

“Made in Europe” and Türkiye

**The European Union’s New Industrial Policy,
the Limits of the Customs Union and Policy
Options for Türkiye**

Çiğdem Gizem Okkaoğlu



Publication Rights ©

All rights of this publication belong to the Institute of Social Studies. This publication may not be published, broadcast, reproduced or distributed in any form or by any means without the permission of the Institute of Social Studies. It can be quoted provided that the source is cited.

Publication No: 30-2

Publication Date: 20 October 2026



INSTITUTE OF SOCIAL STUDIES

Address : Cevizlidere Mah. Mevlana Bulv. No:123/305 Çankaya/Ankara

Phone : 0312 939 93 00

E-mail : info@toplum.org.tr

Website : www.toplum.org.tr/en

ABOUT US

The Institute of Social Studies adopts as its main founding objective to direct Türkiye's qualified human resources to the chronic or current problem areas of our country and to provide sophisticated solution proposals to political decision-makers. The Institute's studies pursuant to its objective are based on the prioritization of the general interests of our society. This is the unwavering principle of the Institute of Social Studies, independent of time and ground. For breakthroughs in line with Türkiye's potential, our main source of motivation is to encourage new generations of minds to intellectual production and to present this production as meaningful contributions to our country's accumulated knowledge.

BOARD

Dr. Yavuz Selim Günay, Chairman of the Institute

Dr. Halim Alperen Çıtak, Director of Law and Justice Program

İmran Gürakan, Director of Digital Transformation and Entrepreneurship Program

Assoc. Prof. Dr. Asmin Kavas, Director of Urbanism Program

Yasemin Satır Çilingir, Director of Economics Program

Yağmur Uzunırmak, Director of Research and Data Analysis Program

Ercan Yüksel, Director of Political Programs

Berçin Yiğitaslan, Director of Foreign Policy Program

Çiğdem Gizem Okkaoğlu, Secretary General of the Institute

Aykutalp Arıcı, Board Member

Ahmet Oğuz Atalay, Board Member

Dr. Abdullah Çağıl, Board Member

Vasıf İnanç Duygulu, Board Member

Gökhan Güler, Board Member

Timuçin Koray Güzelderen, Board Member

Nihat Yıldırım, Board Member

Mustafa Gül, Board Member

“Made in Europe” and Türkiye

**The European Union’s New Industrial Policy,
the Limits of the Customs Union and Policy
Options for Türkiye**

Çiğdem Gizem Okkaoğlu

20 October 2026



CONTENTS

EXECUTIVE SUMMARY.....	7
1. Introduction: The Political Economy of an Origin Label	11
2. The Global and European Context.....	11
2.1. The new industrial policy and the EU’s diagnosis	11
2.2. The IMF’s October 2026 assessment: uneven growth.....	12
2.3. The services layer.....	13
3. The Industrial Accelerator Act and the “Made in Europe” Criterion	13
3.1. The structure of the proposal	13
3.2. From classification criterion to condition of participation.....	13
3.3. Türkiye’s position under the March proposal	14
4. The Franco-German Compromise of 15-16 October 2026.....	14
4.1. The meaning of the “1 January 2020” criterion.....	15
4.2. The legal nature of the compromise.....	16
5. The Factors Shaping the Positions of France and Germany	16
5.1. France’s experience of deindustrialisation	16
5.2. Germany’s employment crisis and order of priorities.....	16
5.3. Concern over Chinese capital reaching the EU through the Customs Union	16
5.4. A partner outside the reach of EU rules and judicial oversight.....	17
5.5. The political climate and institutional deadlocks	17
5.6. Foreign policy alignment and political conditionality.....	17
5.7. Predictability from the investor’s perspective.....	18
6. Asymmetric Interdependence	18
7. The Automotive Sector: Current Balances, Actors and the Legislative Calendar	20
7.1. The positions of the actors	21
7.2. The legislative calendar.....	22
8. Sectoral Impact Map	22
9. Channels of Impact on Exports and Costs for Türkiye	23
9.1. Six channels of impact.....	24
9.2. Parallel trade defence: quotas on hybrid vehicles from China	24
9.3. The magnitude of the cost.....	25
9.4. The cost of a narrow definition for the EU	25
10. The Balance of Benefits and Costs.....	26
10.1. The contradiction inherent in exclusion	26
11. Historical Background and Structural Weaknesses	27
11.1. An old asymmetry in a new guise	27
11.2. The relationship between Customs Union modernisation and the IAA text	27
11.3. The DS629 dispute at the WTO.....	28
11.4. An assessment under WTO law.....	28
12. Policy Options for Türkiye	28
12.1. Options concerning the legal framework	28
12.2. Options concerning advocacy and diplomacy	29
12.3. Core messages for EU institutions.....	30
13. Scenarios and Monitoring Calendar.....	30
14. Conclusion	31
Notes	33
References.....	42

