

**“Future Of Trkiye - European Union Economic Relations”
Meeting**

30 April 2025, Ankara

Dear Ambassadors,

Dear Chairpersons,

I would like to thank Ambassador Ossowski for hosting us today in this timely roundtable.

Trkiye and the EU share a vital economic partnership, underpinned by significant trade and mutual investments volumes.

However, recent global challenges, including;

The war in Ukraine, Regime change in Syria, Disruptions in supply and value chains, Recent decisions by the New US administration and the resurgence of Trade wars have underscored the strategic importance of strengthening our relationship in many different fields.

Trkiye and the EU enjoyed a long-term relationship, for over 60 years. However, the relation has not been always joyful, unfortunately.

Despite these challenges, we believe in the strength and resilience of our partnership.

Over the last 5 years, our trade volume has increased by nearly 60 percent. The EU remains our main trade and economic partner, and

Türkiye has become the EU's 5th export market. While our trade ties continue to grow, their full potential remains untapped

As the Foreign Economic Relations Board of Türkiye, we hold clear expectations that will directly impact our people and business communities, and we prioritize several key areas for immediate action.

Having said that, now, I would like to continue with 5 concrete recommendations that will help foster deeper mutual integration between Türkiye and EU.

First and foremost, the modernization of the Türkiye-EU Customs Union, which will mark its 30th anniversary in the coming months.

As a response to Trump's trade war policy, the EU has accelerated its trade openness strategy to counter rising global protectionism, securing agreements with Mexico and Mercosur, launching negotiations with the UAE while resuming negotiations with Malaysia and India. We see no reason why Türkiye shouldn't be an integral part of this strategy and we therefore encourage the EU decisions-makers to finally take action on this important issue, which is paramount to unlocking the full potential of our trade and economic cooperation.

Secondly, visa liberalization and transport quotas are issues at the heart of business development, directly impacting our businesspeople and which require urgent resolution to facilitate smoother trade and investment flows.

I personally receive calls almost every day from our members on their visa application to Schengen area. As Ambassadors of the EU

countries in Ankara, your support in accelerating and facilitating visa requests from our members is extremely important.

Third, to achieve an inclusive, sustainable, and equitable growth for Türkiye and the EU, we must increase economic integration in our broader region. Amid rising protectionism and increasing risks to supply and value chains, EU decision-makers should encourage European companies scaling down their operations in certain geographies to look beyond the Balkans and North Africa and consider Türkiye as a competitive and stable nearshoring alternative between the EU, Middle East and Asia.

With regard to the Green Transition, where Türkiye possesses abundant renewable energy resources and critical minerals and has the potential to become a crucial green energy supplier for the EU, we strongly encourage increased support from European financial institutions (FIs) to Türkiye's 2035 renewable energy goal, which aims to double our country's green energy capacity. Turkish and European companies should deepen cooperation in green initiatives not only in Türkiye but also in third countries, particularly in Central Asia and Africa.

On the defense industry, the Commission's "Rearm Europe" program is a crucial step toward the defense and security of European continent. In the meantime, we welcome the EU recent openness to European non-EU countries such as Türkiye, UK and Norway to its recent defense industry initiatives, as collaboration in these sectors would not only foster innovation but also enhance mutual security. The recent strategic alliance between Baykar and Leonardo is a perfect illustration in this respect and we should encourage greater cooperation between our companies in that strategic sector where Turkish defence industry, over

its 3000 companies, could provide sustainable supply-chain and high skilled labor to the EU countries.

Last but not least, to reenergize our relations, we should find ways to deepen our cooperation in third regions and work more closely on key areas such as Digitalization, connectivity, the Global Gateway, the Middle Corridor initiative, Critical Raw Materials, R&D, space industry and Artificial intelligence.

The intensification of high-level contacts in recent months, resumption of European Investment Bank (EIB) operations in Türkiye, the upcoming High-Level Dialogue on Trade as well as the recent organization of the EU-Türkiye High-Level Economic Dialogue after 6 years are positive steps forward. We eagerly anticipate further progress in these areas.

The stalemate in Türkiye's accession process and internal political issues shouldn't prevent us from continuing to cooperate in areas (such as trade, energy, transport) that will benefit our countries and our citizens.

Türkiye and the EU need each other. In these times of global uncertainty, we believe that a deeper cooperation and sincere rapprochement will benefit both sides, enhancing European competitiveness and contributing to a more prosperous and secure future for all our citizens.

As always, DEİK stands ready to support all efforts in strengthening Türkiye-EU partnership with its 152 business councils.

Thank you for your kind attention.

Nail OLPAK

President of DEİK