized enterprises. It is ensured with this study that exporter plays an active role in target markets at many point like determining the target markets of exporters, finding solutions to enter into the determined target markets in the most powerful manner, promoting the company in international markets, etc. It is stated in the literature of de Wulf (2001), in particularly SMEs are not able to overcome the information barriers without any support to enter a new market or enhancing the market share in existent market. Therefore, support of

Turkish Steel Exporters' Association plays a crucial role for selecting target market of their member and getting into those markets.

3.3.4 Identifying sales opportunities

One of the challenging and fundamental task of sales and marketing is to identifying sales opportunities. Most of the firms have enough experience to promote their products, customer relations, sales and marketing at the end point; however, they have a great difficulty in reaching the potential customer. In particularly small and medium size firms spend lots of time and money during this process but mostly their sales experience does not align with their expectations. At this point exporters' associations play an important role to support exporters in terms of finding the potential customers and opportunity matching. Trade and buying missions, fairs and exhibitions and e-commerce services are highly accepted export promotional instruments by the national exporters' associations. These activities have been implemented by Turkish exporters' associations in Turkey for many years and their effects on total exports have been observed.

3.3.4.1 Trade and Buying Mission



One of the most distinct service item indicating the importance of the role played by exporters associations in total exports of Turkey is Trade and Buying missions organized. Trade committees are organized to almost all countries of the world by 63 exporters associations existing within the structure of Turkish Exporters Assembly and it is ensured that B2B meetings are held between exporters and potential buyers. The companies have the opportunity to meet face to face with important importers of the country through the meetings organized between the companies and the public exporters' associations and organizations with the country and customer visits made by the companies individually. While the companies participate only in these meetings and they benefit from the government support at the rate of 50-75% for the expenses made (accommodation, flight, publicity, etc.).

Trade and buying mission are organized with the aim of members of CIB to enter into new markets and to increase their export shares in the current markets. These activities are organized within the scope of Communiques No. 2011/1 and 2010/8 of the Ministry of Economy, and the activities carried out within the scope of Communiqué No.2011/1 on Market Research and Market Entry are supported by the government at the rate of 50%. The communique No.2010/8 on Enhancement of International Competitiveness (URGE) is

conducted on project basis, and the maximum project period is 3 years. The objective of URGE is to enhance especially the competitive power of small and medium sized exporters, to ensure their entry into new markets and to improve their recognition in international markets. CIB conducted 3 different projects along with the communique entering into force in 2010, and it is aimed to increase the exports of the companies participating in the project through the trade and buying mission organized. While the objective with trade committees is to visit those countries for the exporters in Turkey to meet buyers in the importing countries, whereas the objective with buying mission is to organize bilateral business meetings with exporters by inviting potential buyers in importing countries to Turkey, to visit plants-facilities and to organize visits to relevant government exporters' associations and organizations. When the statistics before and after the project are examined with the aim of examining the impact analysis of the projects organized by CIB, it is observed that these activities organized by exporters associations made significant contributions to the development of exports and especially at the point of entering into new markets.

The table showing the impact of trade and buying mission on exports is as follows:

Table 4 URGE Project/Export Evaluation Table prepared in 2011-2014



	Before the project (08.2008 – 07. 2011)		After the project (08.2011 – 04.2014)
Total Export of Project participant firms (million tone)	21.228		20.987
Total Steel Export of Turkey (million tone)	39.6		41.5

Source: Turkish Steel Exporters' Association (2017)

The table showing the impact of trade and buying mission on exports is as follows:

Table 5 URGE Project/Export Evaluation Table prepared in 2014-2017

	Before the project (01.2012 - 10.2014)	After the project (11.2014 - 08 2017)
Number of the markets that project firms increased their export to there		90

Number of exported markets in before and after the project	167		173
Total Steel Export of Turkey (million tone)	52.8		47.6

Source: Turkish Steel Exporters' Association (2017)

It is observed that exports of small and medium sized companies participated in the committees within 2011-2017, during which trade and buying mission are organized within the projects, and the number of new markets entered are increased. But, it is observed that there are periods and years, within which the sector affected negatively in general due to the economic crisis experienced during this process and aggressive foreign trade policy of China ignoring the rules of WTO; however, these situations do not change the fact that the activities conducted by exporters associations support the companies and the sector.

3.3.4.2 Trade Shows (Fairs and Exhibitions)

Removal of trade barriers between countries has created great competition in world trade and the trade volume of countries with each other has increased significantly in recent years. Liberalization of foreign trade enabled even the countries furthest from each other to grow economically by mutually exporting goods and services to each other.

Participation of exporters in national and international fairs is financially supported under Market Research Incentive by the coordination of the Ministry of Economy and through exporters associations with the aim of promoting and marketing Turkish export products and for the sake of competitiveness and having a market share in international markets.

Table 6 Details of incentives regarding the participation of international fairs

Participant Company Support	Type of International Fairs	Incentive Rates	Incentive Rates of Target country	Upper Limit 2017	Upper Limit 2018
	General Commerce Fairs			50,000 TL	56,000 TL

