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## TRADE WARS 2.0: WHAT AWAITS TÜRKİYE?

In the trade wars reignited during President Trump's second term, Türkiye faces a variety of threats and opportunities.

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The election of Donald Trump as President of the United States for the second time on 5 November 2024, and his adoption of a markedly more aggressive trade policy compared with his first term, have caused a re-evaluation of globalisation and the prevailing trade paradigm.

Shortly after taking office, President Trump initiated the second trade war by signing an executive order mandating heavy customs duties on imports from Mexico, Canada and China. Another shocking move by President Trump came on 10 February 2025, when he signed decrees imposing customs duties of 25% on steel and aluminium imports from all countries without any exemptions.



suspended for 90 days, it must be acknowledged that, if those measures are reinstated at the same rates after that period, Türkiye will face both new threats and fresh opportunities.

Türkiye-US trade in 2024 remained remarkably balanced. Türkiye's exports to the US totalled 16,351 billion dollars, while imports from the US reached 16,227 billion dollars. In this light, Türkiye's placement in the lowest tariff range is understandable. Türkiye directs just over 6% of its total exports to the US. By contrast, in 2024 Türkiye exported more than 40% of its total exports, amounting to 108,551 billion dollars, to the EU. Reciprocal harsh measures between the EU and the US therefore represent the principal danger for Türkiye in any trade conflict. Indeed, any drop in the competitiveness of EU products will indirectly affect Turkish exporters that supply intermediate goods to EU markets.

On the other hand, as Minister of Treasury and Finance Mehmet Şimşek has noted, Türkiye has free trade agreements with 54 countries outside the US and the EU, and over 65% of its exports go to those markets. In recent years, Türkiye has pursued an "opening up" policy towards distant regions such as Africa, Latin America and the Asia-Pacific. Given how dynamically Turkish exporters can enter new markets, Türkiye has the capacity to offset possible losses in the US market through gains elsewhere. Moreover, if the high duties are reimposed on other countries after 90 days, Türkiye, benefiting from a lower tariff, will possess a comparative advantage in exports. Furthermore, Türkiye's strong industrial and manufacturing base, coupled with its lower-tariff status, will render it an even more attractive destination for investment by countries facing high US duties but seeking easier access to the US market.

### EU's Response

Following the entry into force of the US's decision to impose a 25% duty on steel and aluminium imports on 12 March 2025, the European Commission announced that it would introduce a two-stage package of countermeasures against those tariffs. In the first stage, the anti-dumping measures originally adopted in 2018 and 2020, which represent a product range worth approximately 8 billion euros and had been suspended, are scheduled to come back into force automatically on 1 April 2025. These measures cover a variety of iconic American goods, such as vessels, Bourbon whiskey and Harley-Davidson motorcycles. In the second stage, because the new US tariffs are considerably broader in scope and will affect a much larger share of European trade, additional measures targeting products worth approximately 18 billion euros will be introduced. It was announced that these further measures are expected to enter into force by mid-April.

The proposed target products include industrial goods such as steel, aluminium, textiles, leather goods, household appliances, plastics and wood products, as well as agricultural items including poultry, beef, certain seafood, nuts, eggs, dairy products, sugar and vegetables.

### 2 April "Liberation Day" Tariffs

An unprecedented development occurred in global trade on 2 April 2025. President Trump signed an executive order designating that date as "Liberation Day" and imposing comprehensive new customs tariffs on all goods entering the US. Under the order, the US applied new tariffs ranging from 10% to 50% to many of its major trading partners. Accordingly, customs tariffs were imposed on the EU by 20%, China by 34%, Vietnam by 46%, Taiwan by 32%, Japan by 24%, India by 26%, South Korea by 25%, Thailand by 36%, Switzerland by 31%, Indonesia by 32%, Malaysia by 24%, Cambodia

by 49%, South Africa by 30%, Bangladesh by 37% and Israel by 17%. Türkiye, together with the United Kingdom, Brazil, Australia, the United Arab Emirates, New Zealand, Egypt and Saudi Arabia, was subject to a standard 10% tariff. Meanwhile, a further executive order imposing a 25% duty on automobile and truck imports came into force on 3 April.

### President Trump's U-turn

In response to the tariffs imposed on China, Beijing applied high duties on energy and agricultural products entering the US, introduced restrictions on the export of various rare earth elements and placed certain American companies on a blacklist. During this period, President Trump announced that he would pause the "Liberation Day" tariffs for 90 days for many countries, but tariffs in China rose to 145% as Beijing continued its countermeasures. China then responded swiftly to President Trump's latest move by

raising the tariff on imports from the US to 125% but announced that there would be no further increases on the grounds that the existing rate had rendered US imports into China unsustainable.

President Trump signed an executive order on 11 April 2025, exempting a range of electronic products and components from customs duties under the reciprocal tariffs, including computers, smartphones, flat-panel displays, SSDs, computer monitors, various semiconductors and integrated circuits. This development was widely interpreted as a significant backtrack.

