



PTA Between Turkey and China

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2012 Short Course in Dynamic Global Trade Analysis

Turkey – China PTA

- PTA between Turkey-China

- Base Closure;

swap afereg = qgdp; (for all periods)

- Base Shocks:

Shock <year> pop = **select from file** pop.har **header** "GROW" ;

Shock <year> qgdp = **select from file** gdp.har **header** "GROW" ;

Shock <year> qfactsup("UnSkLab",reg) = **select from file** Labshks.har **header** "GROW" ;

Shock <year> qfactsup("SkLab",reg) = **select from file** Labshks.har **header** "GROW" ;

- Shock time for all periods

Shock time=4 for the first period and *shock time=5* for the rest...

- Policy Shocks (Manufactures Sector only) for 2005-2010:

tshock tms("mnfc","Turkey","China") = -5.04;

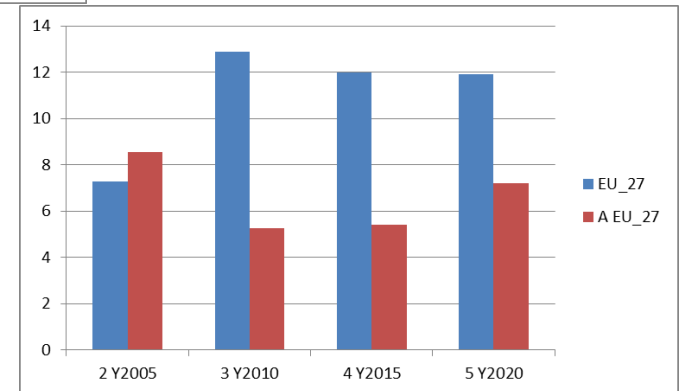
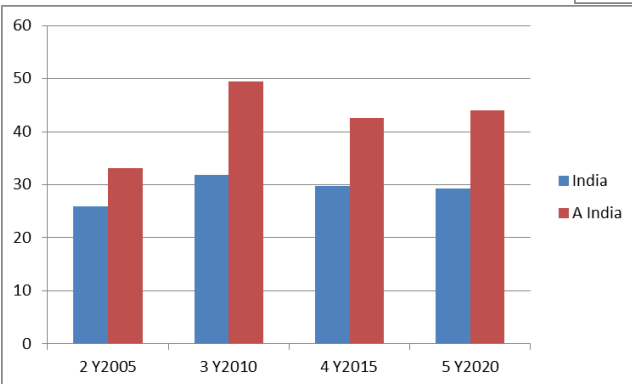
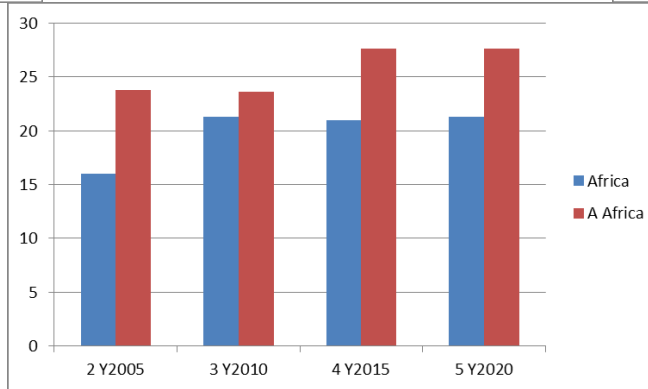
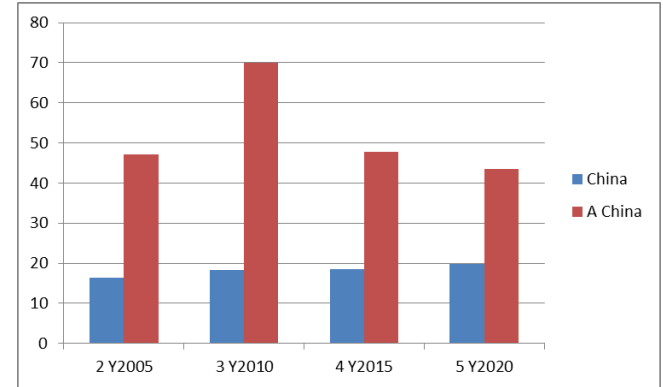
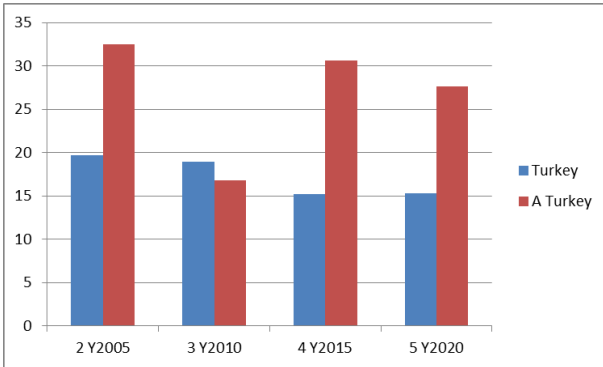
tshock tms("LghtMnfc","Turkey","China") = -9.66;

