

# Economic Relations and the Import-Export Balance in Greek–Turkish and Cypriot-Turkish Trade During the Years 2010-2021

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## Abstract

*The purpose of this paper is a brief presentation of Greek-Turkish and Cypriot-Turkish economic relations and, more specifically, of bilateral imports-exports during the years 2010-2021. Greek exports to Turkey increased and the trade balance was positive for Greece for a long period. During the last few years (2019-2021), the trade balance between Greece and Turkey was negative for Greece. Also, the trade balance with Turkey was negative for the years 2010-2021, with deficits for Cyprus. However, transactions are not important in comparison with the whole trade balance. The Greek-Turkish and the Cypriot-Turkish commercial cooperation have little importance for Turkey, with low and no significant transactions in value. The need to improve bilateral political relations and resolve bilateral problems to improve closely-linked trade economic cooperation and development is becoming apparent. The present study is mainly limited to a brief and descriptive presentation of the bilateral State relations, while future research can be extended to a statistical analysis of each industry or sector analysis.*

**Keywords:** Greece, Turkey, imports, exports, trade balance

## Introduction

The coupling between economics and international politics has always existed, but by the end of the Cold War it intensified.<sup>3</sup> Similarly to democratic dialogue and diplomacy, economic diplomacy helps to limit tensions.<sup>4</sup>

Through economic cooperation, the promotion of interdependence is sought, i.e. the mutual consequences between States or between different countries.<sup>5</sup> Internation-

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<sup>3</sup> Charalambos Tsardanidis, *Economic Diplomacy (Οικονομική Διπλωματία)* (Athens: Papazisi Publications, 2018) (in Greek) 45.

<sup>4</sup> Andreas Papastamou, *Economic Diplomacy: From Theory to Practice (Οικονομική Διπλωματία: Από τη Θεωρία στη Πράξη)* (Athens: Papazisi Publications, 2018) (in Greek) 117.

<sup>5</sup> Ilias Kouskouvelis, *Introduction to International Relations (Εισαγωγή στις Διεθνείς Σχέσεις)* (6<sup>th</sup> edn, Athens: Quality Publications, 2007) (in Greek) 449.

al relations are more interconnected but not necessarily interdependent. Increasing interdependence and international cooperation does not mean eliminating conflict.

In the view of the theorists of economic interdependence, the role of the nation-State can be reduced, its traditional economic functions can be limited, and opposition and conflict can be reduced.

However, the ideological belief that economic cooperation or entanglement necessarily leads to the mitigation of geopolitical and political conflicts has no historical support.<sup>6</sup> Between 1900 and 1914, French-German trade increased by 137%, German-Russian trade by 121%, and German-British trade by 100%, while more than half of international manufacturing cartels were jointly German-British (one even produced explosives).

All these indicators did not prevent the above countries from getting involved in one of the deadliest wars. Economic cooperation arises from economic needs and necessities that do not necessarily relate to friendly or hostile intentions from a political point of view. It is an indication of good political relations only when any geopolitical outstanding matter has been resolved.

The purpose of this paper is a brief presentation of Greek-Turkish and Cypriot-Turkish economic relations and more specifically of bilateral imports-exports during the years 2010-2021.

In the second part of this paper, there is a brief reference to the Greek-Turkish trade relations before 2010 as well as to basic bilateral agreements, while in the third and fourth parts, basic financial statistics for Greek-Turkish and Cypriot-Turkish imports and exports from 2010-2021 are presented. In the last part, the conclusions of the present research will be presented.

## **Greek-Turkish Trade Relations Before 2010 and Key Bilateral Agreements**

The efforts to rewarm Greek-Turkish economic relations were a follow-up to the efforts made at a political level. The first meeting and approach took place between Andreas Papandreou and Turgut Özal in Davos in 1988 and the second attempt was between Constantinos Mitsotakis and Tanzo Tsiller in Davos in 1991.<sup>7</sup> However, none of the two efforts brought the desired turn in Greek-Turkish relations.

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<sup>6</sup> Panagiotis Kondylis, *Theory of War (Θεωρία του Πολέμου)* (4th edn, Athens: Themelio Publications 1999) (in Greek) 404-405.

<sup>7</sup> Panos Kazakos and Panagiotis Liargovas, *Greek-Turkish Economic Cooperation (Ελληνο-Τουρκική Συνεργασία)* (Athens: Papazisi Publications, 1997) (in Greek) 60

In recent decades, economic relations have warmed and expanded, as a result. More specifically, exports to Turkey in the period 1987-1994 ranged between 113.2 and 138.1 million US dollars and, correspondingly, imports started at 45.4 million US dollars and reached 170.7 million US dollars.<sup>8</sup>

After 1999 and the contacts of former Foreign Minister George Papandreou with his Turkish counterpart, Greek-Turkish economic transactions increased and hopes that stronger economic relations would reduce the problems sprang. Ultimately, though, trade, tourism, energy cooperation, and direct foreign investment is unlikely to help overcome long-standing issues between the two countries' international relations.<sup>9</sup>

In 2000, trade between Greece and Turkey almost doubled compared to the previous year, while the upward trend continued throughout the following years.<sup>10</sup> As an indicative example, it is worth noting that in 1995 the volume of trade between the two countries was only 320 million Euros, while by 2008 it had reached 2.4 billion Euros.

