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TITLE: Competitiveness Of Turkey In The Process Of Entrance To European Union:
A Sectoral Analysis According To The Comparative Advantages Model

ABSTRACT

The rapid transformation process in the global economy has caused the concept of 'competition' to gain importance both inside the country and among the other countries. In this process, it has been observed that especially the sectors and companies in countries which have been in a deployment to outside have been come across with a more powerful competition on the price of product and the quality of product with their rivals inside and outside the market. Because of this reason, the concept of competitiveness is a considerable matter needed to be dwelled upon.

The purpose of this study is to research the importance of energy sector which obtains the basic input of production process, on the competitive capacities of the countries. In this perspective, competition, competitiveness, determinants and signs of competitiveness were primarily discussed. Then, information about the energy potential in Turkey and in the world, production and consumption values was given. In the last section, general information about textile and clothing was given, and econometric analysis was scoped out.

In this study, competitive capacities in the textile and clothing industries were computed for the years 1990-2005 according to Revealed Comparative Advantages Index (RCA) of the EU-14 and Turkey. RCA Index was included to the econometric analysis as an indicator of competitiveness. Productivity, reel exchange rate, unit labor cost, consumer price index, energy (electricity) prices all of which are some of the determinants of competitiveness constitute the independent variables of the analysis. With in the context of this study, data were extrapolated with the Panel Data Analysis in order to display the effect of energy (electricity) prices on the competitiveness.

Calculated RCA indexes demonstrated that the competitiveness of Turkey in both textile and clothing sector is high however it has tendency to decrease as the years went by. As a result of the Panel Data Analysis, it is also concluded that energy (electricity) prices have a negative effect upon the competitiveness.

KEYWORDS

Competitiveness, Energy, Textil and Clothing Industry, Panel Data