

ECONOMIC RELATIONS BETWEEN REPUBLIC OF MOLDOVA AND TURKEY

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The topic of article is bilateral economical and foreign trade relations between Turkey, which has started to apply outward-oriented economic policies since globalization and Moldova, which has done market transition after breaking up with the Soviet Union. Within this frame, the subject of article has been searched in depth as follows: general overview of Turkey's economic relations, overall picture of Moldovan-Turkish relations, short exposition of Moldovan economy and bilateral economic and foreign trade relations of Moldova and Turkey. The topic of article is a current issue. Because Moldova, which is closed to Turkey in terms of geography, culture and history always has been an attractive country politico-economically for Turkey since its independence. Bilateral economic relations starting with shuttle trade have formalized and further developed and Turkey became as one of top ten biggest economic and trade partner of Moldova. On this basis, the aim of study is to elucidate foreign trade of Turkey with Moldova and to compare performances of Turkey by years and by other countries, which have remarkable domination in Moldovan market. Within this scope, bilateral trade volume of Moldova and Turkey has increased year by year considering the past decade, which makes Turkey as the 7th largest import and 8th export partner of Moldova. Turkey aims to be one of the first three biggest economic partner of Moldova after entry into force of Free Trade Agreement (FTA), which was signed by both countries in 2014 to increase foreign trade volume up to 1 billion US dollars.

Key words: agreement, economy, export, foreign trade, import, Moldova, Turkey.

Subiectul articolului abordează relațiile bilaterale comerciale și economice dintre Turcia, care a început să aplice politici economice orientate spre exterior la globalizare, și Moldova, care a făcut tranziția pe piață după destrămarea Uniunii Sovietice. În acest aspect, subiectul articolului a fost cercetat în profunzime, după cum urmează: privire generală a relațiilor economice ale Turciei, imaginea de ansamblu a relațiilor moldo-turcești, expunerea succintă privind economia Republicii Moldova și a relațiilor comerciale economice și externe bilaterale ale Republicii Moldova și Turcia. Subiectul articolului reprezintă o problemă curentă. Republica Moldova, în ceea ce privește geografia, cultura și istoria, a fost întotdeauna o țară atractivă politico-economică pentru Turcia, începând cu proclamarea independenței sale. Turcia a devenit unul dintre cel mai mare din topul celor zece parteneri economici și comerciali ai Republicii Moldova. Pe această bază, obiectivul de studiu este de a elucidă comerțul exterior din Turcia cu Moldova și pentru a compara performanțele Turciei, precum și cu alte țări, care au dominație remarcabilă pe piața moldovenească. În cadrul acestui domeniu de aplicare, volumul schimburilor comerciale bilaterale ale Moldovei și Turciei a crescut an de an, având în vedere ultimul deceniu, ceea ce face ca Turcia să fie al 7-lea cel mai mare partener de import și al 8-lea partener de export pentru Moldova. Turcia își propune să fie unul dintre primii trei cei mai mari parteneri economici ai Republicii Moldova după intrarea în vigoare a Acordului de Liber Schimb (ALS), care a fost semnat de ambele țări în anul 2014 pentru a spori volumul comerțului exterior până la 1 miliard de dolari SUA.

Cuvinte-cheie: acord, economie, export, comerț exterior, import, Republica Moldova, Turcia.

В статье рассматриваются экономические и внешнеторговые отношения между Турцией, в результате глобализации начавшей применять внешнюю направленность экономической политики, и Молдовой, которая после распада Советского Союза совершила переход к рынку. Молдова, со времени ее независимости, в географическом, культурном и историческом планах,

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всегда была привлекательной страной для Турции с политико-экономической точки зрения. Двусторонние экономические отношения, начинающиеся с челночной торговли, получили дальнейшее развитие: Турция вошла в первую десятку экономических торговых партнеров Молдовы. После вступления в силу соглашения о свободной торговле (РТА), подписанное обеими странами в 2014 году, Турция стремится занять место в первой тройке крупнейших экономических партнеров Молдовы, чтобы увеличить объем внешней торговли до 1 млрд долларов США.