Until 2000, when the volume of bilateral trade was small, the trade balance was usually positive for Greece. After 2001 and for a whole decade, the trade balance was a deficit for Greece and, especially in 2007 and 2008, the deficit exceeded one billion Euros.<sup>11</sup>

In 2009, the improvement in bilateral relations was palpable and, despite changes in governments, the determination to normalise relations remained the same. Economic cooperation through enhanced trade, joint ventures and investments, and foreign direct investment played a key role in improving relations.

At the same time, the possibility of a military confrontation between Greece and Turkey was considered to have been reduced, but it was still an open question whether the economic relations had been accepted and integrated into the political relations of dependence of the two countries.<sup>12</sup>

Today, Turkey's commercial relations with Greece are governed by the Greece Customs Union Agreement with the European Union. An important institution of

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<sup>8</sup> Ibid. 64.

<sup>9</sup> Constantinos Papadopoulos, 'Greek-Turkish Economic Cooperation: Guarantor of Détente or Hostage to Politics?' (2008) 8(08) *SEESOX - South East European Studies*, Oxford 1-39.

<sup>10</sup> Angelos Syrigos, *Greek-Turkish Relations (Ελληνο-Τουρκικές Σχέσεις)* (2<sup>nd</sup> edn, Athens: Pataki Publications, 2016) (in Greek) 571.

<sup>11</sup> Ibid. 572.

<sup>12</sup> Dimitris Tsarouhas, 'The Political economy of Greek-Turkish Relations' (2009) 9 *Southeast European and Black Sea Studies* 39-57.

Table 1. Greece's goods balance in the years 2010-2021 (in millions of Euros)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
BALANCE OF GOODS	-27,270.9	-23,391.4	-20,351.7	-19,672.9	-20,630.1	-17,666.1	-17,960.3	-19,833.9	-22,489.1	-22,833.3	-18,528.1	-25,623.2
FUEL BALANCE	-7,225.9	-8,169.8	-8,188.6	-7,145.8	-6,446.2	-4,134.3	-2,985.5	-3,717.6	-5,180.7	-5,040.5	-3,196.0	-5,876.5
BALANCE OF GOODS without fuel	-20,045.0	-15,221.6	-12,163.1	-12,527.1	-14,183.9	-13,531.8	-14,974.7	-16,116.3	-17,308.4	-17,792.8	-15,332.1	-19,746.7
BALANCE of ships	-758.1	-208.2	-436.9	-6.2	-96.2	-84.8	31.5	-39.9	-56.8	-345.1	-64.9	-19.7
BALANCE OF GOODS without ships	-26,512.8	-23,183.1	-19,914.7	-19,666.7	-20,533.9	-17,581.3	-17,991.7	-19,794.0	-22,432.3	-22,488.2	-18,463.2	-25,603.5
BALANCE OF GOODS excluding fuel and ships	-19,286.9	-15,013.3	-11,726.2	-12,520.9	-14,087.7	-13,447.0	-15,006.2	-16,076.3	-17,251.6	-17,447.7	-15,267.2	-19,727.0
Exports of goods	20,220.7	23,026.7	26,426.6	26,187.4	26,150.3	24,805.1	24,613.2	28,040.5	32,372.8	32,433.6	28,904.4	39,079.8
Fuel	4,438.2	5,903.3	9,177.8	9,225.0	9,039.4	6,643.3	6,162.5	7,887.8	10,016.9	9,078.8	6,102.5	10,142.8
Ships (sales)	117.9	72.1	182.4	83.7	100.6	144.4	119.8	102.0	130.9	91.5	153.1	121.5
Goods excluding fuel and ships	15,664.6	17,051.3	17,066.4	16,878.7	17,010.3	18,017.4	18,330.9	20,050.7	22,225.0	23,263.4	22,648.9	28,815.6
Imports of goods	47,491.6	46,418.0	46,778.2	45,860.3	46,780.3	42,471.2	42,573.5	47,874.4	54,861.9	55,266.9	47,432.5	64,703.0
Fuel	11,664.1	14,073.1	17,366.4	16,370.8	15,485.6	10,777.6	9,148.0	11,605.4	15,197.5	14,119.3	9,298.4	16,019.3
Ships (markets)	876.0	280.3	619.3	89.9	196.8	229.2	88.4	141.9	187.7	436.6	217.9	141.2
Goods excluding fuel and ships	34,951.5	32,064.6	28,792.5	29,399.6	31,098.0	31,464.4	33,337.1	36,127.0	39,476.7	40,711.1	37,916.1	48,542.5