### What Awaits Türkiye?

During President Trump's second term, Türkiye-US relations have proceeded in a relatively moderate atmosphere. Türkiye was among the countries placed in the lowest tariff range under the US's tariffs announced on 2 April 2025. Although the high duties imposed on other countries were



## IKV CHAIRPERSON ZEYTİNOĞLU: “HOW WILL TRUMP’S CUSTOMS TARIFF INCREASES AFFECT TÜRKİYE?”



Chairperson of the Kocaeli Chamber of Industry and IKV Chairperson Ayhan Zeytinoğlu commented on the impact of the tariff increases introduced by US President Donald Trump against numerous countries, stating, “As promised during his election campaign, President Trump announced extensive tariff increases, particularly targeting countries that apply high customs duties against the US, and while countries like China, Vietnam, Taiwan, South Korea, and Japan are adversely affected, a 10% rate has been set for Türkiye, which indicates that Türkiye may gain a competitive advantage in the US market over some of its rivals, particularly in textiles; however, the 10% tariff applies only to sectors excluding steel, aluminium, copper, certain pharmaceuticals, and automotive parts, in which the existing 25% duty will continue to apply at the same rate, and it is encouraging that the 25% tariff imposed on Türkiye will now also be applied to other countries.

It is likely that the EU will seek alternative markets and attempt to reduce costs, which could lead to increased investments in Türkiye as a production base, and both European and Chinese companies may consider investing in Turkish firms to gain access to the US market through Türkiye; however, if Trump detects such a trend, he may then move to restrict imports from Türkiye as well.

Finally, Chairperson Zeytinoğlu evaluated the global effects of the recent measures, underlining the importance of intra-industry trade and noting that the growing complexity of trade, where the design, production, marketing, sales, and after-sales stages of a product can occur across different geographies, has increased the role of the services sector in manufacturing, and Chairperson Zeytinoğlu emphasised that the impact of Trump’s tariffs would be multidimensional, stressing that their effect on intra-industry trade would raise costs and negatively affect competitiveness.

## IKV ATTENDED THE ASSEMBLY MEETING OF MTSO

IKV attended the April assembly meeting of the Mersin Chamber of Commerce and Industry (MTSO) on 30 April 2025. The opening speeches of the meeting were delivered by IKV Chairperson and Chairperson of the Kocaeli Chamber of Industry Ayhan Zeytinoğlu, and Mersin MTSO President and IKV Board Member, Hakan Sefa Çakır. The speakers of the meeting were IKV Secretary General Assoc. Prof. Çiğdem Nas, Deputy Secretary General M. Gökhan Kilit, and Research Director Çisel İleri. The IKV delegation informed the participants about the recent developments



in Türkiye-EU relations, the Customs Union, the Green Deal, and EU financial support.

In his speech, Chairperson Zeytinoğlu highlighted the critical role of green transformation for Türkiye’s exports to Europe, warning that failure to comply with the European Green Deal could jeopardise the benefits of the

Customs Union. Chairperson Zeytinoğlu pointed to ongoing issues such as the imbalance in Free Trade Agreements and visa difficulties, which have persisted due to the lack of EU membership. Chairperson Zeytinoğlu also underlined that alignment with the EU’s green and digital agendas could boost Türkiye’s competitiveness.

## IKV ATTENDED JOINT COMMITTEE MEETING OF KOCAELİ CHAMBER OF INDUSTRY



IKV took part in Kocaeli Chamber of Industry’s Joint Committee Meeting held in İşkele, TRNC on 26 April 2025. IKV Vice Chairperson Prof. Halûk Kabaalioğlu and IKV Junior Researcher Melike Sönmez also attended the meeting hosted by

IKV Chairperson and Chairperson of the Kocaeli Chamber of Industry Ayhan Zeytinoğlu. IKV Vice Chairperson Prof. Kabaalioğlu delivered a speech where he reported on the history of the TRNC starting from 1963 incidents, that led to the

foundation of the country after its split from the bicomunal administration established by the 1960 Constitution. Prof. Kabaalioğlu also touched upon the history of Türkiye-EU and Türkiye-Greece relations and shared his personal memories and observations over the years regarding the Cyprus issue. The meeting was also attended by the TRNC Minister of Economy and Energy Olgun Amcaoğlu, the TRNC Minister of Foreign Affairs Tahsin Ertuğruloğlu and Deputy Minister of T.R. Ministry of Industry and Technology Oruç Baba İnan.

## IKV SECRETARY GENERAL NAS PARTICIPATED IN THE WORKSHOP ON EUROPEAN SECURITY



IKV Secretary General Assoc. Prof. Çiğdem Nas attended the workshop titled “Europe’s New Security Architecture and Türkiye-European Union Relations” chaired by Chief Advisor to the President of the Republic Ambassador Prof. Çağrı Erhan, at Çankaya Mansion on 10 April 2025.

The workshop, which was held with the participation

of representatives of official institutions, academics, think tank representatives and experts, discussed issues such as the new security architecture in Europe, Türkiye’s place and role in the EU’s security and defence structure, the transformation process in NATO and international and supranational mechanisms, and Türkiye’s important position in NATO.