Ключевые слова: соглашение, экономика, экспорт, внешняя торговля, импорт, Молдова, Турция.

JEL Classification: F15; F53; F55; F59; O13; Q17.

The methodology of research. Literature research, historical method, comparison method and statistical method have been used for analyse.

Literature research. Literature research has been done as a first step after subject identification of aforementioned article. In this context several reports, news, articles, statistics and web-sites of public authorities were examined through internet access.

Historical method. Historical method has been used to make evident the historical development process of Moldovan and Turkish economy within a fixed time. In this context we can see, that Turkey has amended its economy from import-substituting policies to outward-oriented economy policies and has started to establish trade relations and has entered into integration process as a result of globalization. By this means Turkey achieved to appear at international arena through several economic cooperations and agreements. As a positive result of this evolution, Turkish foreign trade indicators showed remarkable changes.

On the other hand, Moldova was under domination of the Soviet Union in the beginning of globalization trend – 1980s. Its economy depended on central socialistic planning¹ of the Soviet Union. Then Moldova transferred to free market economy after breaking up with the Soviet Union. Its economy is weaker than its neighbour countries, but it is recovering. Moldova involved to EU integration policies after the full-membership of Romania and gained trade advantages through these policies and financial supports from EU. The significant increase in Moldova's economy was seen in 2013 with 8.9% growth in national income.

Comparison method. Comparison method has been utilized to reveal the problems in bilateral foreign trade relations between Turkey and Moldova. In this context despite bilateral foreign trade increased year by year, it did not reach to desired level. Bilateral foreign trade volume particularly is approximately at the same level over past two years. The significant increase in bilateral foreign trade volume was seen in 2011, when it remained from 259 million US dollars to 454 million US dollars. It further increased to 534 million US dollars in 2014 by comparison with 2011.

Otherwise, even if Turkey is the 7th largest import partner and 8th largest export partner of Moldova, its market share is small in comparison with other trade partners of Moldova. The largest trade partner of Moldova is EU, particularly Germany, Italy and Romania. Russia has also a remarkable market share in Moldova.

Statistical method. Statistical method has been used to create tables and to account amount changes.

Introduction. Achievement is essential to turn upside-down competition, which is a product of free market economy accompanied by globalization. That's why states, which desire to secure economies, preferred cooperation with other states, that have stronger economies instead of competition in such a world order. In this scope, several agreements have been signed and various cooperations or integrations have been constituted in both economic and trading spheres.

Turkey as a developing and being up to date country has entered to several economic integrations or cooperations and has put signature to bilateral trade agreements with many countries. One of them is

¹ Agriculture was the predominant occupation in the Soviet Union before the massive industrialization under Joseph Stalin. That's why Moldova had an important place at agricultural production of the Soviet Union due to its rich soils.

Moldova, which is known as “Agricultural land” by virtue of bening soils that rose from the “ashes” in 1991 after its declaration of independence. Turkey was one of the first countries recognizing the independence of the Republic of Moldova and established diplomatical relations with it on February 3, 1992. By this means bilateral politico-economical relations between Turkey and Moldova have developed expeditiously since then.

When viewed from economical aspect there are several important agreements for Turkey to constitute and develop the legal infrastructure of bilateral economic relations. Both Moldova and Turkey were signed these agreements. Additionally when considered bilateral foreign trade from material point of view, bilateral foreign trade volume almost has increased quituple over the past decade, yet it hasn't reached to desired level. The reason is that Turkey's share in Moldovan market is small comparing with EU and CIS countries. The benefits of FTA signed by Moldova and Turkey can promote to extend market share of Turkey and can increase bilateral foreign trade volume.