tshock tms("mnfc","China","Turkey") = -4.01;

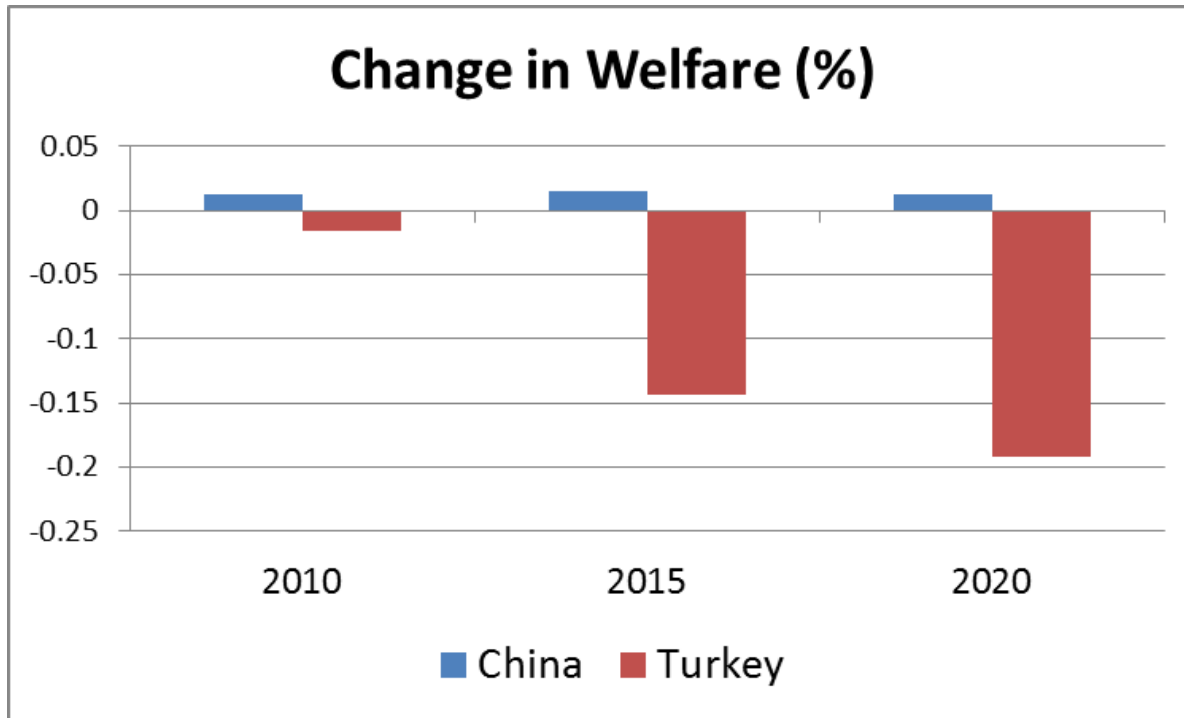
tshock tms("LghtMnfc","China","Turkey") = -11.27;