Abbreviations

ACEA	European Automobile Manufacturers’ Association
AI	Artificial intelligence
CFSP	Common Foreign and Security Policy
CO₂	Carbon dioxide
DEİK	Foreign Economic Relations Board
EEA	European Economic Area
EP	European Parliament
EU	European Union
FTA	Free trade agreement
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
GPA	Agreement on Government Procurement
IAA	Industrial Accelerator Act
IMF	International Monetary Fund
IRA	Inflation Reduction Act
İKV	Economic Development Foundation
MİB	Machinery Manufacturers’ Association
OECD	Organisation for Economic Co-operation and Development
OİB	Uludağ Automotive Industry Exporters’ Association
OSD	Automotive Manufacturers Association
PFA	French automotive industry platform (Plateforme automobile)
SAFE	Security Action for Europe
SCM Agreement	Agreement on Subsidies and Countervailing Measures
T&E	Transport & Environment
TAYSAD	Association of Automotive Parts and Components Manufacturers
TÇE	Toplum Çalışmaları Enstitüsü
TÜRKBESD	White Goods Manufacturers’ Association of Türkiye
TurkStat	Turkish Statistical Institute
US	United States
WTO	World Trade Organization

EXECUTIVE SUMMARY

The Industrial Accelerator Act (IAA), proposed by the European Commission (the Commission) in March 2026, introduces a “Made in Europe” criterion that steers public procurement and public support in the European Union (EU) towards products manufactured in Europe. The Commission’s proposal treats content originating in countries that have a customs union with the EU as equivalent to Union origin, subject to certain conditions. The automotive compromise reached by France and Germany on 15-16 October 2026, by contrast, confines the scope to the EU member states and to those European partners that formed part of the EU internal market on 1 January 2020. Under this definition, the United Kingdom and Norway fall within the scope on a conditional basis, whereas Türkiye falls outside it.

This report examines the development on three levels: the EU’s new approach to industrial policy, the asymmetric interdependence between Türkiye and the EU, and the architecture of the Customs Union, which leaves public procurement and services outside its scope. Its central argument is that the principal driver of Türkiye’s exclusion is the migration of EU industrial policy instruments from the customs tariff to public procurement and public support. This migration has turned a gap in coverage that the Customs Union has carried for thirty years into a strategic vulnerability.

The Franco-German compromise is an intergovernmental position that does not yet carry legal force. The final text will be shaped in negotiations between the European Parliament (EP) and the Council of the EU (the Council). The report recommends that Türkiye assemble an equivalence package demonstrating its readiness to meet the conditions envisaged for the United Kingdom, and that it advocate a condition-based “trusted partner” category in place of the date-based criterion.

Key findings

The findings below set out the report’s argument in sequence.

What has happened?

1. In its IAA proposal of 4 March 2026, the Commission treated content from customs union partners as equivalent to Union origin and thereby brought Türkiye within the scope [1].
2. In their automotive compromise of 15-16 October 2026, France and Germany confined the scope to the EU-27 and to the partners that formed part of the EU internal market on 1 January 2020. The United Kingdom and Norway are included on a conditional basis; Türkiye is excluded [2].
3. The criterion does not name Türkiye. By its very construction, however, it excludes the only major partner that has been in a customs union with the EU since 1996 without belonging to the internal market: Türkiye.
4. The compromise is still a political position without legal force. The final text will be written by the EP and the Council. The EP committee vote is scheduled for 30 November and the plenary vote for mid-December [3].