Besides Moldova always has been an attractive country in terms of investment by Turkish entrepreneurs since its independence. Within this scope Turkey is Moldova's 10th biggest economic partner with amount of 23 million US dollars of foreign investment, however Turkish-capitalized companies existing in Moldova, have employed 4500 Moldovan in total.

The year of 2014 was active for both Turkey and Moldova. Namely FTA was signed and the Liberalization of Visa Regime entered into force in 2014. By this means either number of tourists visiting Moldova and Turkey or number of business travels will increase and this situation contributes inflow of foreign currency to both sides.

Turkey's economic integrations and agreements

Economic developments seen in the World have been continuing at top speed from past to present. In this context, owing to increasing World trade volume and competition, marketshare strengthening efforts of states and companies paralelly increase. Achievement at international arena became as an unavoidable factor to survive and stand at such a strong competition environment. That is why developed or developing countries, which aimed to get out of this situation without loss or minimum loss, have started to attach more importance to their economic securities. Particularly since 1980's with fast-growing globalization process, states have gone to cooperation and integration way in the direction of mutual benefits to avoid from competition and competitor countries and to expedite integration process with the World. In this way, organisations have been established and bilateral or multilateral trade agreements have been signed within the frame of integration.

As many developing countries Turkey also has stopped import-substituting economy policies to boost its capital movement to international level since the beginning of globalization trend with developing technology. Then it has begun then has begun outward-oriented economy policies to improve its economy and it has started to establish trade relations and has entered into integration process. Within this frame Turkey is member of organisations and cooperations towards economic integrations such as World Trade Organisation (WTO), Developing Eight (D-8), Economic Cooperation Organisation (ECO), Organisation for Economic Cooperation and Development (OECD), Black Sea Economic Cooperation Organisation (BSEC), International Monetary Fund (IMF) and World Bank (WB). Besides bilateral economic relations also have importance for development of Turkish foreign trade. In this context Double Taxatation Avoidence Agreement (DTAA), Agreement on Promotion and Mutual Protection of Investments (APMPI), Joint Economic Committee (JEC), Free Trade Agreement (FTA) play very important role in constitution and development of legal infrastructure of bilateral economic relations.

Turkey has signed with 79 countries DTAA, 69 countries APMPI and FTA¹ with 34 countries until today. However JEC exists with 65 countries. Turkey was continuing its cooperation relations with totalitarian regimes and developing countries through JEC. Then JEC countries did market transition and Turkey's relations with these countries slided to private sector. That's why these committees' importance gradually has fallen and majority of them aren't effective today [2].

¹ *Turkey signed FTA with 11 countries of Central and Eastern Europe. Agreements were abolished due to European Union membership of these countries. Turkey joined to European Union Customs Union on 1st January 1996. That's why Turkey performs trade and foreign direct invesment (FDI) relations with aforementioned 11 countries through European Union Customs Union.*

Aforesaid integrations and agreements of Turkey reflected on parameters as foreign trade volume, foreign direct investment (FDI) and direct investment abroad (DIA). According to datas of Turkish Statistical Institute amount of Turkish foreign trade volume was approximately 42 billion US dollars in 1994 and it increased almost ten times and reached to 400 billion US dollars. However FDI inflow was 19.6 billion US dollars between the years of 1975 and 2004. This amount increased more than eightfold and reached to 144.3 billion US dollars between the years of 2005-2014 [4], [9]. In addition amount of DIA was 1.823 billion US dollars in 2010 and it reached to 2.5 billion US dollars in 2011 and to 4.3 billion US dollars in 2012. Due to Global Financial Crisis amount of DIA fell to 3.226 billion US dollars in 2013, even so it reached to 5 billion US dollars in 2014 [14].

