

# VERTICAL AND HORIZONTAL INTRA-INDUSTRY TRADE IN TURKEY

Sevilay Küçüksakarya  
Anadolu University

## **Abstract**

*The share of intra-industry trade in total international trade is growing at about 4–5% a year. This is because, more and more, countries are importing the same kinds of products that they are also exporting. Although there is a large literature on explaining the aspects of intra-industry trade there is still lack about the determinants of intra-industry trade. This lack is based on product differentiation in industries. In terms of product differentiation it is necessary to define intra-industry trade by the types of horizontal intra-industry trade where goods are differentiated by their quality and vertical intra-industry trade where goods are differentiated by their attributes. The main objective of this paper is to explain the extent of vertical and horizontal intra-industry trade in Turkey's foreign trade with the countries which Turkey signed free trade agreements between the period of 1990-2012.*