Source: Bank of Greece, Balance of Payments Key Figures – Annual Data (Athens) (in Greek)

economic cooperation between Greece and Turkey is the annual convening of the Supreme Cooperation Council. The last (4th) took place in March 2016, in Izmir, and agreed, among others, the ferry connection between Thessaloniki and Smyrna and Istanbul-Thessaloniki with a high-speed railway line.<sup>13</sup>

Greek investments in Turkey in 2009 were 4.069 billion Euros or 13.67% of the total investments abroad.<sup>14</sup> During the decade 2000-2010, more important agreements were signed between Greece and Turkey that constituted the legal bilateral contractual framework, and more specifically the following:<sup>15</sup>

- Law 3053/2002: Ratification of the Agreement between the Government of the Hellenic Republic and the Government of the Republic of Turkey for cooperation in the field of veterinary medicine.
- Law 3030/2002: Ratification of the Protocol for the implementation of Article 8 of the Agreement between the Government of the Hellenic Republic and the Government of the Republic of Turkey on the fight against crime, in particular terrorism, organized crime, illegal drug trafficking, and illegal immigration.
- Law 3040/2002: Ratification of the Agreement between the Government of the Hellenic Republic and the Government of the Republic of Turkey for cooperation in the field of plant protection.
- Law 3246/2004: Ratification of the Agreement between the Hellenic Republic and the Republic of Turkey regarding the realisation of the Turkey-Greece interconnection for the transfer of gas and the supply of natural gas from the Republic of Turkey to the Hellenic Republic.
- Law 3228/2004: Ratification of the Agreement between the Government of the Hellenic Republic and the Government of the Republic of Turkey for the avoidance of double taxation concerning income taxes
- Law 3339/2005: Ratification of the Protocol between the Hellenic Republic and the Republic of Turkey for the establishment of a Joint Hellenic-Turkish Disaster Response Unit.

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<sup>13</sup> Hellenic Republic, Ministry of Foreign Affairs, 'Turkey' ('Τουρκία') (2022) (in Greek), available at <https://www.hmmm.gr/blog/dimereis-sheseis-tis-ellados-tourkia/> (last accessed 18 September 2022).

<sup>14</sup> Papastamou (no 4) 382.

<sup>15</sup> Greek-Turkish Chamber of Commerce, Bilateral Agreements (2020) available at <https://etee.gr/bilateral-agreements/> (last accessed 18 September 2022).

- Law 3445/2006: Ratification of the Agreement between the Government of the Hellenic Republic and the Government of the Republic of Turkey for cooperation in the health sector.
- Law 3449/2006: Ratification of the Memorandum of Understanding between the United Nations and the Government of the Hellenic Republic and the Government of the Republic of Turkey for cooperation in the field of dealing with emergency humanitarian needs.

These agreements helped to promote better relations and the development of Greek-Turkish economic transactions.

### Basic Statistics on Greek-Turkish Imports-Exports for the Years 2010-2021

The balance of goods, meaning imports – exports, of Greece for the years 2010-2021 was constantly in deficit and ranged from 17.6 billion Euros minimum in 2015 to 27.2 billion Euros maximum in 2010 (table 1). Most of the deficit was due to heavy reliance on imported goods (no fuel, no ships).

When the economic crisis began in Greece in the years 2009-2010, the imports of products decreased, which was something that subsequently affected the imports of Turkish products. On the contrary, Greek exports to Turkey increased and the Greece-Turkey trade balance again became positive for Greece, except in the year 2016 (table 2). However, during the last few years, that is 2019-2021, the balance was again negative for Greece.

Table 2. Exports - imports of Greece with Turkey

	Imports from Turkey	Exports to Turkey	Difference
2010	1,213,785,081	1,161,369,693	52,415,388
2011	1,881,566,200	1,156,693,766	724,872,434
2012	2,952,247,525	1,108,212,990	1,844,034,535
2013	3,148,423,032	1,130,653,216	2,017,769,816
2014	3,266,103,298	1,205,845,305	2,060,257,993
2015	1,710,681,563	1,272,642,889	438,038,674
2016	1,351,252,436	1,374,468,967	-23,216,531
2017	1,952,643,982	1,428,749,010	523,894,972
2018	2,035,442,762	1,847,783,850	187,658,912

2019	1,974,000,000	1,943,000,000	-31,000,000
2020	1,338,000,000	1,551,000,000	-213,000,000
2021	2,059,000,000	2,497,000,000	-438,000,000

Source: *Own processing of the Hellenic Statistical Authority, Foreign Trade statistical data, Table 9. Imports-Arrivals, Exports-Shipments, by partner country 2004-2019 and Annual Report 2021 of Greek Embassy in Ankara, (in Greek) (Ankara: May 2022)*

Greek exported products were mainly petroleum products, such as fossil fuels, mineral oils, and others (table 3). The importance of petroleum products is high for Greek exports to Turkey. The operation of the STAR refinery in Izmir, an investment by the Azeri State company SOCAR, as well as relevant investments that are being implemented at a rapid pace in other regions of Turkey, are expected to largely replace Greek exports of petroleum products in the next years. The trade balance was formed for Greece in 2021 with a deficit of €438 million, due to the significant increase in petroleum products/electricity exports.