Factors such as geographical closeness, common history, political situation, infrastructure, adaptation process to free market economy, communication, promotion play important role for further development of economic integration and bilateral trade relations in Turkish economy, which dynamised and opened up to the World. For example Middle East countries can't concentrate on their economies sufficiently due to political conflicts. As a result of this, investments remain incapable, correspondingly they have payment difficulties and their imports remain limited. Accordingly, Middle East countries have structural problems in economical context. Bilateral trade volume couldn't reach to desired level between Turkey and countries of this region, despite Turkey wants to develop its relations with Middle East, as it wants with other regions. Besides Gulf countries have stronger economies than Middle East countries. But these states are in cooperation with Western countries, which have advanced economies. That's why Turkish entrepreneurship and Turkish companies weren't known sufficiently, as a result access to market was limited.

When we look at countries of Central Asia, we can say that they have adaptation problem in transition process from communism to democracy, from collectivist economy to free market economy after the collapse of Soviet Union. They have had difficulties in this environment, where exists production downturn, paralelly decrease of trade, irregular movements of money and appearance of clearing and settlement systems. That's why Central Asian countries couldn't constitute a rational economy and they couldn't sufficiently provide public order. Turkey is a democratic and secularistic country that adopted market economy. That's why some countries showed Turkey as an example and they qualified Turkey as a model for Central Asian countries. Turkey has supported aforementioned countries, which are close in historical and cultural context. Turkey could have done cooperation with these countries in many spheres like energy, agriculture, mining industry, trade and tourism. But unsettled economies, problems at transition process, inabilities of financing and problems caused by infrastructure deficiencies prevent full foreign trade between Turkey and these countries.

Turkey's foreign trade relations with Africa except several countries (Libya, Algeria, Morocco, Tunisia and Egypt) haven't reached to desired level until today. Communication deficiencies, domestic political instabilities and staying out of Turkey's natural point of interest are main negative effectors of foreign trade between Turkey and African countries, despite geographical closeness and common cultural history. That's why bilateral trade couldn't have reached exactly to desired level. Turkey is seen as a gate, opening to Middle East, Central Asia and Europe by Sub-continent and Asia-Pacific countries. In this sense they recently have begun to search spheres and opportunities for economic cooperation with Turkey. In spite of Turkey's positive image, foreign trade level couldn't have reached to desired level yet. The source of this problem is geographical closeness, namely this region stays out of Turkey's sphere of influence.

Turkey exists on route of access to the Balkans. Development of trade relations with this region is important for Turkey in economical and political context. If Turkey provides economic growth and joins to integrations constituted by West like European Union (EU), either Turkey or region countries will gain favor. Turkish bilateral trade relations are quite good notably with Romania and Bulgaria from aforementioned region, which is geographically close. Turkey is one of ten biggest investor countries in both countries. Turkey's volume of foreign trade have reached to 1.633 billion US dollars through FTAs signed with region countries and this amount will increase more and more as expected.

Turkey is a transcontinental Eurasian country. European countries which includes 3%. Turkey's trade relations with European Union (EU) develops with "win-win" strategy toward mutual benefits. Turkey has EU candidate status, which officially joined to EU Customs Union on 1st January 1996. By means of EU Customs Union foreign trade relations between them deeply developed. Turkey is the 7th biggest importer and the 5th biggest exporter of EU today [12].

Developing relations with the Republic of Moldova

Considering trade agreements and integrations, Turkey has entered to cooperation with many countries, which will be continued. In this context one of these countries is the Republic of Moldova¹, which isn't so far to Turkey in terms of culture, history and geography (See Map 1).



