

The 5th India – Turkey Forum
October 23, 2015
Istanbul, Turkey

SUMMARY OF DISCUSSION

On October 23, 2015, Ananta Aspen Centre and Global Relations Forum hosted the 5th India-Turkey Forum, at the Hilton Bosphorus Hotel in Istanbul. Co-Chaired by GRF Vice-Chairman and President Mr. Memduh Karakullukçu and Ananta Aspen Centre Chairman Ambassador Satinder K Lambah, the meeting consisted of three sessions during which the participants focused on the following topics:

- 1) Foreign Policy Ramifications of Domestic Political Developments in Turkey and India
- 2) Energy and Regional Economic Implications of the Nuclear Deal with Iran
- 3) Economic Implications of US-Centered Mega-Trade Deals for India and Turkey: Discussion of National Policy Responses and Opportunities for Cooperation

Session 1: Foreign Policy Ramifications of Domestic Political Developments in Turkey and India

The delegations noted that foreign policy is very often constrained by the domestic political environment. The Turkish delegation commented on the unprecedented challenges before Turkey, drawing attention to the political uncertainty due to repeat elections on November 1st, the polarization in the society, and the challenges in the region particularly with regards to the Syrian crisis. On the positive side, the Turkish delegation argued that focusing on the average growth rate is more likely to yield a healthier understanding of the recent drop in the Turkish growth. The average and potential growth rates do not conclusively point out to a permanent drop in the Turkish growth rates.

The Indian delegation underlined that for the first time in 29 years, India has a single-party government with an ambitious reform agenda and high level of public support. It was mentioned that the economic challenges faced by India required investment in skills development to fuel the transition of the Indian economy from agriculture to manufacturing. The members of the Indian delegation noted that although foreign policy was not a central part of PM Modi's electoral campaign, since being elected to office, he has shown a personal interest in the subject. Both delegations highlighted the importance of attracting foreign direct investment (FDI) and the need for a viable and stable domestic environment to do so. The delegates noted some key prerequisites of attracting FDI, such as the rule of law and an independent Central Bank.

Session 2: Energy and Regional Economic Implications of the Nuclear Deal with Iran

Addressing the implications of the nuclear deal with Iran, the Turkish delegation first highlighted the importance of Iran for Turkey in the area of energy. With Iran's proximity to Turkey, the potential presented by Iran's full integration into the international system was noted. As some participants suggested, the prospect of Iran's entry into the global energy markets presents an opportunity for India as well, since India is highly dependent on imports for its energy security, like Turkey.

The delegations also elaborated on the cultural similarities between Iran and their respective countries, highlighting that these could be used as an asset in developing dialogue and trade relations. While concluding the session, the Co-Chairs agreed to initiate a joint endeavor on energy dynamics in a post-Nuclear Deal Middle East.

Session 3: Economic Implications of US-Centered Mega-Trade Deals for India and Turkey: Discussion of National Policy Responses and Opportunities for Cooperation

The Indian and the Turkish delegations stated similar concerns on the implications of the US-Centered mega-trade deals. The Turkish delegation expressed worries about the disadvantages regarding the import of American goods that might emerge if the Transatlantic Trade and Investment Partnership (TTIP) deal is signed.

Both delegations noted that not being part of the negotiation table will make their countries vulnerable to some of the changes in the international trade system. The Turkish delegation highlighted the need to push for inclusion clauses to TPP and TTIP and the Indian delegation reaffirmed the need to be a part of the negotiation process to avoid the imposition of new rules that may be established without their contributions and therefore not necessarily reflecting their priorities and concerns.

Following the panels, the Co-Chairs exchanged views on how the forum should proceed for the next meeting set to take place in India. The forum agreed on the following steps for future collaboration:

- The delegations underlined the lack of, and hence the need for, inter-parliamentary contact between the two countries.
- The delegations focused on exploring investment opportunities in Iran as well as their common interests in Afghanistan and Central Asia.
- The delegations decided to initiate a joint project on energy as Iran integrates into the global economy.

5TH INDIA – TURKEY FORUM PARTICIPANTS

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