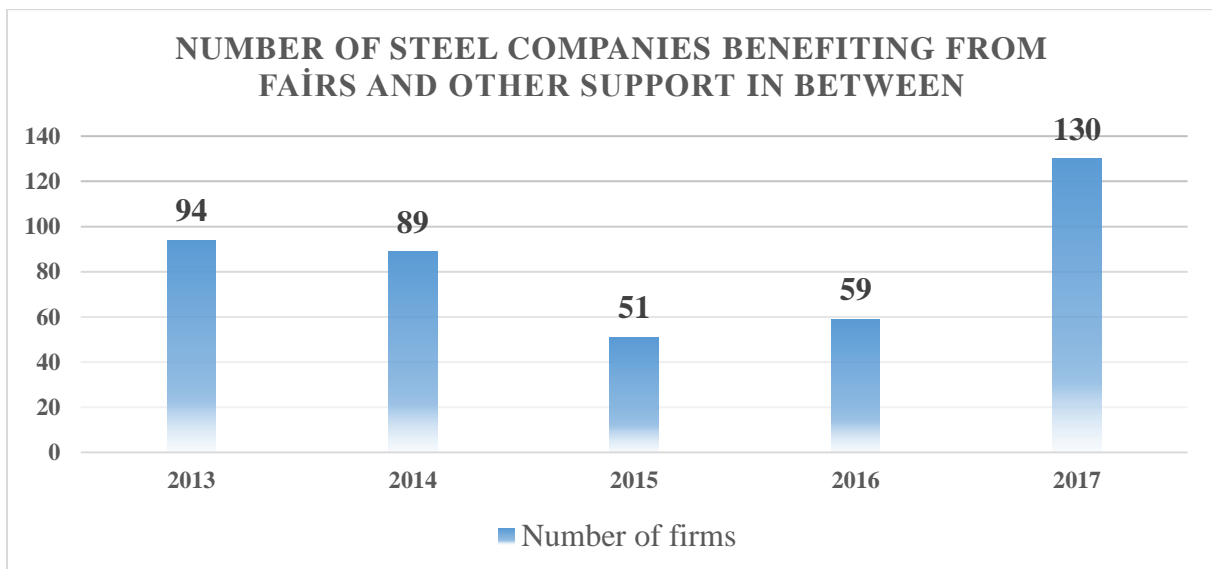
FAIRS SUPPORT FOR PARTICIPATION	Sectorial Fairs	“Basis Amount (TL)** x “square meters”	75,000 TL	85,000 TL
	Prestigious Fair		250,000 TL	284,000 TL

Source: Turkish Ministry of Economy

*Amount Taken as Basic to Support (TL): it represents the amount of support stated separately for each fair by the Republic of Turkey the Ministry of Economy and to be provided directly to the participants according to square meter unit for the fairs organized abroad after 01.07.2017.

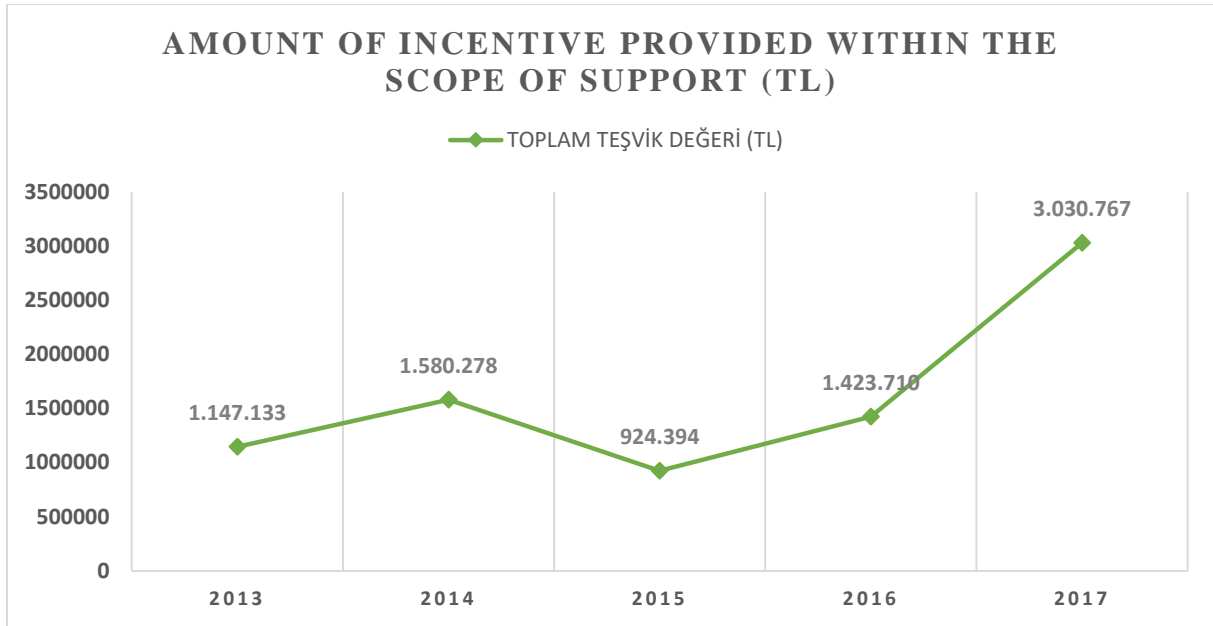
As can be seen from the following table, fair support program is demanded in all periods by the companies. The reason for this is that Turkish exporters having the opportunity to meet many importer companies face to face in the same environment and to obtain information about the products and price levels. By this means, companies measure directly their own competitiveness in the countries, where the fairs organized and actualize their export activities in the event of favorable conditions.

Figure 12 Number of steel companies benefiting from fairs and other support during the year 2013-2017



Source: Secretariat General of Istanbul Mineral and Mine Exporters’ Association (2017)

Figure 16: Financial support amounts given to CIB members within the scope of fairs and other supports during the year 2013 and 2017



Source: Secretariat General of Istanbul Mineral and Metals Exporters' Association

Turkey aims to realize 500 million USD worth of exports and be among the top most exporting 20 countries of the world in line with 2023 Export Strategy. Accordingly, increases are seen every passing year in the variety and amount of supports offered to exporters. While 1 billion USD is allocated for government supports by the Republic of Turkey the Ministry of Economy in 2017, whereas it is planned that 3 billion USD budget is allocated by increasing this amount three times in 2018. Accordingly, while it is observed that national participation organizations in international fairs organized by exporters associations play an important role in the increase of total exports in Turkey; whereas, it is believed that exporters will be continued to be supported with increasing total incentive amounts.