Turkey – China PTA

Updates to Data
for 5 Regions:
GDP
Population



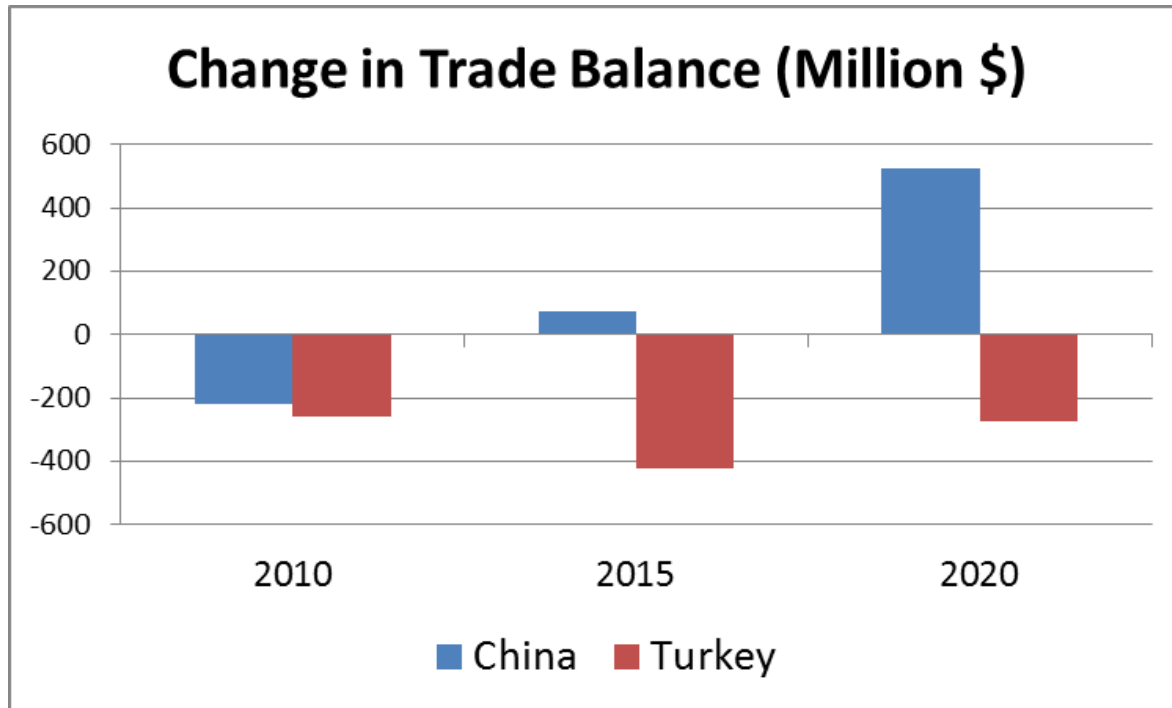
Turkey – China PTA



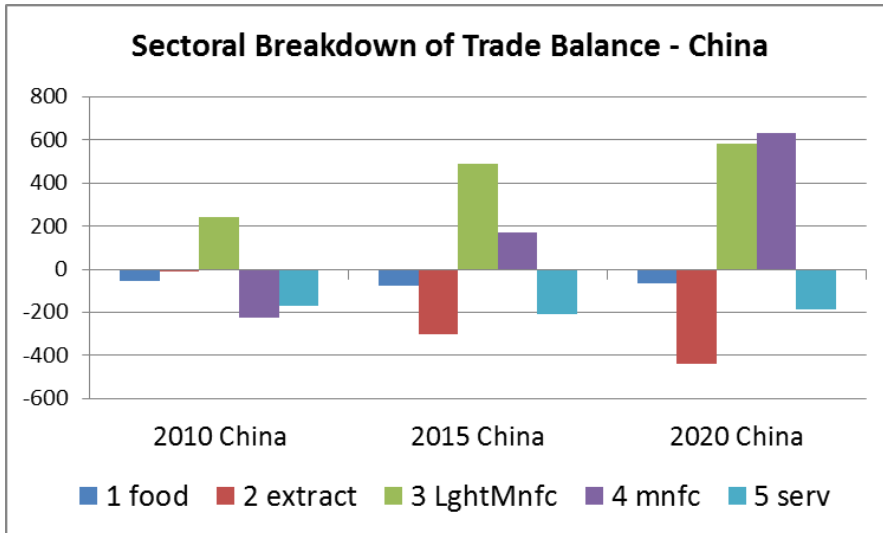
- Complicated results regarding the welfare change (wqh)