## IKV AGENDA

# IKV PARTICIPATED IN TÜRKİYE-EU HIGH-LEVEL ECONOMIC DIALOGUE MEETING



IKV Secretary General Assoc. Prof. Çiğdem Nas attended the High-Level Economic Dialogue Meeting held in Brussels on 3 April 2025. The meeting was co-chaired by Türkiye's Minister of Treasury and Finance Mehmet Şimşek, European Commissioner for Economy and Productivity Valdis Dombrovskis, and European Commissioner for Enlargement Marta Kos, and its main objective was to strengthen Türkiye-EU economic and financial relations, while it was agreed that the next meeting would be held in Türkiye next year.

The joint statement emphasised that economic dialogue is a commitment to strengthening the economic and financial relations between Türkiye and the EU, and the meeting was described as a significant step toward improving relations, underlining Türkiye's dual role as both a candidate country

and a key partner of the EU. Furthermore, it was stressed that core values such as the rule of law, democracy, media freedom, and respect for human rights should serve as guiding principles for sustaining economic confidence and facilitating a favourable business environment, and that genuine efforts must be made in this direction.

During the intergovernmental session, recent economic policy developments and expectations in both Türkiye and the EU were discussed in the context of the current challenging and uncertain global environment, and the discussions also covered the EU's recent efforts to enhance competitiveness and the structural reform steps Türkiye has initiated under its 2025–2027 Economic Reform Programme to boost productivity and support

long-term economic growth, while the importance of improving Türkiye's investment climate and increasing the involvement of the EU and international financial institutions was also highlighted.

As part of the economic dialogue, the Türkiye-EU High-Level Business Dialogue was also held, during which representatives from the Turkish and EU business communities, international financial institutions, and national development banks participating in the Türkiye Investment Platform came together and focused on opportunities to further advance Türkiye-EU relations within the framework of economic, financial, and investment cooperation, while particular emphasis was placed on enhancing competitiveness and improving small and medium-sized enterprises' access to long-term financing.

## HUNGARIAN THINK TANK MCC EUROPEAN STUDIES CENTRE VISITED IKV



A delegation from MCC's Centre for European Studies, one of Hungary's leading think tanks, visited

IKV. The group included European Studies Expert Damille Devenyi and a number of graduate students.

During the visit, the delegation received a briefing on IKV's activities. Discussions also covered current developments in the EU and globally, as well as Hungary's role in Türkiye-EU relations. The continuation of the bilateral cooperation initiated last year between MCC European Studies Centre and IKV was also addressed.

As part of IKV's EU Presidencies Project, a meeting on the future of EU enlargement policy was hosted by MCC's European Studies Centre in Budapest on 18 October 2024.

## TIMELINE APRIL 2025

	1	
	2	
Foreign Minister Fidan attended the NATO Foreign Ministers meeting.	3	
	4	IKV participated in the Türkiye-EU High-Level economic dialogue meeting.
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	8	IKV Chairperson Ayhan Zeytinoğlu gave a statement on the impact of Trump's customs tariff increases.
	9	
	10	IKV Secretary General Assoc. Prof. Çiğdem Nas participated in the workshop on European security and Türkiye-EU relations.
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President Erdoğan came together with Bulgarian Prime Minister Rosen Jelyazkov.	12	
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President Erdoğan came together with Secretary General of the Council of Europe Alain Berset.	22	
President Erdoğan attended the international virtual meeting of leaders on climate and just transition.	23	
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	25	
	26	IKV attended joint committee meeting of Kocaeli Chamber of Industry.
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	28	
President Erdoğan came together with Italian President Sergio Mattarella and Italian Prime Minister Giorgia Meloni.	29	
	30	IKV attended the assembly meeting of MTSO.

## HIGH-LEVEL EXCHANGES

## TÜRKİYE-EU HIGH-LEVEL ECONOMIC DIALOGUE WAS HOSTED BY THE EUROPEAN COMMISSION



**T**ürkiye-EU High-Level Economic Dialogue Meeting, last held in 2019, was convened in Brussels on 3 April 2025. The meeting was co-chaired by Minister of Treasury and Finance Mehmet Şimşek, Commissioner for Economy and Productivity, Implementation and Simplification Valdis Dombrovskis, and Commissioner for Enlargement Marta Kos.

The joint statement emphasised that the economic dialogue serves as a commitment to strengthening economic and financial relations between Türkiye and the EU. It was underlined that Türkiye is “both a candidate country and a key partner of the EU.” Additionally, it was noted that

essential values such as the rule of law, democracy, media freedom, and respect for human rights should serve as guiding principles for maintaining economic confidence and facilitating the business environment.

The Business-to-Business Dialogue was also held. Representatives from the Turkish and EU business communities, international financial institutions, and national development banks participating in the Türkiye Investment Platform gathered as part of the Business-to-Business Dialogue to explore opportunities for enhanced economic, financial, and investment cooperation between Türkiye and the EU.

## US AND RUSSIAN DELEGATIONS MET IN İSTANBUL



**A**fter the first meeting was held on 27 February at the US Consulate General in Istanbul, the US and Russia met for the second time in Istanbul as part of the contacts carried out to normalise embassy activities. This time, the meeting was hosted by the Russian Consulate General in Istanbul on 10 April 2025 and high-level diplomatic officials from both countries attended. The talks were chaired by Russia’s new Ambassador to the US Aleksandr Darchiyev and US Deputy Assistant Secretary of State Sonata Coulter.