3.3.4.3 E-Commerce Activities

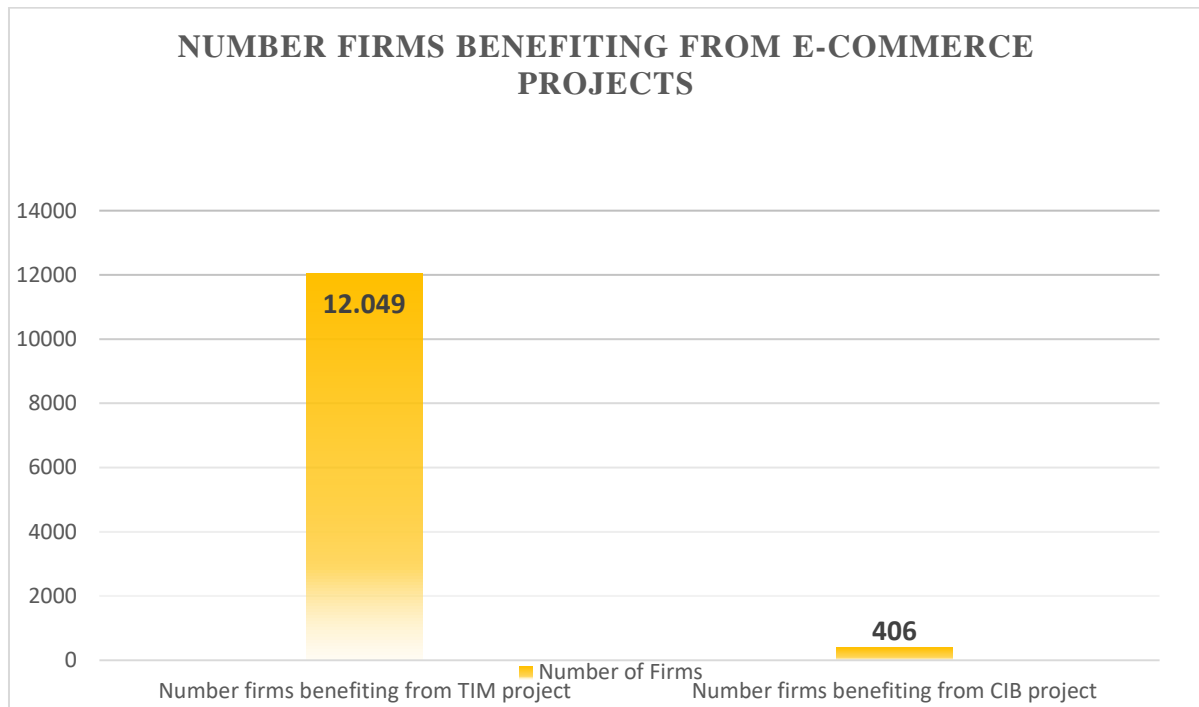
80% of the expenses of exporters made for membership to e-commerce websites showing activities oriented towards international markets is supported by the Ministry of Economy for a maximum period of 3 years within the scope of Communiqué No.2011/1 on Market Research and Market Entry Support with the intention of increasing recognition of Turkish companies and products in international markets, members of exporters associations

entering into new markets, increasing their export in the current market, and using e-commerce in an effective and productive manner.

In this context, members of exporters associations will be able to become a member to contracted e-commerce websites from among the e-commerce websites approved by the Ministry of Economy by paying only 20% of the total membership fee with the aim of contributing to them to take a share from e-commerce by finding opportunity to promote their products in international markets and in leading e-commerce websites of the sector at a very low cost by using today's technological means.

With these projects initiated in 2017, it is aimed that along with the support of the Ministry and the services rendered by the exporters associations, the buyers and sellers meet in electronic environment, Turkish companies enter into new markets and increase their exports in the modern world economy, in which e-commerce showing an increase year by year. While the membership of total of 12.049 companies to "Alibaba.com, kompass.com ve turkishexporters.net" e-commerce websites, which are rendering services to all sectors and approved by the Ministry of Economy, is started free of charge within the scope of project conducted by TIM; whereas membership of 406 companies to "steelorbis.com" e-commerce website, which is rendering service only in steel sector, is started free of charge within the scope of project conducted by CIB. It is aimed that exporters meet with potential buyers, promote themselves and their products by exhibiting their product on those websites and follow up the developments concerning the sector therefrom.

Figure 13 Number of firms benefiting from E- Commerce projects.



Source: Turkish Exporters' Assemble and Turkish Steel Exporters' Association (2017)

When the rapidly increasing trend of e-commerce and the tendency of world trade in this direction in recent years are taken into consideration, it is believed that e-commerce projects conducted by exporters associations will play an important role in increasing the exports of members of exporters associations, and therefore in developing the total exports of Turkey.

3.3.5 Closing export deals

Turkish Exporters' Association does not act on behalf of an exporter in a commercial matter, and expects company representatives to conclude export deals personally. The association create only platform enabling Turkish exporters and potential importers to make mutual business meetings but business deals be closed directly by the representative of the companies.

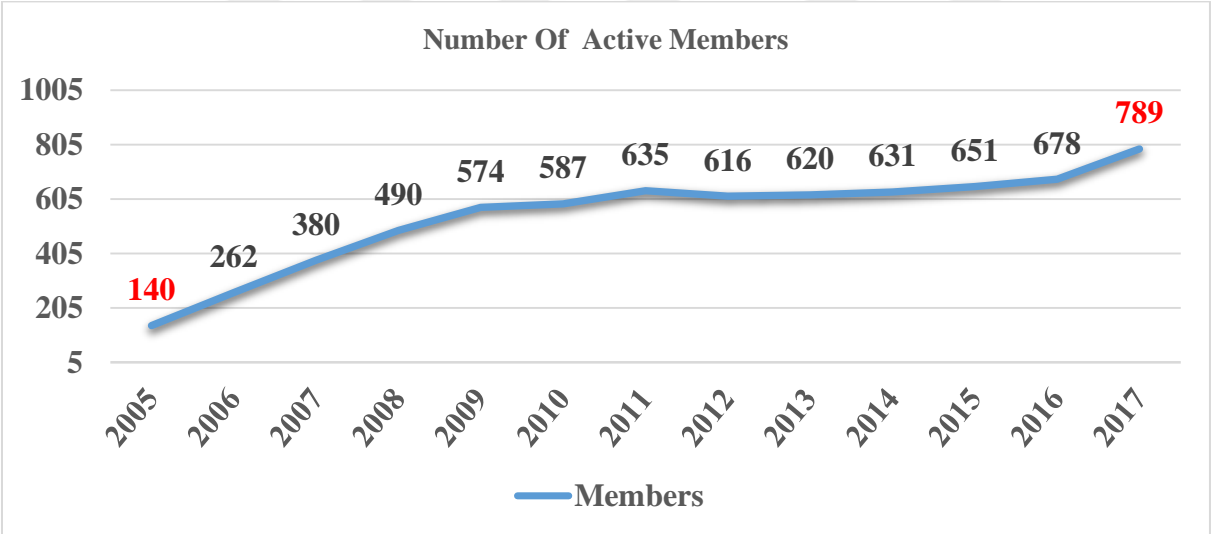
3.4 Turkish Steel Exports Before and After the Steel Exporters Association