Map 1. Geopolitical location of Moldova and Turkey

Source: Stratfor Global Intelligence, 2010, www.stratfor.com

The capital of Moldova is Chisinau, which is far to Istanbul approximately 616 miles (992 kilometres). Moldova is an ex-Soviet Union country, that proclaimed its independence on 27th August, 1991. Turkey recognised its independence on December, 1991. The bilateral diplomatical relations of two countries has been continuing since February 3, 1992, which has been progressing further. The Agreement on Friendship and Cooperation, which counts as a judicial basis of two countries' relations was signed in 1994 by President of Turkey of period Suleyman Demirel², when he visited Moldova. In addition to this, Turkey gives particular importance on relations with Gagauzia, where live Gagauzians, who are Turkish society and believe in Orthodox Christianity. Gagavuzians as known as Ghuzz Turks are living in autonomus region named "Gagauzia", where is depended to Moldova. Particular attention of Turkey to Gagauzia also helps to strengthen Moldova-Turkey relations [op. cit.]. According to forecasts, approximately 250-300 thousand of Gagavuzians live today. 167.500 of them live in Gagauzian Autonomus Region of Moldova, 32 thousand of them live in Ukraine, 30 thousand of them live in Greece, 3 thousand of them live in Bulgaria, 1.500 of them live in Romania and 15 thousand of them live in Turkey. According to datas of 2002 a thousand of Gagauzian live in Kazahstan [5].

Moldova becomes strong. Moldova transferred to free market economy after the collapse of Soviet Union. The big picture of Moldovan economy is weaker, comparing its neighbours. The biggest deficiency of its economy is energy dependency. Moldova imports almost whole energy sources. Russia mostly provides them. Energy dependency of Moldova to Russia increases its foreign trade deficit. National income fell 6% by virtue of The Global Financial Crisis in 2008. Another strike to Moldovan economy came from Russia due to political reasons. In this sense Russia increased twice natural gas prices and imposed embargo to wine and another agricultural products of Moldova, which has suitable soil and climatic conditions in agriculture.

Moldova involved to EU integration policies after the full-membership of neighbour Romania and it gained trade advantages through these policies. Besides IMF's help with amount of 574 million US dollars under "The authorities" program for 2010-2012 and increasing numbers of export to Russia put a smile on

¹ *Moldova, which is known historically as "Basarabia" and locates between two rivers the Prut and the Dniestr entered into the domination of the Ottoman Empire in 16th century. Moldova had depended as "Bogdan State" to the Ottoman Empire for 300 years until the Treaty of Bucharest of 1812. In accordance with the Treaty of Bucharest of 1812 Moldova entered into the domination of the Russian Empire.*

² *The 9th president of the Republic of Turkey Suleyman Demirel died on 17th June, 2015.*

Moldova's face in terms of economy. The significant increase in Moldova's national income was seen in 2013 with 8.9% economic growth thanks to fast developments of agriculture sector and consumer expenditures [10].

Turkey's market share is small

Moldova has done market transition and has started to open to the world after the dissolution of the Soviet Union as mentioned above. In this context, Turkey immediately has initiated to Moldova market and has become one of the most important trade partner of Moldova. Turkey has entered to Moldova with shuttle trade at the beginning. Then mutual fairs participation and business travels have led to gain momentum of economic relations. Today Turkey is the 8th biggest export partner of Moldova with 4.5% share after Romania, Russia, Italy, Germany, Belarus, Ukraine and the UK, however Turkey is the 7th largest import partner of Moldova with 5.7% share after Romania, Russia, Ukraine, China, Germany and Italy according to datas of Central Intelligence Agency (CIA) World Factbook of 2014.

Considering bilateral trade and economic relations between Turkey and "agricultural land" Moldova, the desired increase could not have been captured in spite of momentum in 2013. Namely bilateral trade volume was 359.4 million US dollars in 2012, which increased to 537.3 million US dollars and stayed at 533.7 million US dollars with a small decrease (See Table 1).

Table 1

Foreign trade indicators between Turkey and Moldova by years

Year	Export (Million US \$)	Import (Million US \$)	Bilateral Trade Volume (Million US \$)	Bilateral Trade Balance (Million US \$)
2005	81.11	31.45	112.56	49.66
2006	107.38	31.41	138.79	75.97
2007	145.75	52.88	198.63	92.87
2008	198.47	69.53	268	128.94
2009	117.77	86.52	204.29	31.25
2010	148.21	110.73	258.94	37.48
2011	208.95	244.48	453.4	-35.6
2012	224.3	135.0	359.4	89.3
2013	276.3	260.9	537.3	15.3
2014	286.8	246.9	533.7	39.9