According to diplomatic sources, the focus of the talks was neither the war in Ukraine nor general US-Russian relations, but rather the structural problems experienced in the two countries’ mutual diplomatic missions. It is known that the parties are seeking solutions to overcome the restrictions on the number of diplomatic personnel and

the bottlenecks in accreditation processes. In addition, it is reported that the Russian delegation brought up the difficulties experienced in paying diplomats’ salaries due to sanctions and the restrictions imposed on Russian property in the US, while drawing attention to the movement-related restrictions US diplomats face while serving in Russia. It is also estimated that the start of direct flights between the two countries was discussed.

The two countries, which mutually limited their diplomatic activities after the Ukraine war that began in 2022, had serious problems with visas and accreditation of diplomats during this process. The first meeting held in February also focused on these issues and lasted approximately 6.5 hours. No official information has yet been shared about the schedule for the continuation of the meeting.

## GLOBAL DIPLOMACY TAKES CENTER STAGE AT THE ANTALYA DIPLOMACY FORUM



**T**he 2025 Antalya Diplomacy Forum was held on 11–13 April under the theme of “Reclaiming Diplomacy in a Fragmented World”, offering a multilateral platform that emphasised the importance of diplomacy in the face of increasing global polarisation and geopolitical crises. The forum attracted more than 4,800 participants from 148 countries and featured a variety of panels on topics ranging from regional security to global diplomacy.

One of the most striking panels featured the Ukrainian Minister of Foreign Affairs alongside former Turkish Minister of Foreign Affairs Mevlüt Çavuşoğlu, Turkish Vice President Cevdet Yılmaz, Montenegrin President Jakov Milatović, Moldovan Prime Minister Dorin Recean, Georgian Prime Minister Irakli Kobakhidze, Bulgarian Prime Minister Rosen Jelyazkov, and former Croatian President Kolinda Grabar-Kitarović. The leaders emphasised that Europe’s

security is closely tied to Ukraine’s security, underlining the interconnectedness of the two. They also reiterated their countries’ growing motivation to align with EU policies and pursue EU membership.

Meanwhile, Russian Foreign Minister Sergey Lavrov addressed Russia-US relations, stating that there is always potential for improvement in bilateral ties. Although Russian and Ukrainian representatives were not brought together in a direct debate, they participated in separate panels.

Another significant address was delivered by the TRNC President Ersin Tatar, who sent clear messages to the international community by reaffirming his call for a two-state solution regarding the Cyprus issue.

The forum successfully brought together diverse perspectives on a shared platform, once again highlighting Türkiye’s increasingly prominent role in global diplomacy.

## HAKAN FIDAN ATTENDED MEETING OF NATO MINISTERS OF FOREIGN AFFAIRS



**T**he meeting of NATO Ministers of Foreign Affairs was held in Brussels on 3–4 April 2025. Turkish Foreign Affairs Minister Hakan Fidan attended the meeting on behalf of Türkiye. The main topics discussed during the meeting included planning for the next summit in The Hague, emergency security issues, increasing defence spending, burden sharing, support for Ukraine, and cooperation with partners.

Minister Fidan also came together with German Foreign Affairs Minister Annalena Baerbock, Ukrainian Foreign Affairs Minister Andriy Sybiha, U.S. Secretary of State Marco Rubio, Greek Foreign Affairs Minister Giorgos Gerapetritis, Estonian Foreign Affairs Minister Margus Tsahkna, Icelandic Foreign Affairs Minister Thorgerdur Katrin Gunnarsdottir, and British Foreign Affairs Minister David Lammy.

## ICTÜRKİYE2025 SPARKS TÜRKİYE-EU INNOVATION DRIVE

ICTürkiye2025 convened over 400 EU and Turkish experts in Istanbul, spotlighting digital health, Industry 4.0, 6G and financing workshops to deepen R&D synergies and bolster Türkiye's role in Horizon Europe.

On 10 April 2025, over 400 representatives from European Union member states and Türkiye convened for the ICTürkiye2025 International Project Market, hosted by TÜBİTAK. Opening remarks by TÜBİTAK Vice President İsmail Doğan, EU Delegation Cooperation Head Maria Luisa Wyganowski and Deputy Minister Muhammet Kasım Gönüllü centred on the imperatives of digital transformation, technological partnerships and harmonised research policies to deepen Türkiye-EU collaboration in the information and communication technologies sector.

Vice President Doğan highlighted Türkiye's growing footprint in Horizon Europe; 1,071 Turkish participants engaged across 654 projects, utilising 332.8 million euros in funding and achieving 50 Turkish coordinators, underscoring the nation's rising status within Europe's research ecosystem. Gönüllü further articulated Türkiye's ambition to evolve from a technology consumer into a



designer, developer and exporter of critical technologies, reinforcing the strategic value of EU partnerships.

Parallel workshops addressed priority themes while afternoon sessions on "Digital Europe Financing", "Cascade Funding" and the financial mechanics of Horizon Europe equipped participants with practical guidance on accessing EU R&D streams. More than one

thousand one-to-one meetings catalysed concrete partnership discussions, and an extended b2match platform ensured long-term networking for remote stakeholders. As a pivotal platform for cross-border R&D synergy, ICTürkiye2025 significantly advances the visibility and integration of the Türkiye Research Area within Europe's innovation landscape.