Some indicators concerning the impact of CIB, which examined as a case study with regards to the role of exporters associations on total exports of Turkey, on total steel exports and member companies as of its establishment is examined in this CHAPTER. The change in the number of active members of the association as of the date of establishment of CIB, which

was established as a separate association in 2005, number of countries to which Turkish steel sector has been exporting since 2005, change in total steel exports of Turkey and change in the exports of 67 companies, randomly selected from among the current 485 active members in 2017, as of the date of their membership are examined.

Membership is a specially telling indicator of the righteousness of any kind of business association. CIB membership has increased significantly since the association was established in 2005. When determining the membership of the association, number of the members increases around 100 -150 each passing year. The point draws the attention herein is that besides the mandatory membership to exporters association, exporters becoming a member to any association they wish indicate that number of members of the association is of great importance. Because of this reason, as is seen from the Figure x below, it is believed that the number of active members of association showing an increase every passing year and reaching 789 as of 2017 is an indicator of CIB playing an important role in making a contribution to the exports of the companies.

Figure 14 The change in the number of active members of CIB during the years 2005 -2017

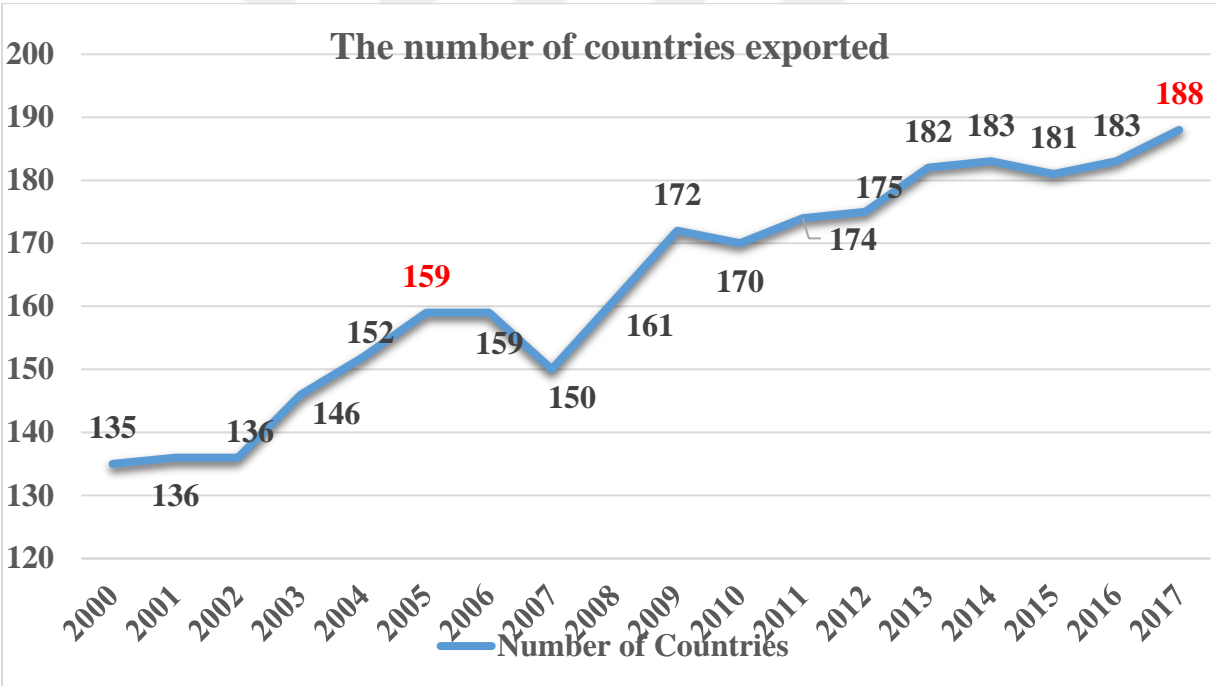


Source: Turkish Steel Exporters’ Association

When the total exports of Turkey is examined, it is seen that the Turkish steel sector, which is one of the locomotive sectors of Turkish economy, is among the leading sectors of the world in production and exports.

Number of countries, to which Turkish steel being exported, has shown an increase every passing year since the year of establishment of CIB in 2005 with the aim of supporting the export of the sector. As is also understood from the figure below, while exports are made to 159 countries in 2005, whereas exports are made to 188 countries in 2017. While the total number of countries in the world is stated as 193 by United Nations (UN), when the countries not member to UN are taken into account, the total number of countries in the world exceeds 200, and exports are made almost to whole world by Turkish steel exporters. Although there is no clear evidence at this point, it is believed that the market research and development activities organized by CIB, country visits made with the aim of developing bilateral business relations, country seminars and country presentations shared with the members have contributed to the increase in the number of countries, to which exports being made.