Why does it matter?

5. The EU is Türkiye’s largest market. Bilateral trade in goods reached a record €217.6 billion in 2025, and 42.7% of Türkiye’s goods exports go to the EU [4].

“Made in Europe” and Türkiye

6. The dependence is asymmetric. The EU absorbs 42.7% of Türkiye’s goods exports, whereas Türkiye accounts for only 4.2% of the EU’s goods trade with the world [5]. The relative cost of exclusion is therefore heavier for Türkiye, and the language of negotiation must take this into account.
7. The automotive sector is the centre of gravity of the relationship. Some €55 billion, or roughly 27%, of annual bilateral trade consists of automotive products [6]. Türkiye exported \$41.5 billion worth of automotive products in 2025, \$30.1 billion of which went to the EU [7].
8. In the automotive sector, however, the dependence runs both ways. Around 75% of automotive production in Türkiye is owned by European companies, and their Türkiye-linked operations sustain some 250,000 jobs in Europe [8]. The first bill for exclusion would therefore land on European companies producing in Türkiye.
9. The EU ran a goods trade surplus of about €11 billion with Türkiye in 2025 [9]. Türkiye is also a large market for European exporters.

How will the impact materialise?

10. No customs duty will be imposed, and vehicles produced in Türkiye will continue to enter the EU duty-free. The impact will materialise through public procurement, consumer and corporate fleet incentives, and CO₂ super-credits [10].
11. For electric vehicles, the rule is explicit: to benefit from public support, a vehicle must be assembled in the EU and at least 70% of its value, excluding the battery, must be of Union origin [11].
12. The largest cost will arise in investment decisions. New electric vehicle platforms and battery assembly will be allocated across countries over the next two to three years. BYD’s suspension of its one-billion-dollar project in Manisa is the first visible example of this risk [12].
13. The risk extends beyond the automotive sector. France is reported to seek to extend the same narrow approach to steel, cement and green technologies [13]. A criterion accepted in the automotive sector would set a precedent for other sectors.
14. The SAFE precedent illustrates this risk. Under Security Action for Europe (SAFE), the EU’s financing instrument for the defence industry, Canada may account for up to 80% of a contract’s value under its participation agreement, whereas Türkiye may act as a supplier only within the 35% share open to third countries [14]. “Made in Europe” extends the same pattern to industrial policy.
15. Türkiye’s new sources of growth are also at stake. In October 2026 the International Monetary Fund (IMF) raised its global growth forecast to 3.1% while cutting Türkiye’s 2026 forecast from 2.9% to 2.7% [15]. Growth is concentrated in economies that supply hardware for artificial intelligence (AI) infrastructure [16]. The EU is the largest market in which Türkiye’s electrical equipment, cable and transformer industries could capture a share of this demand.

The EU’s own cost

16. A narrow definition will prove costly for European consumers. According to Bruegel, a requirement of Union origin for battery cells alone would raise the cost of a typical elec-

tric car by approximately €2,100 [17]. This cost will be borne by consumers and taxpayers [18].

17. European industry is divided on the issue. Toyota and Ford support keeping Türkiye within the scope [19]; the European Automobile Manufacturers’ Association (ACEA) calls for the protection of manufacturers’ operations in Türkiye [20]. According to Toyota, the automotive market accessible to Europe together with trusted partners amounts to some 31 million vehicles [21].

Why have France and Germany adopted this position?