WELFARE	1 alloc_A1	2 endwNA_B1	3 tech_C1	4 pop_D1	5 tot_E1	6 IS_F1	7 pref_G1	8 nf_equit_H1	Total
China	59.8	0	0	0	255	-74	0	13.2	254
Turkey	302	0	0	0	-281	-22	0	31.2	31

Turkey – China PTA

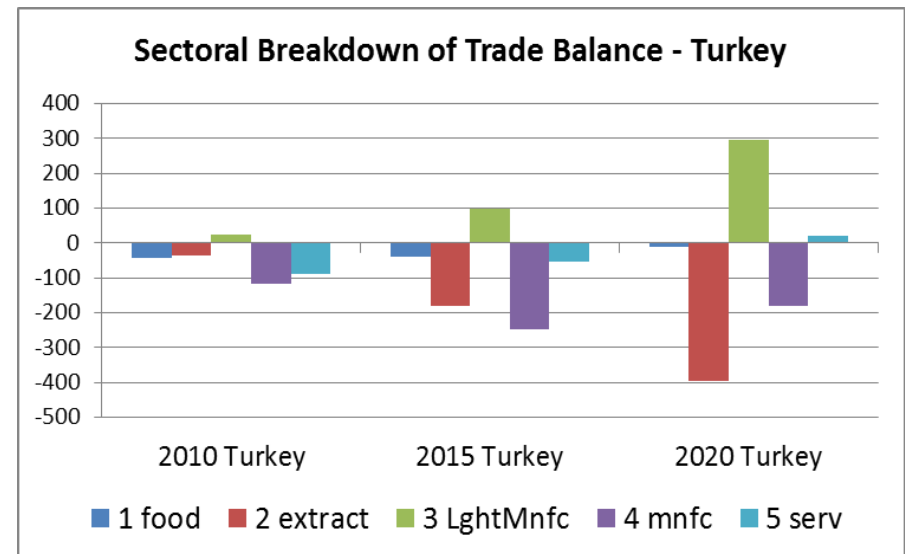


Turkey – China PTA



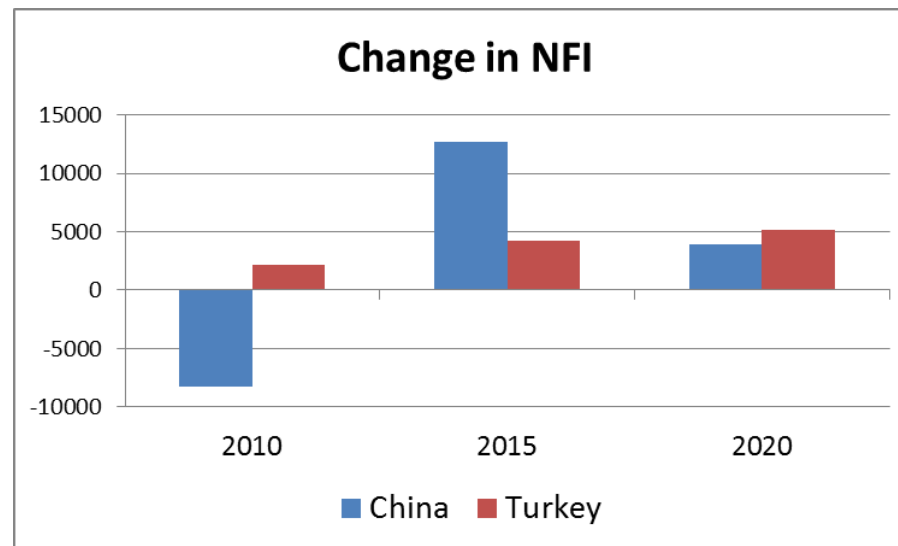
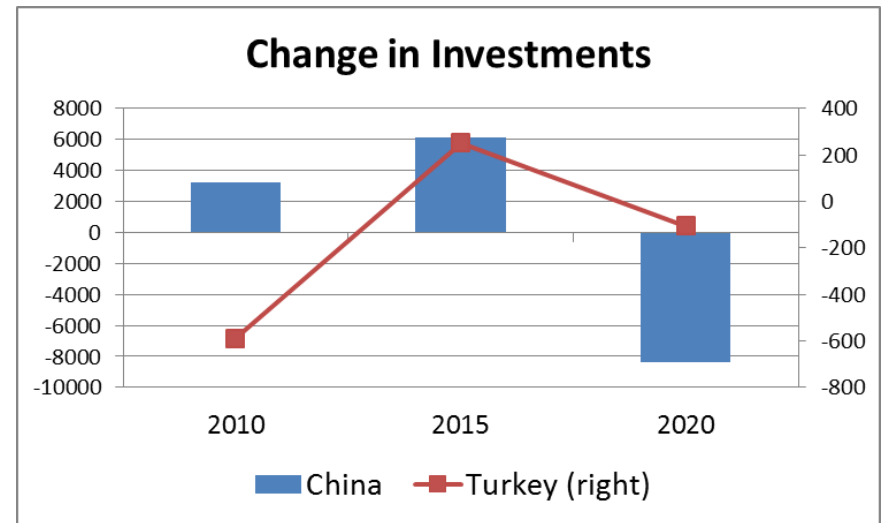
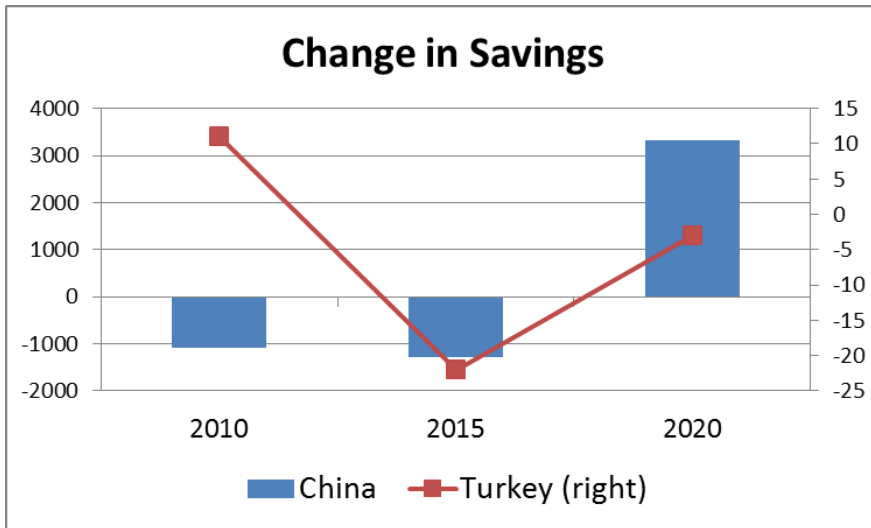
- Light Manufactures and Manufactures sectors bring out positive trade balance within time
 - Dependency on raw materials (extraction sector)
 - Negative balance for services sector

- Increasing positive balance for Light Manufactures sector
- Dependency on raw materials (extraction sector)
- Negative balance for Manufactures sector



Turkey – China PTA

$$S - I - NFI = X - M$$



Turkey – China PTA

pm_ir
(imports price index (% Change))