Figure 15 The number of countries where Turkish Steel has been exported during the years 2005- 2017

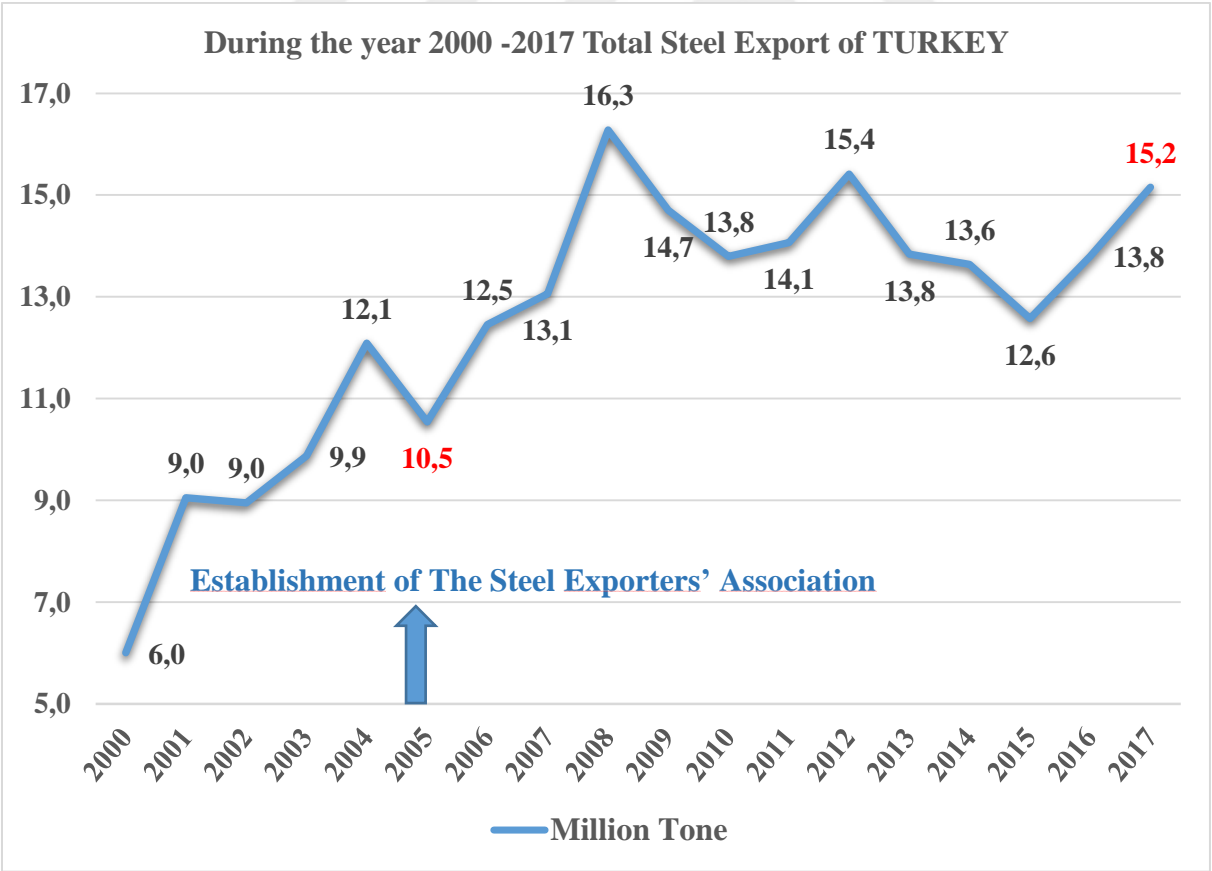


Source: Turkish Steel Exporters’ Association (2017)

Exporters associations aim to strengthen the sustainable competitive power of their members at a global level by rendering services to their members accommodated within themselves, by bringing solutions to common problems of the sector and by increasing the export potential of the country. Accordingly, CIB, operating in the 4th biggest sector of Turkey in exports in 2017, organizes activities for developing the sector and increasing its export

potential since the date of its establishment. As is also understood from the figure below, although the total steel export of Turkey has shown increase by years, it also encountered decreases in certain years. In the light of information obtained from CIB, Turkish steel sector experienced hard times due to the reasons like commercial policy measures enquiries often encountered in the sector and the foreign trade policies of China disregarding the rules of World Trade Organization. Despite these problems experienced, it is seen that CIB, representing Turkish steel sector both at home and in the world, assumes an important role for the sector with the services mentioned in previous CHAPTERs. As can be seen from the table below, despite of economic crisis and other issues happened in the world, the increase in total steel exports of Turkey has been observed since the establishment of CIB. While total steel export of Turkey was around 10, 5 million tons in 2005, it is reached to 15, 2 million tons in 2017. Although it does not give definitive results, it is thought that the CIB has an important role in increasing the total steel export of Turkey.