18. France’s rationale is the loss of production. France’s share of the production of Renault and Stellantis in Europe and its neighbourhood fell from 64% in 2003 to 25% in 2020, and France lost around half of its automotive manufacturing employment between 2008 and 2024 [22]. France does not want public support to flow to plants in Türkiye and Morocco.
19. Germany’s priority is different. In the negotiations Germany placed emissions flexibility first and secured the inclusion of the United Kingdom, but did not insist on the same treatment for Türkiye [23]. The difficulty with Germany is one of ranking among priorities, and it can be addressed through diplomacy.
20. The common concern of both countries is China. BYD’s investment in Manisa was presented in the international press as a route into the EU market through the Customs Union [24]. The conditions attached to the United Kingdom, namely alignment with the EU’s trade defence measures against China and anti-circumvention guarantees, respond to this concern [25].
21. Exclusion also has a political dimension. The EU increasingly ties economic access to foreign policy alignment. Türkiye’s rate of alignment with the EU’s Common Foreign and Security Policy (CFSP), which stood at around 80% in the 2000s, has fallen below 5% [26].
22. The EU holds a further argument against Türkiye: the Customs Union does not cover public procurement [27], and Turkish public procurement law grants a price advantage to domestic goods [28].

Türkiye’s case and its foundations

23. Türkiye is aligned with the EU on China and applies an additional customs duty of 40% on electric vehicles originating in China [29].
24. Türkiye is not alone. The Franco-German draft also excludes Japan and South Korea [30]. These two countries, home to Toyota and Hyundai, both of which produce in Türkiye, share common ground with Türkiye for advocacy.
25. Türkiye’s request can be framed as follows: the conditions applied to the United Kingdom should also be applied to Türkiye, and a condition-based “trusted partner” category should replace the date-based criterion in the text.
26. Türkiye can demonstrate its readiness to meet these conditions through five steps: coordination with the EU on trade defence; origin verification and investment screening in the IAA sectors; reciprocity in public procurement; making origin-neutral those measures found discriminatory in the DS629 dispute at the World Trade Organization (WTO);

and a roadmap for accession to the WTO Government Procurement Agreement (GPA). Since the IAA’s equivalence provision also covers GPA parties, accession could provide a legal foundation in addition to the Customs Union [31].

27. WTO law also offers Türkiye an argument. Tying electric vehicle incentives to Union-origin content may sit uneasily with Article 3.1(b) of the WTO Agreement on Subsidies and Countervailing Measures (SCM Agreement), which prohibits subsidies contingent on the use of domestic over imported goods [32]. In 2022 the EU itself objected to the local content requirements of the US Inflation Reduction Act (IRA) as discriminatory and demanded changes [33].
28. The solution lies in the text of the IAA and of the automotive legislation. Modernisation of the Customs Union could provide a lasting solution; however, the Council has not yet granted a negotiating mandate for the Commission’s 2016 proposal [34].
29. Exclusion would magnify the very risk the EU seeks to avert. For a production base shut out of the European value chain, Chinese investment becomes more attractive and compliance with European standards less compelling. Keeping Türkiye inside serves the EU’s own security objectives.

1. Introduction: The Political Economy of an Origin Label

One of the earliest known instances of an origin label being used as an instrument of industrial rivalry is the United Kingdom’s Merchandise Marks Act of 1887. The Act prohibited the sale of foreign goods in a manner suggesting British manufacture and required the place of production to be clearly indicated. In practice, its principal target was German goods [35]. The aim was to steer British consumers away from German products, which were then regarded as inferior.

The outcome proved the opposite of what was intended. The journalist Ernest Edwin Williams’s study *Made in Germany*, published in 1896 and reprinted six times in the same year, brought the rise of German industry to the attention of the British public [36]. According to an assessment reported by an Austrian patent journal in 1902, the label had over time become a mark of quality for German products [37].

This historical episode offers two lessons for the present debate. First, an origin label does not in itself create competitiveness; the value of a label is determined by the productive capacity behind it. Second, whoever writes the rules of origin also draws the boundaries of competition. The “Made in Europe” criterion now under discussion in the EU opens a field in which both lessons are being tested anew. While the criterion seeks to build manufacturing capacity in Europe, it also determines which countries will count as part of that capacity.

The EU’s turn in this direction forms part of the revival of industrial policy observed across advanced economies over the past decade. A study by IMF researchers based on a global dataset identifies a marked increase in industrial policy interventions from 2023 onwards and shows that most of these interventions originate in advanced economies [38]. Juhász, Lane and Rodrik likewise emphasise that industrial policy, long viewed with suspicion in the economics literature, has returned to the centre of the research agenda through new empirical methods [39]. The competitiveness report that Mario Draghi presented to the Commission in September 2024 translated this general trend into a diagnosis specific to the EU and called for a more assertive industrial policy so that Europe could close its innovation and production gap with the United States (US) and China [40].