## TB2 DRONE PERFORMED WORLD'S FIRST AUTONOMOUS SPIN RECOVERY



On 10 April 2025, Türkiye's Bayraktar TB2 unmanned aerial vehicle made aviation history by successfully executing an autonomous recovery from a spin, a manoeuvre never before achieved by any UAV. The successful manoeuvre holds major implications for operational reliability in unmanned systems, particularly in scenarios involving sudden control loss. With this achievement, the Bayraktar TB2 reinforces its reputation as a globally recognised combat-proven UAV and sets a new

benchmark in flight autonomy.

This is not the first time the Bayraktar TB2 has pushed technological boundaries. On 31 May 2024, it completed another global first by performing an autonomous barrel roll, a high-level aerobatic manoeuvre previously unachievable by UAVs. By mastering the barrel roll and spin recovery autonomously, the TB2 has proven its advanced flight control capabilities, marking a critical step toward enhancing mission continuity, safety, and UAV resilience.

## UKRAINIAN FOREIGN MINISTER THANKS TÜRKİYE FOR OPENING ITS BORDERS TO UKRAINIAN CITIZENS

Ukrainian Foreign Minister Andrii Sybiha, who attended the Antalya Diplomacy Forum on 10 April in Antalya, appreciates Türkiye's hospitality toward Ukrainian citizens. Minister Sybiha emphasised the cooperation, historical friendship and neighbourly relations between the Turkish and Ukrainian people for years.

Minister Sybiha made an assessment about Ukrainians in Türkiye and the relations between Türkiye and Ukraine where he came to attend the Antalya Diplomacy Forum held on 11-13 April. The minister, who commended Antalya's charm, extended his thanks to Türkiye for opening doors to Ukrainians. Minister Sybiha made a statement about the friendship between Türkiye and Ukraine, saying "We may not understand each other's



languages, but our hearts feel the same", referring to Mevlana. Because of the ongoing war in Ukraine, Kyiv has begun to attach importance to genuine friendships

and values, according to Minister Sybiha. The minister thanked for the humanitarian aid and said that peace would be achieved as a result of joint efforts.

## TÜRKİYE HAS JOINED SAFE2EAT CAMPAIGN



Safe2Eat was launched in 2020 in order to increase public awareness of food safety. Through social media and communication campaigns, the project aims to bring attention to various topics on food safety such as hygiene, nutrition, allergens and food labels.

The project is now in its fifth year of implementation and there are 23 participating countries, including Türkiye. Along with Albania, Bosnia and Herzegovina, Montenegro and North Macedonia, Türkiye has joined

the project after the project was opened for EU candidate countries' participation.

Minister of Agriculture and Forestry İbrahim Yumaklı stated that the focus will be on informative activities on food safety-related topics. By using social media posts and cooperating with sectoral stakeholders, the campaign will prioritise diseases, food preparation techniques, additives, food labels, allergens, and food waste prevention, Minister Yumaklı added.

## 234 SUSPECTS ARRESTED IN “ORKİNOS-BULUT” OPERATION TARGETING INTERNATIONAL CRIME ORGANISATIONS

Interior Minister Ali Yerlikaya announced that 234 high-level members of criminal organisations, 9 of whom were abroad, were detained in a large-scale operation called “Orkinos-Bulut” targeting international criminal organisations. Yerlikaya reported that the operation called “Orkinos-Bulut” was carried out simultaneously in 20 provinces centred in Istanbul under the coordination of the General Directorate of Security, the Department of Combating Narcotics Crimes, the Interpol-Europol Department, the Istanbul Police Department, the Financial Crimes Investigation Board, the European Police Organization Europol, and the police organisations of the Netherlands, Germany, Spain and Belgium.

The target of the operation was four separate international criminal organisations engaged in drug trafficking and money laundering activities. Minister Yerlikaya said: “We have determined that these criminal organisations are trying to produce and ship cocaine from



South American countries by sea and land, heroin from Iran and Afghanistan, skunk from the Balkan countries and ecstasy from European countries to our country and Europe.” It was also determined that the organisations were involved in crimes such as violence, kidnapping, armed attacks and blackmail. As part of the operation, assets worth approximately 13 billion Turkish liras in total were seized, including over 21 tonnes of narcotics, millions of

narcotic pills, 681 real estate assets, 127 vehicles, partnership shares in 113 companies and bank accounts. During the 8-month covert surveillance, the organisations’ communication systems were decrypted, and their criminal networks were mapped in detail. Stating that this operation dealt a heavy blow to international criminal organisations, Yerlikaya emphasised that the fight against crime will continue with determination.

## GREEN TRANSFORMATION IN TURKISH AUTOMOTIVE SECTOR

The Turkish automotive industry is boosting its green transformation in alignment with the EU to increase competitiveness and enhance export potential. The EU is working towards increasing the competitiveness of its automotive sector through various means such as investments in R&D.