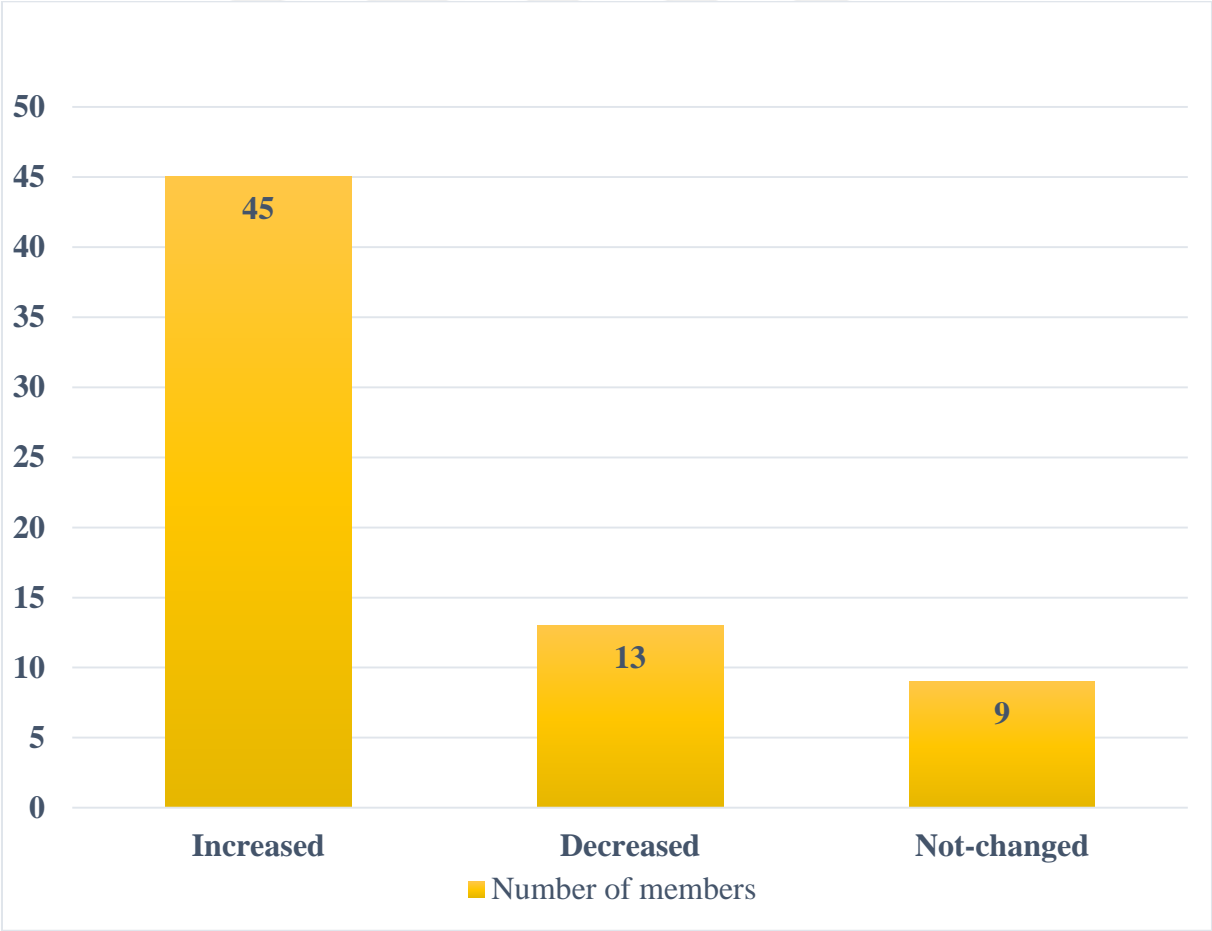
Figure 16 Total steel export of Turkey during the year 2000 – 2017



Source: Turkish Steel Exporters’ Association (2017)

Finally, 67 members of Turkish Steel Exporters Association are randomly selected from among 485 total active members in 2017 and the changes in the exports of these companies as of date of their membership to the Association are examined by using the data of Turkish Steel Exporters Association with the aim of examine the role of the Association both on the exports of its members and on total exports of Turkish steel sector. When the exports of members as of the date of their membership to CIB are examined, it is observed that exports of 45 companies have shown increase, 13 companies have not changed significantly and 9 companies have shown decrease. Although there is no clear evidence that these changes occurred due to the services of CIB, observing increase in 65,67% of companies in the example indicates that the Association plays an important role in Turkish steel sector and total steel exports of Turkey.

Figure 17 Changes in the exports of 67 companies selected from among 485 active members as of the date of their membership to Turkish Steel Exporters Association.



Source: Turkish Steel Exporters’ Association (2017)

CHAPTER 4: CONCLUSION

In this modern economic condition most developed and developing countries allocate public funds to export promotion services. The main goal of these services is to support firms in particularly small and medium sized firms to become successful exporters. Over recent decades several developing countries have established trade promotion organizations with the purpose to support their firms to increase their competitive power and also overall export of the country. While more countries have made exporters' association as a part of their national export strategy, most of the economist focused on activity and efficiency of them.

Trade promotion organization called differently from country to country, though their aims is to help exporters find markets for their products, as well as provide them with a better understanding of products demanded in different target markets. One can divide the services offered by Exporters' associations into four broad categories: 1) country image building (advertising, promotional events, but also advocacy); 2) export support services (exporter training, technical assistance, capacity building, including regulatory compliance, information on trade finance, logistics, customs, packaging, pricing); 3) marketing (trade fairs, trade and buying missions, follow-up services offered by representatives abroad); and 4) market research and publications (general, sector, and firm level information, such as market surveys, on-line information on export markets, publications, providing statistical data, sectorial report encouraging firms to export, importer and exporter contact databases). (Lederman, Olarreaga, Payton, 2006)

There are many international studies have been conducted on the exporters' associations and their activities whether these associations and export promotion programs are effective. However, there is no empirical academic study on effect of Turkish export association (CIB) and its contribution to total export of Turkey. This paper aims at filling this gap in the literature. It is assessed the distributional impacts of trade promotion activities performing by Turkish Steel Exporters Association which is non-profit organization and established in 2005. Even though this research put many facts regarding to the role of Turkish Exporters' Association on total export of Turkey, there are more points that new researchers can work to move this essential topic to further points. Applying for regression analysis would help to estimate the effect of each type of export promotion instruments such as trade and buying mission to the total export of their members. At this point, new researchers should focus on correlation

between export promotion instrument provided by the association and total export of the member which benefited from that instrument. From this point of view, they will have a chance to determine the role of exporters' association in firm level basis and also identify effect of the extensive or intensive margin of export promotion instruments. On the other hand, there is a challenging side is that while using the information on usage of export promotion services and highly disaggregated export data for the whole population of exporters of a developing country, over the certain period, latent variables such as political relation between the countries (importer – exporter) and currency exchange rate prevent researcher from reaching definite results.

In this paper, it is explored the existence of potentially asymmetric effects of export Associations using data of CIB over the period 2005-2017. The result is CIB plays an important role and have a positive impact on total export of Turkey. Even though there is no definite consequences, it can deduced from the research that export promotion activities of CIB such as counselling, sending daily sectorial news, organizing trade/buying missions, trade fairs, providing sectorial reports and data, networking activities, educational / training programs, special passport, e-commerce activities have effectively helped Turkish firms to expand their exports and enter a new market. Moreover, it can be understood from the research that number of the members of the Turkish Steel Exporters' Association has been increasing due to export promotion activities provided by the association. On the other hand, it is recommended that in a reference with this organizational and financial structure of Turkish Exporters' Association, sectorial or industry oriented associations would be more efficient to their members than regional export associations.

