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## Modern International Trade and the Significance of the CISG

29 March 2016

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Today, unifying of business laws on a transnational level has become an essential necessity rather than a mere objective when due regard is given to the immense growth in the international business transactions, with players spread all around the world. Just to illustrate the enormity of the increase in the volume of international dealings; one may take Turkey as an example where the statistics reveal that the volume of foreign trade has grown significantly over the last decades. Such that, the amount of foreign trade which was only around \$ 137.5 Million USD<sup>1</sup> in 1923 has grown into almost \$ 11 Billion USD<sup>2</sup> in 1980. Said number had continued to vastly escalate; adding up to around \$ 35 Billion USD<sup>3</sup> in 1990 and to

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<sup>1</sup> \$ 137,000,000.00 USD (One hundred thirty-seven million).

<sup>2</sup> \$10,819,485,724.00 USD (Ten billion, eight hundred nineteen million, four hundred eighty-five thousand, seven hundred twenty-four).

<sup>3</sup>\$ 35,261,413,201.00 USD (Thirty-five billion, two hundred sixty-one million, four hundred thirteen thousand, two hundred one).

almost \$ 400 Billion USD<sup>4</sup> in 2014.<sup>5</sup> The numbers expose the truth: the world of business has never been as rapidly-growing and international as it is today. Hence, it was questionable, whether or not; the laws have been able to catch up with that speed and internationalism.

Indeed in the 19<sup>th</sup> century, the present conflict of laws methods were inadequate to tackle complex issues born out of international sale of goods contracts. Additionally, large number of national systems, at that time, presented obsolescence, incompleteness and inadequacy to address international business dealings, as they were designed to govern pre-industrial economy and not the “*new emerging economy and commercial traffic based on the sale of complex manufactured industrial goods that needed to be transported to distant places, that resort to also to ancillary transactions such as financing payment arrangements, insurance, transport contracts and guarantees*”.<sup>6</sup>

When the dramatic change between the business yesterday and the business today is taken into consideration, it is clearly seen that each step

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<sup>4</sup>\$ 399,787,274,763.00 USD (Three hundred ninety-nine billion, seven hundred eighty-seven million, two hundred seventy-four thousand, seven hundred sixty-three).

<sup>5</sup> Turkish Statistical Institution. “*Foreign Trade Statistics Table by Years*” retrieved on 10 October 2015 from: [http://www.turkstat.gov.tr/PreTablo.do?alt\\_id=1046](http://www.turkstat.gov.tr/PreTablo.do?alt_id=1046).

<sup>6</sup> KRÖLL, S., MISTELIS, L. & VISCASILLAS, “Introduction to the CISG”. In *UN Convention on Contracts for the International Sale of Goods (CISG): Commentary*, München, C.H. Beck, 2011, p. 2.

taken towards achieving a unified codification on the international business law is of paramount importance in terms of providing parties a **neutral, familiar** and most importantly **efficient** legal infrastructure where they can safely carry out their transactions. In such a legal environment, business people can find the opportunity to focus on the business itself, instead of losing unnecessary amount of time trying to find an effective legal framework according to which both parties can feel confident to do business. Exactly this goal in mind, the CISG was put in action.<sup>7</sup>

Today the CISG enjoys a significant amount of recognition and success. According to the World Trade Organization (hereinafter “WTO”) statistics<sup>8</sup>, the world’s top six merchandise trader countries; USA, China, Germany, Japan, France and Netherlands, are all Signatories to the CISG; together with 77 other nations including Turkey<sup>9</sup>; which embodies over

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<sup>7</sup> The CISG was unanimously approved on April 11, 1980, at a diplomatic conference held in Vienna with the attendance of sixty-two States.

<sup>8</sup> World Trade Organization International Trade Statistics 2014, retrieved on October 11, 2015 from:

[https://www.wto.org/english/res\\_e/statis\\_e/its2014\\_e/its14\\_highlights1\\_e.pdf](https://www.wto.org/english/res_e/statis_e/its2014_e/its14_highlights1_e.pdf)

<sup>9</sup> As of 26 September 2014, UNCITRAL reports that 83 States have adopted the CISG. Retrieved on October 11, 2015 from:

<http://www.cisg.law.pace.edu/cisg/countries/cntries.html>

two thirds of international trade in goods, representing a significant economic, geographic and cultural diversity.<sup>10</sup>

Should you have any questions on [the CISG or Turkish laws and practice](#) on international commerce, you are welcome to reach me at [fatmaesra@guzeloglu.legal](mailto:fatmaesra@guzeloglu.legal)

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<sup>10</sup> FLECHTNER, H., *United Nations Convention on Contracts for the International Sale of Goods, United Nations Audiovisual Library of International Law*, 2009. Retrieved on 11 October 2015 from: [http://legal.un.org/avl/pdf/ha/ccisg/ccisg\\_e.pdf](http://legal.un.org/avl/pdf/ha/ccisg/ccisg_e.pdf)