The other main export products were: cotton, plastics, copper pipes, aluminum and aluminum products, boilers, machines, clothing, fertilisers, cereals, and mechanical and electrical equipment. Products such as jewellery, and precious/semi-precious stones were also in significant demand in the Turkish market.

Cotton is the most important export product after petroleum because it is the raw material for the Turkish textile industry. Turkey is a rather difficult market, given the protectionism of its agricultural and processed products and services, which manifests itself both with excessive tariffs and with the creation of additional obstacles (e.g. time-consuming bureaucratic procedures)<sup>16</sup>. In some sectors, such as in the food-beverage sector, Turkey is very competitive, mainly due to the low selling price of Turkish products, as well as the mentality of the average Turkish consumer to prefer domestic and cheap products.

On the other hand, Turkey is a neighbouring country with favourable demographics from a trade point of view, positive growth rates, and a population of 84.62 million.<sup>17</sup> This data could be used to present Greek products as high quality (and with a

<sup>16</sup> Embassy of Greece in Ankara, Office of Economic and Commercial Affairs, *Annual Report 2016 on Turkish Economy and Greece-Turkey Trade and Economic Relations* (Ετήσια Έκθεση 2016 για την Οικονομία της Τουρκίας και τις Ελληνο-Τουρκικές Εμπορικές και Οικονομικές Σχέσεις) (in Greek) (Ankara: July 2017).

<sup>17</sup> Embassy of Greece in Ankara, Office of Economic and Commercial Affairs, 'Profile of Turkey' (Προφίλ της Τουρκίας) (in Greek) (Ankara: June 2022)

Table 3. Greek exports in Turkey (in Euro)

CN4	DESCRIPTION	YEAR 2019	YEAR 2020	YEAR 2021	% Change 2021/2020	% on total [2021]
	Total	1,973,888,939	1,338,326,675	2,059,382,957	53.88%	100.00%
	Total WITHOUT PETROLEUM PRODUCTS + ENERGY	874,631,495	855,700,294	1,146,461,109	33.98%	55.67%
	PETROLEUM PRODUCTS + ENERGY	1,099,257,444	482,626,381	912,921,848	89.16%	44.33%
	FIRST 50 PRODUCTS [2021]	1,826,257,343	1,198,020,905	1,926,901,030	60.84%	93.57%
	OTHER PRODUCTS [2021]	147,631,596	140,305,770	132,481,927	-5.58%	6.43%
1	'2710' Oils from oil or oil subproducts	1,088,692,182	454,904,310	871,492,129	91.58%	42.32%
2	'5201' Cotton, non-carded	256,247,037	193,331,532	399,968,582	106.88%	19.42%
3	'3902' Polymers of propylene	82,938,694	80,633,434	68,869,505	-14.59%	3.34%
4	'7606' Products from aluminum	37,223,040	41,193,732	61,973,817	50.44%	3.01%
5	'8471' Machines data processing	58,685,919	78,469,718	52,608,697	-32.96%	2.55%
6	'1001' Wheat and emery	13,261,383	:	44,273,536	:	2.15%
7	'3004' Medicines	3,257,039	23,067,577	40,175,351	74.16%	1.95%
8	'7204' Trash and fragments of iron	2,242,561	3,589,947	35,130,511	878.58%	1.71%
9	'7411' Piping from copper	26,368,526	26,642,778	33,622,963	26.20%	1.63%
10	'2709' Raw oils raw from oil	:	6,683,736	20,317,323	203.98%	0.99%
11	'2711' Gases oil and other gaseous	8,737,578	18,583,788	18,076,372	-2.73%	0.88%
12	'8903' Yachtsmen (yachts) and other ships	3,634,576	6,268,371	17,761,370	183.35%	0.86%
13	'7607' Leaves and products from aluminum	17,999,641	11,552,479	16,255,733	40.71%	0.79%
14	'8421' Machines and appliances centrifuges	7,443,161	10,781,088	14,940,244	38.58%	0.73%
15	'7108' Raw gold	15,962,717	21,600,008	13,593,467	-37.07%	0.66%
16	'3808' Insecticides, rat poisons,	11,929,687	18,234,837	11,732,187	-35.66%	0.57%
17	'4810' Paper and cardboard boxes coated	7,675,587	7,767,089	10,960,700	41.12%	0.53%
18	'3920' Plates, leaves, films	9,679,797	9,301,955	10,367,310	11.45%	0.50%
19	'6006' Other knitwear fabrics	7,306,686	11,207,858	10,097,618	-9.91%	0.49%
20	'3903' Polymers of styrene in initial forms	4,828,915	6,347,472	9,467,485	49.15%	0.46%