The Chairperson of the Automotive Manufacturers’ Association of Türkiye, Cengiz Eroldu, maintained that the EU’s green transformation brings both responsibility and opportunity for the Turkish auto sector, necessitating a strategic transition as well. Chairperson Eroldu also noted that work is underway in Türkiye to produce vehicles running on alternative fuels. In addition to providing the Turkish market with hybrid vehicles, Chairperson Eroldu stated that these efforts will ensure that Türkiye is able to export to countries with different regulations, especially Europe. Chairperson Eroldu also highlighted the importance of green transformation in the supply industry to achieve Türkiye’s export potential and the sustainability of the sector.



Chairperson Eroldu underlined that the EU measures against Chinese EVs should be closely followed. Chairperson Eroldu said that the Customs Union between Türkiye and the EU allows Turkish vehicles to be duty-free and registered with the EU Certificate of Origin, further enabling Türkiye to be a potential production and export base for non-EU manufacturers. Chairperson Eroldu also noted that there is a possibility that the EU might impose additional measures in the form of taxes or additional checks, especially after the recent investments of Chinese firms. Therefore, it is important to follow these developments, and manufacturers who plan to invest in Türkiye should design their production systems to ensure the products are made in Türkiye.

## TÜRKİYE INVESTMENT PLATFORM MEETING WAS HELD

Under the Türkiye-EU Business Dialogue II Project, funded by the EU and implemented by Eurochambres and TOBB, the “Türkiye Investment Platform” meeting was organised on 8 April 2025 at the TOBB İstanbul Service Building. The event aimed to develop the investment environment in Türkiye by utilising EU-backed financial mechanisms, strengthening cooperation with international financial institutions and enhancing interaction between public and private sector stakeholders. Three main panel sessions were organised. Discussions focused on connectivity projects related to Türkiye, public investment priorities in Türkiye and models of collaboration with the private sector.

In the first session, cross-border investments and strategic infrastructure projects covering Türkiye, the South Caucasus and Central Asia were discussed. Participants emphasised the importance of private sector incentives in financing regional



connectivity projects and infrastructure investments. The second session examined the European Investment Bank’s (EIB) strategic investment activities in Türkiye and neighbouring regions, and the financial instruments available under the Türkiye Investment Platform. The session centred on how the EIB’s instruments can be used to enhance the effectiveness of public investments.

During the event, Directorate General for Enlargement and Eastern Neighbourhood Gert-Jan Koopman and the International

Finance Corporation formally signed the Better Futures Programme agreement, thereby committing 20 million euros in financing to support strategic investment projects across Türkiye. In the final session, risk-sharing, green investment opportunities and public-private partnerships were evaluated. As participants shared their views on how the financial instruments within the Türkiye Investment Platform can mobilise private sector investments, the forum served as an important platform for concrete steps aimed at strengthening the investment climate in Türkiye.

## TÜRKSAT 6A STARTED SERVICE COVERING A POPULATION OF 5 BILLION

Türkiye’s first fully domestically engineered communications satellite, Türksat 6A, officially entered service on 21 April 2025, positioning Türkiye among 11 nations capable of building and operating its own geostationary communications platform. Designed for a 15-year operational lifespan, the satellite expands Türkiye’s broadcast and connectivity footprint from 3.5 billion to 5 billion people worldwide.

Developed with over 80% local content, Türksat 6A integrates 84 indigenous subsystems. Key contributors include ASELSAN, TÜBİTAK UZAY, TUSAŞ and C2Tech, which supplied everything from propulsion and thermal control to transponder electronics and ground support equipment. This project not only demonstrated Türkiye’s maturing space-systems expertise but also captured critical know-how for future missions. Functionally, Türksat 6A supports



television broadcasting, high-speed internet, data communications, military networks and select mobile-backhaul services. By providing redundancy for the existing Türksat constellation it fortifies both civil and strategic communications infrastructures.

With its expanded coverage now including regions such as India, Thailand, Malaysia and Indonesia, Türksat 6A marks a significant leap in Türkiye’s space-based connectivity ambitions and cements its role as a strategic communications hub.

## ZİRAAT BANKKART MEN'S VOLLEYBALL TEAM WON CEV CUP



**T**urkish volleyball team Ziraat Bankkart has won the title of European champion after defeating the Polish team Asseco Resovia in the CEV Cup final. This marks Ziraat Bankkart's first trophy, making them European champions. This is also the fourth time a Turkish volleyball team has achieved a European championship. The victory came

11 years after Fenerbahçe won the title in the CEV Challenge Cup.

The match started with Asseco Resovia's win in the first set. The remaining sets were concluded with Ziraat Bankkart's wins which were decisive for 3-1 score of the match making the Turkish volleyball team to get the title.

## TURKISH WEIGHTLIFTERS BROUGHT HOME 19 MEDALS FROM THE EUROPEAN CHAMPIONSHIPS

**T**ürkiye concluded the 2025 European Weightlifting Championships in Chişinău, Moldova, with an impressive haul of 19 medals, including eight gold, seven silver, and four bronze. The championship featured 333 athletes from 42 countries.

Among the standout performances was 20-year-old Kaan Kahrıman, who dominated the men's 67 kg category. Kahrıman claimed gold with 146 kg, silver in the clean & jerk with 170 kg, and secured the overall gold with a combined total of 316 kilograms, becoming European champion for the first time in his career. His teammate Ferdi Hardal added to the medal count, earning silver in the snatch with 140 kilograms and bronze in both the clean & jerk with 165 kg and total of 305 kilograms.