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APPENDIX: Literature Review Table

Authors	Name of the Research	Purpose	Data	Methodology	Findings
Roberto Alvarez E. Gustavo Crespi T. (2004)	Exporter Performance And Promotion Instruments: Chilean Empirical Evidence	Evaluate the impact of some public promotion instruments of ProChile on the export sector	The data used in this research were obtained on a special survey applied to 365 firms. The sample was chosen from a universe of 7,479 exporting firms, which were obtained in the Central Bank of Chile export statistics for the period 1992- 1996. The samples for both groups are 187 and 178 for control and participating firms, respectively	The methodology used in this research is a variant of the classic method of experimental design applied to one “quasi-experimental design” (QES)	Prochile's export promotion instruments have a positive impact on Chile's export. Export committee has higher impact than participating trade fairs and the utilization of a business information system.
Christian Volpe Martincus Jerónimo Carballo (2008)	Is Export Promotion Effective in Developing Countries?	impact of export promotion on export performance in middle income developing countries	Using a unique firm-level dataset for Peru over the period 2001-2005.	microeconometric techniques; difference-in-differences and matching difference-in-differences	Export promotion activities by PROMPEX have effectively helped Peruvian firms to expand their exports, primarily along the extensive margin, both in terms of markets and products, whereas no robust significant effect could be identified on the intensive margins of exports.
Christian Volpe Martincus Jerónimo Carballo Andrés Gallo (2011)	The Impact of Export Promotion Exporters' associations on Trade: Is It the Intensive or the Extensive Margin?	identify the effect of trade promotion exporters' associations on bilateral exports from Latin American and Caribbean to all countries using the “gravity” model of trade	use bilateral trade data for Latin American and Caribbean countries over the period 1995-2004 from COMTRADE	Gravity Model	public exporters' associations operating abroad such as diplomatic representations and trade promotion organizations have significant effects on aggregate bilateral trade

<p>Christian Volpe Martincus Jero nimo Carballo (2010)</p>	<p>Export Promotion: Bundled Services Work Better</p>	<p>Having assessed the relative effectiveness of different promotion programmes carried out by Colombia's PROEXPORT by directly comparing their effects with each other on several measures of export performance with a multiple treatment matching difference-in-differences approach. Contribution consists of systematically comparing the effects of different export promotion activities on the extensive and intensive margins of firms' exports against each other within a unified framework that explicitly accounts for potential selection bias of firms into these activities</p>	<p>First database has annual firm-level export data disaggregated by product (at the 10-digit HS level) and destination country over the period 2003–06 from the DANE (Colombian National Statistical Office). The second database consists of an annual list of the firms who participated in each export promotion activity organised by PROEXPORT over this period. These databases have been merged using the firms' tax ID</p>	<p>Matching difference-in-differences.</p>	<p>find that bundled services combining counselling, trade agenda, and trade missions and fairs that can be thought as providing exporters with an integral accompaniment throughout the process of starting export businesses and building up buyer–seller relationships with foreign partners are more effective than isolated assistance actions, e.g. trade missions and fairs alone.</p>
<p>Sanne Hiller (2012)</p>	<p>Do Private Export Associations Promote Exports? Evidence from Denmark</p>	<p>Does the pooling of knowledge in private export networks help firms to become successful exporters? Do firms who become member in an export association exhibit higher export sales, ship more products or serve a greater number of markets in the future?</p>	<p>Firm-country level data, Firm -Product level data from 1995 - 2007</p>	<p>Regression Techniques,</p>	<p>Danish Exporters Association membership boosts the growth rate of export sales and the average value of exports in the first year after entry but in the second year, neither growth rate is different from the non-membership counterpart</p>

<p>Richard F. Doner & Ben Ross Schneider</p>	<p>Business Associations and Economic Development: Why Some Associations Contribute More Than Others</p>	<p>To find requirements of the efficient association and their activities</p>	<p>The development of a framework through which to identify the international external factors that influence variations in associational contributions to economic growth.</p>	<p>Making survey and empirical studies</p>	<p>Unrepresentative, and understaffed associations are rarely capable of redressing state and market failures, so associations first need exporters' associational strength or capacity to perform positive economic functions.</p>
<p>Daniel Lederman Marcelo Olarreaga Lucy Payton (2006)</p>	<p>Exporters' associations: What Works and What Doesn't</p>	<p>Assessment of the impact of today's EAs on national exports.</p>	<p>Survey data from 104 developed and developing countries, 88 different Exporters' associations</p>	<p>Regression Analysis</p>	<p>EAs have a positive and statistically significant impact on national exports. There is heterogeneity across levels of development, however. In countries with a GDP per capita below \$982, exporters' associations have a negative impact on exports, thus suggesting that poor country governments might not have the capacity to manage EAs effectively. Above \$982 the impact is positive, but it becomes statistically significant only in countries with a GDP per capita above \$2790.</p>

Salvador Gil-Pareja Rafael Llorca-Vivero J. A. Martínez-Serrano (2005)	Measuring The Impact Of Regional Export Promotion: The Spanish Case	Estimates the effect of Spanish regional trade agencies abroad on exports	17 Spanish regions to a sample of 188 trading entities over the period 1995-2003	Gravity Model	Regional trade associations are much more efficient than foreign embassies and consulates which also endeavor to increase the total export of the country. Establishing the regional trade agencies; the exports drops by 55% if in the trading pair there are islands and by 66% in the case of landlocked areas. On the contrary, the regions export 153% more with EUEFTA countries. In a similar way, to share a common language or common border increases exports by 458% and 33%, respectively.
Christian Volpe Martincus Jerónimo Carballo (2010a)	Beyond the Average Effects: The Distributional Impacts of Export Promotion Programs in Developing Countries	Distributional impacts of trade promotion activities performing efficient semiparametric quantile treatment effect estimation on assistance, total sales, and highly disaggregated export data for the whole population of Chilean exporters	Firm-level data on total sales and exports disaggregated by product and destination country as well as information on participation in promotion activities organized by PROCHILE over the period 2002-2006	Difference-in-differences	Export promotion services performed by PROCHILE have had distinguished effects over the distribution of export outcomes. These effects are mainly focused on the lower level of the distribution of (growth of) total exports and the lower and upper ends of the distributions of (growth of the) number of countries and number of products
Christian Volpe Martincus Antoni Esteveordal Andrés Gallo Jessica Luna (2010)	Information Barriers, Export Promotion Exporters' associations, and the Extensive Margin of Trade	Explore whether and how these exporters' associations influence the extensive margin of exports across goods with varying degree of differentiation on a sample of Latin American and Caribbean countries over the period 1995-2004.	Export date in 1995-2004 and date gathered from Comtrade	Gravity Model	Exporters' associations seem to favor the expansion of the extensive margin of exports of more differentiated goods, while embassies and consulates are associated with increased extensive margin of homogeneous goods.