21	'4707'	Paper or cardboard for recycling	10,594,529	7,661,613	9,029,778	17.86%	0.44%
22	'2618'	Rusts blast furnaces with form	6,003,688	7,148,174	8,547,456	19.58%	0.42%
23	'9018'	Instruments and appliances for medicine	7,093,928	6,531,380	8,246,156	26.25%	0.40%
24	'3204'	Pigments materials synthetic organic	6,040,204	6,847,550	7,727,224	12.85%	0.38%
25	'3105'	Fertilisers containing nitrogen	10,604,204	14,672,353	7,547,045	-48.56%	0.37%
26	'2402'	Cigars and cigarettes	11,888,783	7,317,469	7,087,413	-3.14%	0.34%
27	'7602'	Trash and fragments	414,060	1,538,596	7,044,976	357.88%	0.34%
28	'7612'	Tanks, barrels, drums, boxes	4,749,869	4,247,228	7,025,296	65.41%	0.34%
29	'3304'	Beauty products and makeup	3,720,077	5,710,006	6,604,013	15.66%	0.32%
30	'8309'	Caps	5,964,471	5,265,244	6,352,167	20.64%	0.31%
31	'4805'	Papers and cardboard boxes for recycling	4,178,583	3,422,378	6,185,779	80.75%	0.30%
32	'8409'	Parts for pistons engines	5,348,989	3,429,575	5,477,135	59.70%	0.27%
33	'7407'	Rods and items with determined form	:	1,380,610	5,104,119	269.70%	0.25%
34	'3402'	Organic substances	3,573,057	4,447,300	4,982,359	12.03%	0.24%
35	'7106'	Silver	360,449	4,804,425	4,943,061	2.89%	0.24%
36	'9990'	Confidential products	1,856,113	4,308,012	4,909,191	13.95%	0.24%
37	'4102'	Raw skins from sheep	3,316,883	3,044,117	4,720,837	55.08%	0.23%
38	'9619'	Sanitary napkins, tampons, diapers	2,950,593	3,759,975	4,697,087	24.92%	0.23%
39	'3907'	Polyacetals, other polyethers	2,356,051	2,729,204	4,686,118	71.70%	0.23%
40	'7208'	Products rolling from iron	:	1,244,119	4,660,355	274.59%	0.23%
41	'4811'	Papers, cardboard boxes, cotton wool	5,144,117	6,038,305	4,481,124	-25.79%	0.22%
42	'3919'	Plates, leaves, films	3,797,402	3,598,608	4,435,279	23.25%	0.22%
43	'1006'	Rice	25,714,449	27,348,825	4,416,598	-83.85%	0.21%
44	'7604'	Rods and items with determined form	2,484,101	3,028,280	4,092,861	35.15%	0.20%
45	'3208'	Colors coating and varnishes	6,857,928	9,954,703	4,038,724	-59.43%	0.20%
46	'2818'	Corundum artificial and oxide	7,118,511	3,897,660	4,008,465	2.84%	0.19%
47	'6802'	Stones appropriate for carving	5,801,696	6,709,995	3,913,922	-41.67%	0.19%
48	'2941'	Antibiotics	5,719,538	3,975,382	3,516,745	-11.54%	0.17%
49	'2503'	Sulfur	5,854,789	247,789	3,488,458	1307.83%	0.17%
50	'8424'	Engineering appliances	2,635,555	3,550,321	3,246,389	-8.56%	0.16%

Source: Own processing of statistical data of Hellenic Statistical Authority and Office of the Greek Embassy in Ankara

Table 4. Greek imports from Turkey (in Euro)

