

ABSTRACT

Turkey has been longing for European Union membership for decades. On December 31 1995, the Customs Union between Turkey and the European Union came into effect. Turkey was declared a candidate country for EU membership in December 1999. The Customs Union negotiations and membership in the EU paved the way for Turkey to improve its economic structure immensely. This work focuses on the effects of the Customs Union and European Union membership preparations on Turkey's economy as well as a brief overview of Turkey's economic structure. Customs Union started showing its effects on Turkey's economy after the reforms undertaken since the declaration of Turkey's candidacy to EU membership in 1999. However, improvements in the economy are still low compared to other members of the Union due to lack of technological developments, infrastructure and institutionalism in Turkey. The analysis shows that in order to experience the full benefits of entry into the Customs Union and European Union, Turkey's economy will have to undergo a continuous restructuring and reformation.