In the women's 45 kg category, Cansu Bektaş secured her third consecutive European title, winning gold overall with a 166 kg total, while Gamze Altun earned bronze and gold in the clean & jerk with 93 kg. Reflecting their collective strength, the Turkish national team achieved second place among women's teams and third place among men's teams.

## İSTANBUL AIRPORT LAUNCHES EUROPE'S FIRST TRIPLE INDEPENDENT RUNWAY OPERATIONS

**I**stanbul Airport became Europe's first to operate with the Triple Runway Operations system, achieving this milestone on 17 April 2025. The Triple Runway Operations system enables three simultaneous take-offs or landings, significantly boosting flight capacity. This development strengthened Türkiye's position in aviation in the world.

The operation was officially launched by Turkish Minister of Transport and Infrastructure Abdulkadir Uraloğlu, who underlined the critical role of Türkiye in the global aviation era. Minister Uraloğlu emphasised that the triple independent runway operation will accelerate traffic flow at the Istanbul Airport and raise its dynamic capacity. The minister added "Triple independent runway operations are already



implemented in the United States. Istanbul Airport will be the first airport in Europe to launch this kind of operation." This achievement is expected to contribute to Türkiye's economy.

## GAZİANTEP AWARDED 2025 EUROPE PRIZE FOR SUSTAINABILITY



**T**he Parliamentary Assembly of the Council of Europe (PACE) announced that Gaziantep was awarded the 2025 Europe Prize for Sustainability on 9 April 2025. The Europe Prize was established in 1995 by PACE and is awarded to European cities for their actions in the European domain.

In the statement, PACE said that Gaziantep is a crucial economic hub, known for its strong manufacturing and textile

sectors, in addition to being the first city in Türkiye to implement a climate change action plan. PACE added that Gaziantep also works towards ensuring sustainability, urban development, environmental protection, smart city applications and the welfare of the inhabitants. The statement further highlighted that the city was previously awarded the European Label of Excellence in Governance and is a member of 28 different international networks.

## ROMAN-ERA LIGHTHOUSE IN SOUTHERN TÜRKİYE REBUILT WITH HELP FROM AI

**T**he 2,000-year-old Roman lighthouse in Patara, Antalya, has been successfully restored using artificial intelligence. Originally built in 64 C.E. under Emperor Nero, the structure collapsed during a tsunami caused by the 1481 Rhodes earthquake. Excavations led by Havva İşkan Işık uncovered 2,500 original stones, which were analysed and matched to their original positions using AI and digital mapping.

The reconstruction, completed after nearly five years, used 80% of the original materials, bringing the lighthouse back to its original height of 26.5 metres. The project began in 2020 and was part of broader efforts that started decades earlier under archaeologist Fahri Işık. The lighthouse, seen as a symbol of Roman prestige, includes inscriptions praising the governor of



the time for fair governance and contributions to the city. A structural report was also prepared to ensure the restored monument's durability against future natural disasters.

# THE EU COMPETITIVENESS COMPASS: A STRATEGIC RESPONSE TO GLOBAL ECONOMIC CHALLENGES WITH NEW PROSPECTS FOR TÜRKİYE-EU COOPERATION

The EU Competitiveness Compass provides a strategic framework to strengthen Europe's innovation, resilience, and green transition, while opening new avenues for collaboration with Türkiye across critical sectors.

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As the EU Introduced in 2025, the EU Competitiveness Compass marks a fundamental shift in how the European Union approaches its economic future. Amidst a rapidly evolving global landscape, characterised by escalating geopolitical tensions, supply chain disruptions, and intensified competition from the United States and China, the Compass offers a comprehensive roadmap to address long-standing structural weaknesses in the European economy. Its policy direction aims to bridge Europe's innovation gap, decarbonise industries without sacrificing productivity, and enhance economic security through greater strategic autonomy.

This initiative is driven by a growing sense of urgency. Over the past decade, Europe has faced a steady decline in global competitiveness, particularly in areas such as disruptive technologies, scale-up funding, and industrial leadership. In response, the U.S. has accelerated its innovation ecosystem through aggressive state-led investment strategies, while China's expansive industrial planning has enabled it to dominate or rapidly close the gap with Europe in key strategic sectors. Europe's traditional economic model, once reliant on stable geopolitics, affordable energy, and liberalised global trade, has proven increasingly vulnerable in this new global reality.

Two critical reports laid the groundwork for the EU's current response. The Draghi Report, authored by former ECB President Mario Draghi, underscored that Europe can no longer depend on the foundations of its previous growth model. It called for massive investment in public goods, energy resilience, and technological innovation. The Letta Report, written by former Italian Prime Minister Enrico Letta, focused on revitalising the Single Market, especially in areas where integration has lagged, such as services and capital mobility. These insights directly influenced the design of the Competitiveness Compass, which was politically endorsed



through the Budapest Declaration and integrated into the European Commission's 2024–2029 strategic priorities.