CN4	DESCRIPTION	YEAR 2019	YEAR 2020	YEAR 2021	% Change 2021/2020	% on total [2021]
	TOTAL	1,943,311,517	1,551,208,890	2,496,719,331	60.95%	100.00%
	Total WITHOUT PETROLEUM PRODUCTS	1,586,202,226	1,403,887,773	2,011,574,943	43.29%	80.57%
	PETROLEUM PRODUCTS	357,114,522	147,322,390	485,144,388	229.31%	19.43%
	FIRST 50 PRODUCTS [2021]	1,225,932,525	953,155,263	1,698,571,238	78.21%	68.03%
	OTHER PRODUCTS [2021]	717,378,992	598,053,627	798,148,093	33.46%	31.97%
1	'2710' Oils from oil or oil subproducts	139,354,757	64,148,776	399,696,415	523.08%	16.01%
2	'8703' Cars for transportation of passengers	94,347,650	80,849,008	107,738,192	33.26%	4.32%
3	'7210' Products from iron	60,378,116	56,801,550	102,260,278	80.03%	4.10%
4	'2711' Gases oil and other products	202,245,135	66,717,773	66,621,972	-0.14%	3.92%
5	'0302' Fishes	50,984,630	56,193,353	57,702,960	2.69%	2.31%
6	'6006' Knitwear fabrics	39,769,803	40,605,748	52,646,237	29.65%	2.11%
7	'7601' Aluminium in raw form	8,576,318	3,003,742	52,486,027	1647.35%	2.10%
8	'7208' Products rolling from metals	51,776,080	38,667,420	49,538,633	28.11%	1.98%
9	'8418' Refrigerators and freezers	35,294,152	28,418,591	44,059,944	55.04%	1.76%
10	'8544' Wires and cables for electrical engineering	24,282,614	22,580,989	39,142,628	73.34%	1.57%
11	'3923' Items for transport/packaging	27,423,301	23,534,355	33,091,351	40.61%	1.33%
12	'8516' Water heaters, electrical heaters	34,111,718	29,857,697	32,544,941	9.00%	1.30%
13	'3920' Plates, leaves, membranes	26,327,246	25,389,294	30,720,382	21.00%	1.23%
14	'8528' Television receivers	34,713,513	27,301,730	30,201,284	10.62%	1.21%
15	'3901' Polymers of ethylene in the initial form	6,922,949	4,659,564	29,179,333	526.22%	1.17%
16	'4803' Paper cleanliness	29,776,928	13,788,343	27,647,984	100.52%	1.11%
17	'8702' Vehicles for the transport of 10 people and above	21,657,029	13,299,532	26,462,700	98.97%	1.06%
18	'0304' Fillet/ flesh fish	14,290,173	15,944,083	26,274,190	64.79%	1.05%
19	'4805' Papers and cardboard boxes for recycling	14,086,390	14,396,230	24,600,691	70.88%	0.99%
20	'7216' Items with determined form from iron	19,083,655	17,486,799	24,192,252	38.35%	0.97%
21	'7306' Piping and hollow items with determined form	19,645,975	15,777,675	22,787,195	44.43%	0.91%

22	'4011'	New types with pressed air	17,777,063	14,288,172	21,043,602	47.28%	0.84%
23	'9403'	Furniture	14,399,102	11,142,522	20,900,634	87.58%	0.84%
24	'2901'	Hydrocarbons uncirculated	14,435,499	25,902,914	20,754,957	-19.87%	0.83%
25	'5205'	Threads from cotton	12,491,751	12,090,722	20,090,389	66.16%	0.80%
26	'2523'	Cement plumbing	13,585,792	12,595,841	17,583,106	39.59%	0.70%
27	'8708'	Parts/accessories for tractors	13,546,375	12,446,882	17,194,410	38.14%	0.69%
28	'8450'	Machines for washing clothes.	18,088,214	13,635,038	16,471,067	20.80%	0.66%
29	'2905'	Alcohols acyclic and the halogenated	14,695,593	14,150,652	15,042,347	6.30%	0.60%
30	'1207'	Sperm and oily fruits	1,432,923	7,101,300	14,549,107	104.88%	0.58%
31	'3924'	Tiles	11,527,854	9,409,941	14,440,409	53.46%	0.58%
32	'8504'	Electrical transformers	4,434,880	7,433,052	14,281,515	92.14%	0.57%
33	'7209'	Products rolling from other metals	1,792,871	5,002,801	14,187,307	183.59%	0.57%
34	'2716'	Electric energy	11,416,964	11,902,280	14,128,695	18.71%	0.57%
35	'3907'	Polyacetals, other polyethers	4,581,989	4,822,189	13,830,376	186.81%	0.55%
36	'2008'	Fruits and prepared fruits	10,341,377	11,428,075	13,805,694	20.81%	0.55%
37	'6907'	Tiles and plates for topping	11,292,761	10,971,025	13,792,774	25.72%	0.55%
38	'7322'	Radiators for central heating	8,392,656	7,824,770	13,664,629	74.63%	0.55%
39	'6210'	Clothing from felting	1,423,206	16,461,643	13,373,476	-18.76%	0.54%
40	'6115'	Leggings, socks	7,791,217	6,479,097	13,335,797	105.83%	0.53%
41	'8704'	Cars trucks vehicles	10,047,880	13,117,085	12,605,077	-3.90%	0.50%
42	'7612'	Tanks, barrels, boxes	9,605,649	10,506,404	12,523,471	19.20%	0.50%
43	'5702'	Carpets and investments for floors	8,418,668	6,974,102	12,430,209	78.23%	0.50%
44	'2915'	Acids monocarboxylates acyclic	6,071,299	5,353,410	11,959,384	123.40%	0.48%
45	'7219'	Products rolling from stainless steel	4,337,535	6,419,491	11,633,972	81.23%	0.47%
46	'5603'	Coated fabrics, non-woven	5,834,088	7,941,747	11,522,228	45.08%	0.46%
47	'3909'	Resins amines, resins phenolics	7,919,344	6,428,516	11,376,258	76.97%	0.46%
48	'0802'	Fruits with shell, fresh or dry	8,983,923	8,402,007	11,237,632	33.75%	0.45%
49	'6104'	Suits-tagier, cardigans, dresses	9,018,574	6,482,724	10,727,917	65.48%	0.43%
50	'3906'	Polymers acrylics in initials forms	7,199,346	7,018,609	10,489,210	49.45%	0.42%