Source: Ministry of Economy of the Republic of Turkey, 2015, www.ekonomi.gov.tr

Bilateral trade volume between Turkey and Moldova is 213 million US dollars in January-July period of 2015. This amount is lower 31.1 million US dollars comparing the same period of 2014 (See Table 2). In this context Turkey created 5.8% share in total export of Moldova and it created 5.11% share in total import of Moldova on January-July period of 2014. But balances have changed at the same period in 2015. Namely Turkey's total market share in export to Moldova fell to 3.2% and it reached to 7.5% in import from Moldova.

Table 2

Foreign Trade Indicators of Moldova and Turkey between January and July

Year	Export (Million \$)	Import (Million \$)	Bilateral Foreign Trade Volume (Million \$)	Bilateral Foreign Trade Balance (Million \$)
2014	70.3	173.8	244.1	-10.3
2015	37	176	213	-13.9

Source: National Bureau of Statistics of the Republic of Moldova, 2015, www.statistica.md

Moldova's general total amount of export is 1.3 billion US dollars and import is 2.9 billion US dollars in January-July period of 2015. Comparing same period of 2014, export to Moldova decreased 15.9% and import decreased 22.3%.

Why is Turkey's market share small? Answer is simple: by virtue of EU and Commonwealth of Independent States (CIS). Bilateral foreign trade between Moldova and EU and between Moldova and CIS are more than Turkey's. Additionally bilateral trade between Moldova and EU has increased more in January-July period of 2015 than the same period of 2014, concordantly it decreased with CIS and other countries more than the same period of 2014. Still CIS countries have a respectable share at market of Moldova in 2015.

The biggest trade partner of Moldova from CIS countries is Russia. The biggest trade partners of Moldova from EU countries are Italy, Germany and Romania [7].

Turkey's export to Moldova mostly consists of textile and off-the-self products, vegetables (tomato, cucumber) and citrus fruits, knitted fabrics, cleaning products like toilet paper and kitchen paper, pharmacy products, aluminium rod and aluminium/plastic shapes, synthetic fiber yarns, construction products and car/bus products. Turkey's import from Moldova mostly consists of sunflower seed, oilseed rape, steel/iron trashes and scraps, wheat, raw/crude hide, cereals and carpets [11].

Turkey attaches importance as well as Moldova to bilateral economic relations to develop its foreign trade as aforementioned. The most important agreements, which constitute and develop legal infrastructure of Turkish economic relations are DTAA, APMPI and FTAs. In this context all these agreements were signed by Turkey and Moldova¹. In addition to this, they also signed Bilateral Trade and Economic Cooperation Agreement, Agreement on Cooperation and Mutual Assistance in Customs Matters, International Road Transport Agreement and Agreement on Cooperation in Industrial Area and Scientific and Technological Cooperation Agreement.

Considering development-oriented integrations right along with aforementioned trade agreements, both countries are members of WTO, IMF and World Bank. Besides Moldova is a member of BSEC, which was founded by Turkey.

Moldova, which has signed with 35 different countries APMPI including Turkey has strengthened fighting against corruption and has made arrangements on legal infrastructure particularly in recent years. Within this frame Moldova made reforms to create an advantageous climate for foreign investors and it has begun to take measures for foreign companies for utilization from same advantages of local companies [9].

Turkish companies provide employment

Within this frame, Moldova always has been an attractive country for Turkish investors since the declaration of its independence. As of today, the number of Turkish-capitalized companies registered to Moldova Chamber of Commerce is over a thousand. But approximately 120 of these companies operate actively. Additionally Turkey is Moldova's 10th biggest economic partner considering the amount of foreign investments that reached to 23 million US dollars. Besides capital outflow from Turkey to Moldova is approximately 11.6 million US dollars.