<p>Holger Görg Michael Henry Eric Strobl (2005)</p>	<p>Relationship between government support and exporting activity Evidence from Irish Manufacturing</p>	<p>Try to observe what would have happened to exporting activity in the firm if it had not received a government subsidy.</p>	<p>Plant level data set for Irish manufacturing from 1983-1998</p>	<p>Difference-in-difference</p>	<p>If grants of the support is sufficiently large, can act to increase the export intensity of firms that are already exporters, but no evidence that it can turn non-exporters into exporters.</p>
<p>Stanyo Neykov Dinov (2017)</p>	<p>The Role and Function of Private Trade Associations as a Private Regulator in Making Markets More Efficient and Stable: The ISDA, The ICMA and The LMA in Comparative Review</p>	<p>Whether being a member of three major private trade associations: the International Swaps and Derivatives Association (ISDA), the International Capital Market Association (ICMA) and the Loan Market Association (LMA).</p>	<p>Service of the Association</p>		<p>The role of private contract regulation conducted through private trade associations will continue to be a significant contribution to the stability and the efficiency of the international financial markets.</p>
<p>Christian Volpe Martincus Jerónimo Carballo (2010c)</p>	<p>Entering New Country and Product Markets: Does Export Promotion Help?</p>	<p>Financial markets function sufficiently wellregulated by themselves via standard market practices of private trade associations or do they require public regulation</p>	<p>Regulations of the International Swaps and Derivatives Association (ISDA), the International Capital Market Association (ICMA) and the Loan Market Association (LMA).</p>	<p>Examining the regulation of international financial markets through the private regulation of three major private trade associations</p>	<p>Trade supporting activities have helped firms reach new destination countries and introduce new differentiated products.</p>
<p>Nathan Associates Inc. EXPRO Project (2004)</p>	<p>Best Practices in Export Promotion</p>	<p>Seeking for the export promotion techniques to be consider for El Salvador</p>	<p>Examining Exporters' associations of 5 countries (Colombia, Canada, Chile, Australia, Costa Rica)</p>	<p>Interviews</p>	<p>Establishing Export Promotion Agency is necessary and it will play a significant role for the economy of El Salvador.</p>

<p>Christian Volpe Martincus Jerónimo Carballo Pablo Garcia (2010)</p>	<p>Firm Size and the Impact of Export Promotion Programs</p>	<p>Effects of trade promotion assistance provided by Fundación ExportAR on Argentinean firms’ export performance and assessing whether these effects are heterogeneous across firms within different size categories.</p>	<p>Firm-level dataset for Argentina over the period 2002-2006.</p>	<p>Difference-in- differences</p>	<p>Export promotion programs in Argentina have been effective in supporting the growth of Argentinean firms’ exports, primarily along the country- extensive margin. Importantly, these programs do not seem to have affected all firms to the same extent. More specifically, smaller companies derive larger benefits from these public initiatives than larger firms in terms of improved export performance.</p>
<p>Andrew K. Rose (2007)</p>	<p>The Foreign Service And Foreign Trade: Embassies As Export Promotion</p>	<p>Whether exports are in fact systematically associated with diplomatic representation abroad</p>	<p>Data from 22 exporters and 200 export destinations</p>	<p>Gravity Model</p>	<p>Bilateral exports rise by approximately 6- 10% for each additional consulate abroad, controlling for a host of other features including reverse causality. The effect varies by exporter, and is non-linear; consulates have smaller effects than the creation of an embassy.</p>
<p>Aljaz Kuncic (2013)</p>	<p>Trade and exporters’ associations: extensive and intensive margins</p>	<p>Examine exports of Slovenia and to pay particular attention to the differences in intensive and extensive margins Also examine what the effect of exporters’ associations and exporters’ associational distances is on exports, with micro, firm level export data from Slovenia, which allows us to look at both the intensive and the extensive export margin.</p>	<p>Firm level data on Slovenian export from 1994 - 2010</p>	<p>Gravity Model</p>	<p>Quality of exporters’ associations in the destination country is not a significant determinant of exports, and that out of exporters’ associational distances, only distance in the quality of political exporters’ associations affects exports negatively. This negative effect is based on the intensive margin, whereas no exporters’ associational variable seems to have an effect on the extensive margin..</p>

Andrew K. Rose (2005)	Which International Exporters' associations Promote International Trade?	Whether International Trade Organizations (WTO, IMF, and OECD) promote the international trade.	Data covers bilateral merchandise trade between 178 IMF trading entities between 1948 and 1999 (with gaps)	Gravity Model	Comparing the effects of three international exporters' associations in promoting trade: OECD membership (but neither GATT/WTO nor IMF membership) has had a consistently large positive effect on international trade in the world.
Andrew K. Rose (2002)	Do We Really Know That The Wto Increases Trade?	Whether world trade organization increase the international trade	Data covers bilateral merchandise trade between 178 IMF trading entities between 1948 and 1999 (with gaps)	Gravity Model	Membership in the GATT/WTO is not associated with enhanced trade, once standard factors have been taken into account. To be more precise, countries acceding or belonging to the GATT/WTO do not have significantly different trade patterns than non-members.
Jakob R. Munch, Georg Schaur (2015)	The Effect of Export Promotion on Firm-Level Performance	Do export promotion activities affect export performance, raise value added and productivity and creates jobs	Firm-level data of Danish firms with export-promotion services delivered by Denmark's Trade Council from 1999 -2012	Difference-in-difference	