Source: Own processing of statistical data of Hellenic Statistical Authority and Office of the Greek Embassy in Ankara

high nutritional value in the case of food). Therefore, products akin to the Mediterranean diet with the additional advantage of their organic production could be favourably received in the Turkish market.

The most important products that Greece imports from Turkey are vehicles, petroleum products, products from iron/steel, fresh fish, knitwear fabrics, raw aluminum, refrigerators/freezers, electrical materials (wires/cables), plastic packaging items/stoppers and water heaters (table 4).

During 2021, an important increase took place in imports of raw aluminum (1647.3%), oils (523.1%), and chemicals, such as polymers ethylene (526.2%).

The trade deficit of Greece, which was observed in 2016 in trade relations with Turkey, and reasons for the unfavourable development of bilateral trade for Greek products can be attributed, mainly, to the following:<sup>18</sup>

1. the significant slowdown in the growth of the Turkish economy and the decrease of Turkish imports in 2016 by 3.8%;
2. the protectionism of the Turkish market, through tariff and non-tariff barriers, which take the form of strict controls (plant health certificates, specifications, checks on the origin of products, etc.);
3. to the competitiveness of many Turkish consumer products (ready-to-wear, textiles, furniture, household electrical appliances), food, as well as industrial products.

Also, Greek investments in Turkey amounted to 5.18 billion Euros in 2015 (before the sale of Finansbank by the National Bank), while the corresponding Turkish ones were calculated, by the Greek Embassy, at 400 million Euros. During 2020, direct investments of Greece in Turkey accounted for 57 million Euros and direct investments of Turkey in Greece accounted for 47 million Euros.<sup>19</sup>

Generally, the balance of foreign trade with all Balkan countries and Turkey in the years 2015 and 2016 was important for Turkey, because exports were more than imports, and thus the country had a surplus in its foreign trade with the Balkan countries<sup>20</sup>.

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<sup>18</sup> Embassy of Greece in Ankara (no 16)

<sup>19</sup> Greek Embassy in Ankara, *Annual Report 2021* (Ετήσια Έκθεση 2021) (in Greek) (Ankara: May 2022)

<sup>20</sup> Susmus, T., Baslangic, S., 'The Importance of Trade with the Balkan Countries for Turkey' in Syki-anakis, N., Polychronidou, P., Karasavoglou, A., (eds), *Economic and Financial Challenges for Eastern Europe* (Switzerland: Springer Proceedings in Business and Economics, 2019).

Greek-Turkish cooperation has low importance in the total of Greek exports, since in 2021, it represented only 5.26% of the total Greek exports of goods or 7.14% of total Greek exports of goods excluding ships and fuel. For Greece, Turkey in 2021 was in the 6<sup>th</sup> position as an export country for Greek products.<sup>21</sup>

For Turkey, its exports to Greece amounted to 2,497 billion euros in 2021. The importance of Turkish exports to Greece from the point of view of Turkey is extremely low if we consider that Greece was in the 23<sup>rd</sup> position as an export country for Turkish products.<sup>22</sup> For Turkey, the main export partners were Germany, Iraq, and the United Kingdom, while the main import partners were Russia, China, and Germany.<sup>23</sup>

### Basic Statistics on Cypriot-Turkish Imports-Exports for the Years 2010-2021

The balance of goods (imports – exports) of Cyprus for the years 2010-2021, was constantly in deficit (table 5).

Table 5. Imports and Exports of Cyprus (in million Euros)

	Imports	Exports
2010	6,218.8	1,136.8
2011	5,951.2	1,404.0
2012	5,450.2	1,422.4
2013	4,579.4	1,609.3
2014	5,817.3	2,453.2
2015	5,908.4	3,027.3
2016	6,460.3	2,714.2
2017	7,305.9	2,968.4
2018	7,893.1	4,309.9
2019	7,373.5	3,137.0
2020	7,002.5	2,746.6
2021	7,716.1	3,286.7

Source: Statistical Service of Cyprus Republic,  
*Annual data for Foreign Trade by main economic category 1995-2021*

Also, total imports (covering total imports from third countries and EU Member States) in January - June 2022 amounted to €5,672.7 mn as compared to €4,059.9

<sup>21</sup> Greek Embassy in Ankara (no 19).

