

SPEECH OF H.E. ZEKERİYA BİRKAN, DEPUTY MINISTER OF JUSTICE OF THE REPUBLIC OF TURKEY AT THE ROUNDTABLE

Attaching great importance to the development and facilitation of international trade, Turkey supports regulatory efforts in this field. As a principle, we take into account the Singapore Convention against this background.

Development of international trade and investments has a key role in the world economic growth and in ensuring increased global welfare.

Especially in today's era when production processes have become complex and interdependence between economies has increased, a healthier functioning world trade has become important.

However, as we all know, multilateral trade system has changed dimension recently and it is in a very difficult situation due to the increasingly protectionist and unilateral policies.

We will see that today's unilateral policies, commonly referred to as "trade wars", cannot go beyond making short-term gains and in the long-run, especially from a systemic standpoint, these policies will not provide gains to anyone. All our past experiences have made this clear.

Currently, statistics of World Trade Organization (WTO) indicate that global trade may fall by about 17%, and global GDP may undergo a major decline under these circumstances.

In today's intertwined production structure, which is expressed by global value chains, we cannot expect anything to the contrary. Within the current production structure, protectionist tendencies often result in countries' doing self-harm.

In a world where three-quarters of trade consists of intermediate goods purchased by companies to be used in their own production processes and capital, trade-restricting measures harm consumers as well as producers and exporters. When we think on the basis of global trade chains, it is necessary to be an importer in order to become a successful exporter.

For this reason, we must act jointly and strengthen the system to make it work better for more people. Our past experience has clearly shown that free and fair trade is an essential and indispensable tool for sustainable global growth and development.

A rules-based multilateral trading system, which lies at the heart of the WTO, is essential to combat such harmful policies and ensure economic growth.

Strong and well-implemented trade rules promote competition and help in convincing people that international trade is fairly regulated. Within this framework, as Turkey, allow me to express that we strongly believe in free trade and support all attempts to serve the establishment of a free and fair trade environment in every platform.

On the other hand, creating international policies to ensure effective functioning of global value chains is as essential as creating national policies towards ensuring a stronger integration with global value chains.

Undoubtedly, trust is the most significant element of doing business and trade. In an environment without trust, it is impossible to talk about building strong economies, making investments, and establishing stable business and trade relations.

The element of trust, being the backbone of business and trade, needs to be addressed in a multi-dimensional framework; and trust has a structural character in the course of economic life in many respects. Structural reforms aimed at strengthening the foundations of economy, making it resilient and ensuring sustainable growth have a very effective role in building trust.

In terms of national policies, reforms such as strengthening the rule of law, improving investment environment, adopting principles of corporate governance, rendering the financial system healthy and strengthening public finance have become prominent.

By carrying out a number of reforms in the 2000s, Turkey has significantly changed its economic appearance, repeatedly proven its durability against internal and external shocks, raised its foreign trade to higher levels and achieved to attract a considerable amount of foreign capital. In the 2018 World Bank Ease of Doing Business Index, Turkey is among the economies improving the most, and we aim at raising it to higher levels in our Development Plan covering the period between 2019 and 2023.

Nevertheless, we are cognizant of our current shortcomings and we resolutely continue implementing our policies towards making our economy a more resilient, productive, competitive and strong one.

On the other hand, a free, fair and rules-based trade is very important for global growth and our economies. These factors are also significant components of international cooperation, peace and security.

In order to further develop international trade, international law should be functioning effectively, legal rules should be optimally adapted to the changes in

technology and commercial structures which have become more complex, and national law should be functioning in harmony with international law.

Moreover, a development-based approach plays a key role for many countries. Within this context, in today's world where national economies are directly affecting each other and international trade has developed that much, it is not possible to evaluate the development of the states independently. Therefore, we should together give the message that we are in favour of maintaining protection and strengthening of the multilateral system. The multilateral trading system is an area where we discuss and find solutions to all these issues. Nevertheless, we are of the opinion that unilateral and protectionist measures put the rules-based system at risk and thereby create economic vulnerabilities.

With the global recovery following the 2008 crisis, global growth continues at a slowing pace today. However, there are risks to the global economy in the medium and long term. Likewise, there are imbalances in terms of macro-economic indicators of many countries, growth rates are asymmetric, tensions in international trade are negatively affecting global investments and employment, and it is worrying that their impact may expand to a longer term.

Multilateral order is facing tests. Functionality of the system needs to be regained.

Concrete international political steps need to be taken in order to alleviate risks to global economy and to ensure the foundations of stable and sustainable growth.

Policy makers need to work towards the elimination of risks encountered in building a longer-term development strategy in line with economic and social targets. In this regard, financial deficits, budget imbalances and trade disputes form the basis of existing risks.

Decisive policies must be based on long-term approach and multilateral cooperation.

In terms of risk management, multilateralism needs to be strengthened and become more inclusive and flexible and responsive.

Due to significant contraction in the policy area worldwide, any external shock may have serious and long term impacts on global growth and socio-economic conditions.

Being among the countries that are negatively affected from these tests and risks, Turkey has voiced the importance of multilateralism, international financial solidarity and maintaining the rules-based and transparent international trade

system on every platform in which we have participated.

The institution of mediation, the reason we have gathered here today, is an amicable settlement method which aims at resolving a dispute in the shortest time with the lowest cost in an environment where the parties dominate all stages and thereby both sides are winning. At the same time, by conducting to international actors' solving their own problems themselves, mediation contributes to the development of a culture of reconciliation in international trade.

With all these aspects, we believe that mediation will also contribute to the multilateral rules-based order.

In conclusion, as Turkey, in addition to strengthening of Dispute Settlement Mechanism, we appreciate new proposals brought to the table on developing rules in new issues, and believe that Singapore Mediation Convention concerning implementation of mediation agreements signed between parties for the purpose of settlement of disputes under private law will significantly contribute to the multilateral system with its private law dimension.