China	2010	2015	2020
1 food	0.00	0.00	0.00
2 extract	0.00	0.01	0.02
3 LghtMnfc	0.01	0.02	0.01
4 mnfc	0.00	0.01	0.01
5 serv	0.00	0.01	0.00

qpm
(HHDL Demand for imports (% Change))

China	2010	2015	2020
1 food	0.06	0.05	0.03
2 extract	0.02	0.03	0.02
3 LghtMnf	0.09	0.06	0.06
4 mnfc	0.06	0.05	0.04
5 serv	0.03	0.02	0.02

Turkey	2010	2015	2020
1 food	0.00	0.00	0.00
2 extract	0.00	0.01	0.02
3 LghtMnfc	-0.80	-4.63	-5.59
4 mnfc	-0.05	-0.28	-0.31
5 serv	0.00	0.02	0.04

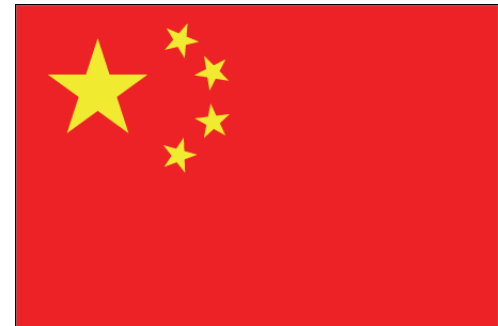
Turkey	2010	2015	2020
1 food	0.30	0.14	0.01
2 extract	0.08	0.08	0.13
3 LghtMnf	6.85	15.16	17.55
4 mnfc	0.72	0.96	0.96
5 serv	0.24	0.06	-0.05

Turkey – China PTA

China			
qo	2010	2015	2020
1 Land	0.00	0.00	0.00
2 UnSkLab	0.00	0.00	0.00
3 SkLab	0.00	0.00	0.00
4 Capital	0.01	0.02	0.02
5 NatRes	0.00	0.00	0.00
6 food	0.00	0.00	0.00
7 extract	0.00	0.00	0.00
8 LghtMnfc	0.04	0.05	0.05
9 mnfc	-0.01	0.01	0.01
10 serv	0.00	0.00	0.00
11 CGDS	0.03	0.07	-0.02

Turkey			
qo	2010	2015	2020
1 Land	0.000	0.000	0.000
2 UnSkLab	0.000	0.000	0.000
3 SkLab	0.000	0.000	0.000
4 Capital	0.092	0.388	0.664
5 NatRes	0.000	0.000	0.000
6 food	-0.100	-0.053	0.057
7 extract	-0.014	-0.003	0.001
8 LghtMnfc	0.130	0.576	1.035
9 mnfc	0.177	0.371	0.534
10 serv	0.047	0.163	0.234
11 CGDS	0.650	1.467	1.351

- Therefore increase in allocative efficiency....



THANK YOU



APPENDIX

Turkey – China PTA

$$S - I - NFI = X - M$$

DKHAT	2010	2015	2020
China	0.003	0.001	-0.002
Turkey	0.039	0.050	0.034

qcgds	2010	2015	2020
China	0.028	0.069	-0.024
Turkey	0.650	1.467	1.351

qk	2010	2015	2020
China	0.006	0.023	0.021
Turkey	0.092	0.388	0.664

rorge	2010	2015	2020
China	0.003	0.004	-0.007
Turkey	0.045	0.082	0.036

- Increase in capital stock (qk) in two countries
- Bell-shaped “rorge” for both countries
 - Increase through 2005-2015 and decrease after 2015

Turkey – China PTA

		2010	2015	2020
CHINA	YQTF	-576	-499	256
	YQHT	206	-1190	-308
	YQHF	1525	-4337	3143

- HHL D and firms prefer to keep the money in China
- Effects of bell-shaped “rorge” on YQH

		2010	2015	2020
TURKEY	YQTF	286	127	212
	YQHT	-19	-16	-9
	YQHF	-60	-218	7

- HHL D liabilities increase and firms invest in foreign equities
- Effects of bell-shaped “rorge” on YQH