<sup>22</sup> Ibid.

<sup>23</sup> Embassy of Greece in Ankara, Office of Economic and Commercial Affairs, *Study on Turkey's Foreign Trade and Greece-Turkey Bilateral Trade* (Μελέτη για το Εξωτερικό Εμπόριο της Τουρκίας και Ελληνο-Τουρκικό Διμερές Εμπόριο) (in Greek) (Ankara: 2014).

mn in January - June 2021. Total exports (covering total exports to third countries and to EU Member States) in January - June 2022 were €1,822.7 mn compared to €1,325.0 mn in January - June 2021. As a result, the trade deficit was €3,850.0 mn in January - June 2022 compared to €2,734,9 mn in the corresponding period of 2021.

Exports to the EU accounted for €546.6 mn in January - June 2022. Main exports were to Greece which accounted for €151.0 mn, to Germany for €55.4 mn, to France for €41.2 mn, to Italy €29.9 mn, to Sweden for €21.5 mn, to Malta for €19.6 mn, to the Netherlands for €15.7 mn, to Czechia for €14.5 mn, to Romania for €14.1 mn and to Bulgaria for €13.3 mn.

Exports to Near and Middle Eastern countries accounted for €337.6 mn in January - June 2022, to other European countries for €187.4 mn, to other African countries for €166.0 mn, to other Asian countries for €149.3 mn, to other countries in Oceania and Polar regions for €84.4 mn, to North Africa for €67.2 mn, to North America for €65.3 mn and to Central America and the Caribbean for €14.3 mn.<sup>24</sup>

Cypriot-Turkish trade relations have low importance for both countries throughout the years in discussion, as can be seen in table 6. The volume and value of trade between Cyprus and Turkey are extremely low or with no significance.

Suspensions have always existed and still exist in economic relations because<sup>25</sup>: a) any proposals from the Turkish side for bilateral economic cooperation may, behind attractive economic expectations, hide political motives, especially in the areas of the Aegean and Western Thrace and b) the monitoring of economic developments in Turkey by Greek and Cypriot public and private agencies need to be intensified.

Table 6. Exports - imports of Cyprus with Turkey (in million Euros)

	Imports from Turkey (c.i.f)	Exports to Turkey (f.o.b)	Difference
2010	14.8	0.6	14.2
2011	9.0	0.3	8.7
2012	6.6	0.3	6.3
2013	4.6	0.5	4.1
2014	15.3	0.6	14.7
2015	15.4	0.9	14.5
2016	24.3	2.3	22

<sup>24</sup> Statistical Service of Cyprus Republic, *Intra and Extra EU Trade Statistics (by commodity and country) January – June 2022, Foreign Trade Statistics, Series III, Report No.195*, Nicosia 20<sup>th</sup> September 2022 p.9

<sup>25</sup> Vyron Theodoropoulos, *The Turks and Us, II, (Οι Τούρκοι και Εμείς)* (in Greek) (Athens Kathimerini Editions, 2018) 88.

2017	93.3	2.9	90.4
2018	60.0	4.5	55.5
2019	29.1	8.5	20.6
2020	46.7	3.5	43.2
2021	111.1	3.1	108

Source: Statistical Service of Cyprus Republic, (August 2022), *Annual data for Foreign Trade by main partner country 1995-2021*, Cyprus Republic.

## Discussion and Results

The purpose of this paper is a brief presentation of Greek-Turkish and Cypriot-Turkish economic relations and, more specifically, of bilateral imports-exports during the years 2010-2021.

When the economic crisis started in Greece, the imports of products decreased, which also affected the imports of Turkish products. On the contrary, Greek exports to Turkey increased and the trade balance again became positive for Greece. During the last few years, 2019-2021, the trade balance was negative.

Also, the trade balance with Turkey is negative for all years, with deficits for Cyprus, but transactions are not important in comparison with the trade balance.

The Greek-Turkish and the Cypriot-Turkish commercial cooperation have little importance for Turkey, with low and no significant transactions in value.

Although political efforts have been made to improve bilateral relations, Turkey, with its constant disputes and challenges to Greek and Cypriot sovereign rights and Erdogan's position on the 'borders of the heart', trade relations cannot be limited to their current borders, which could jeopardise any prospect of a smooth neighbouring relationship.

The need to improve bilateral political relations and resolve bilateral problems to improve closelylinked trade economic cooperation and development is becoming apparent.

The present study is mainly limited to a brief and descriptive presentation of the bilateral State relations, while future research can be extended to a statistical analysis of each industry or sector analysis.

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