## A New Strategic Framework for Growth and Resilience

The Competitiveness Compass outlines three central objectives. The first is to close Europe's innovation gap. This includes a set of policy tools, such as the European Innovation Act and a new "Start-up and Scale-up Strategy", aimed at facilitating cross-border business growth. By harmonising regulatory frameworks and supporting new legislation in emerging fields like quantum technologies, advanced materials, and biotech, the EU seeks to reduce dependence on foreign technologies while fostering local innovation ecosystems.

The second objective is to balance industrial competitiveness with climate goals, one of the EU's most challenging policy areas. The Compass introduces a Clean Industrial Deal, an Affordable Energy Action Plan, and sector-specific decarbonisation strategies that strive to balance environmental ambition with economic pragmatism. For sectors such as steel, automotive, and chemicals, the Compass outlines tailored pathways to address specific transition risks, including regulatory relief through the "Simplification Omnibus".

The third priority is economic security and the reduction of critical dependencies. The COVID-19

pandemic and the war in Ukraine highlighted Europe's vulnerability in sectors like pharmaceuticals, semiconductors, and rare earth materials. To increase resilience, the EU aims to diversify supply chains, stockpile essential resources, and adopt more assertive trade policies. This marks a shift from Europe's earlier liberal trade stance, introducing a strategic, and at times protectionist, approach with reforms in procurement and joint purchasing of critical inputs.

## Positioning the EU in a Fragmented Global Economy

The Competitiveness Compass not only addresses Europe's internal challenges but also positions the EU in a fragmented global economy. The U.S. has adopted an aggressive industrial strategy, marked by large-scale subsidies and reshoring policies, which threaten to undermine Europe's export-driven model. Meanwhile, China's overcapacity and state-driven support distort global competition. In response, the EU's effort to define its own industrial policy framework reflects the realisation that relying solely on market mechanisms is no longer sufficient.

The EU also aims to export European standards globally, particularly in areas such as artificial intelligence, quantum technologies, and digital markets. These efforts reflect a desire to shape, rather than simply follow, the future of global economic governance.

Measures such as EU preference in public procurement and state aid reforms signal a more assertive industrial policy to counteract unfair competition from external actors.

## Türkiye and the Compass: Exploring Shared Interests

In this evolving context, the Competitiveness Compass also creates opportunities for cooperation with neighbouring countries, including Türkiye. While Türkiye is not explicitly mentioned in the strategy, its geostrategic significance is clear. The Türkiye-EU Customs Union already facilitates one of Europe's most integrated external trade relationships, with trade volume exceeding 200 billion euros in 2023. Türkiye's industrial strengths, including advanced manufacturing in sectors like automotive, electronics, and defence, align with several of the Compass's strategic goals.

Türkiye's capacity to support Europe's supply chain resilience, through joint ventures in these sectors, could not only reinforce EU industrial ambitions but also provide Turkish firms access to stable regulatory and financing environments. In addition, Türkiye plays a pivotal role in energy connectivity. As a regional energy hub, Türkiye is key to diversifying Europe's energy routes. Investments in renewable energy infrastructure, grid interconnection, and clean energy technologies could benefit both the EU's decarbonisation goals and Türkiye's aspirations for energy sector modernisation. This cooperation could also help mitigate the energy cost asymmetries that have undermined European competitiveness relative to the U.S.

In the digital realm, Türkiye's expanding start-up ecosystem and skilled tech workforce offer potential for joint innovation initiatives. Aligning regulatory frameworks on data protection, digital markets, and artificial intelligence could foster deeper digital cooperation, bolstering both Europe's position in emerging technologies and Türkiye's role in global value chains.

However, the path to deeper integration is not without its challenges. Political tensions from the frozen EU accession negotiations, along with regulatory differences and

concerns around the rule of law, have contributed to a degree of mutual caution. While the Competitiveness Compass encourages the early integration of candidate countries into some aspects of the Single Market, significant regulatory and institutional alignment remains essential, particularly in complex sectors such as pharmaceuticals and agri-foods. Reaching this level of convergence will likely require sustained, long-term effort.

Nevertheless, there is room for functional cooperation. Turkish business organisations have expressed strong interest in aligning with the EU's green and digital transition strategies and have advocated for updating the Customs Union to reflect new economic realities. If approached pragmatically, cooperation under the Competitiveness Compass could serve as a catalyst for renewed dialogue and economic collaboration, without becoming mired in broader political disputes.

## Strategic Autonomy Through Strategic Partnership

Looking ahead, the Competitiveness Compass has the potential to act as a stabilising anchor for Europe's economy in an increasingly volatile global environment. It provides a framework for policy alignment across sectors and EU member states, while offering a narrative for Europe's external partnerships. The success of the Compass will depend on its effective operationalisation, through sufficient funding, institutional coordination, and the political will to prioritise long-term competitiveness over short-term constraints.

While Türkiye's involvement remains limited in scope, its engagement in targeted initiatives related to industrial policy, digital innovation, and energy infrastructure could strengthen both its economic ties with the EU and contribute to Europe's broader ability to navigate global economic pressures. For the EU, deeper collaboration with Türkiye is not merely about expanding trade; it is about building a more resilient economic bloc capable of withstanding external shocks and asserting Europe's role in a rapidly shifting global order.