Priority sectors of Turkish companies based in Moldova are food, drink, telecommunication, garment industry, tourism, ceramic, medicine, construction, transportation and restaurant management. Within this scope leading companies as Leogrand, Moldcell, Asena Textile, Nefis, Infinity, Ece Bath Companies, Medpark Hospital, Acibadem Hospital and SUMMA etc. have made investments with high amount in Moldova. Besides lots of Turkish-capitalized tourism agencies exist in Moldova.

Tourism is a contributory factor for economic growth of Moldova as well as for every country. In this context liberalization of visa regime², which has begun since 1st June 2014 is a subsidiary motivation to increase number of Turkish investors and tourists to Moldova [3]. Approximately 58 thousand of Moldovan tourists visit Turkey every year, notably through abovementioned tourism agencies. The number of Moldovan tourists visiting Turkey reached to 63.500 in 2014, which was above average [6]. In the same year the total number of tourists visiting Moldova is 283 thousand. In this sense the number of Turkish tourists visiting Moldova was 10.754 [8, 26]. Under favour of agreement on visa liberalization regime between Moldova and other countries, including Turkey the total number of tourists visiting Moldova increased 4.2 percent [5].

When examining employment between Turkey and Moldova, Turkey has employer status considering either Turkish investments and Turkish companies in Moldova or the number of Moldovans going to Turkey for employment. Turkish companies in Moldova have provided employment in total to 4500 Moldovan, 2 thousand of them were in Gagauzia. Additionally according to data of the Ministry of Labour and Social Security of the Republic of Turkey, 6391 Moldovan people had applied for work

¹ *Moldova-Turkey FTA was signed on 11st September 2014. The negotiations of this FTA was continuing since 2011. Aforementioned FTA is the 1st FTA, existed in non-EU Eastern Europe. According to agreement, opportunity for entrance to association state will be provided to 89% of Moldovan import and 69% of Moldovan export. Both states aimed to increase volume of foreign trade to 1 billion US dollars and Turkey aims to be one of the first three largest trade partner of Moldova.*

² *The Agreement on Liberalization of Visa Regime were signed by Moldova and Turkey on 1st November 2012 in Ankara, that entered into force on 1st January 2014.*

permit to Turkey, who were mostly women in 2011-2014 period. Within this frame Moldova is the 6th of the 10 countries, which applied most for work permit to Turkey [1].

Conclusion

Bilateral trade volume of Turkey and Moldova couldn't have reached to desired level, despite it has increased year after year. One of the most important reason of this trouble is small market share of Turkey in Moldova. Because Moldova's bilateral foreign trade with EU, notably with Germany, Italy and Romania and with CIS, notably with Russia is larger than Turkey. Even so, Turkey is the 8th largest export partner and 7th biggest import partner of Moldova, that led to Turkey being one of top 10 largest trade partner. In this context, Turkey aims to be one of the first three largest economic partners of Moldova and both Turkey and Moldova aim to increase bilateral trade volume up to one billion US dollars in future, through the instrument of FTA signed by them in 2014.

In terms of investment Moldova always has been an attractive country for Turkish entrepreneurs since its independence. Turkey is Moldova's 10th biggest economic partner with amount of 23 million US dollars of foreign investments in Moldova. Besides 120 Turkish-capitalized companies are operating actively in Moldova today. Considering Turkish companies in Moldova and Moldovan labours in Turkey, Turkey has employer status. Turkish companies in Moldova provided employment to 4500 Moldovan, 2000 of them are in Gagauzia. Otherwise 6391 Moldovan notably women have applied to Turkey for work permit in 2011-2014 period. In this context Moldova is one of top ten most applied countries for work-permit to Turkey.

Apart from that liberalization of visa regime entered into force in 2014, signed by Moldova and Turkey in 2012. According to expectations both number of tourists visiting Moldova and Turkey and number of business travels to both countries will increase. This situation will contribute to increase of foreign trade, investment and inflow of foreign currency either to Moldova or to Turkey.

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Recommended for publication: 10.09.2015