This report addresses the following question: how does the “Made in Europe” criterion, now central to the EU’s new industrial policy, affect Türkiye’s economic integration with the EU, and what policy options are available to Türkiye? The study draws on official EU documents, publications by EU institutions and research centres, statements by Turkish and European industry associations, and the international press. Data were compiled as of 19 October 2026. Since the information on the Franco-German compromise is based on draft documents as reported in the press, it should be reassessed once the final text is made public.

2. The Global and European Context

2.1. The new industrial policy and the EU’s diagnosis

The picture painted by the Draghi Report points to a period in which the former pillars of European growth, namely cheap energy, an external security umbrella and unbounded globalisation, have weakened [41]. The report recommended that, in order to preserve its competitiveness under these conditions, the EU move beyond horizontal and origin-neutral

policies and develop instruments that explicitly support European production in strategic sectors. According to the Economic Development Foundation (İKV), the IAA is the text that most directly transposes these recommendations into legislation [42].

This orientation represents a deliberate departure from the conception of the internal market that the EU has defended for thirty years. The Single Market was built on the principle of equal treatment of goods irrespective of their origin. Under the new approach, public money is tied to an origin criterion and thereby turned into an instrument of industrial policy. This transformation also entails a reclassification of the forms of integration the EU maintains with third countries. Partners that belong to the internal market, customs union partners and partners to free trade agreements (FTAs) may no longer receive the same treatment.

2.2. The IMF’s October 2026 assessment: uneven growth

The IMF’s World Economic Outlook, published on 13 October 2026, raised the global growth forecast for 2026 from 3.0% in July to 3.1% and kept the 2027 forecast at 3.4% [43]. According to the Fund, the main source of the improvement is investment in AI infrastructure, and the largest upward revisions were made for economies that supply AI hardware, such as South Korea, Malaysia, Mexico and Thailand [44]. The report notes that 62% of net trade in AI computing hardware originates in Taiwan and South Korea [45]. Silvana Tenreiro, Director of the IMF’s Research Department, stressed that the outlook is highly uneven; according to the report, 95% of global growth is concentrated in 32 countries [46].

The report also examines downside risks in detail. The Fund assumes an average oil price of \$96 per barrel for 2026 [47]. In its market correction scenario, an unwinding of AI-related investment could directly reduce global output by up to 0.4% by 2028 [48].

Table 1. IMF growth forecasts for 2026 (%)

Economy	July 2026 forecast	October 2026 forecast
World	3.0	3.1
Euro area	0.9	1.1
France	0.6	0.4
Türkiye	2.9	2.7

Source: IMF, World Economic Outlook, October 2026; figures as reported in the press [49].

The IMF’s growth forecast for Türkiye, announced at 4.2% in January 2026, has been revised downwards three times during the year [50]. The Organisation for Economic Co-operation and Development (OECD) likewise lowered its 2026 growth forecast for Türkiye from 3.1% to 2.7% in September 2026 [51]. The IMF expects average consumer price inflation in Türkiye to reach 31.2% in 2026 and the current account deficit to stand at 2.9% of gross domestic product (GDP) [52]. The upgrade for the euro area, by contrast, was driven by AI investment, participation in AI value chains such as chemical production in Germany, and higher defence spending [53]. At country level, growth of 1.3% is projected for Germany and 0.8% for Italy [54].

Two conclusions follow for Türkiye. First, demand for hardware and energy equipment linked to AI infrastructure ranks foremost among the external sources of demand that could

revive growth. Although Türkiye is unlikely to become competitive in semiconductor manufacturing in the short term, it has a strong industrial base in electrical equipment, cables, transformers, cooling systems and energy equipment. The nearest and largest buyer of these products is the EU. The “Made in Europe” debate therefore extends well beyond the automotive sector and bears directly on Türkiye’s new sources of growth.

Second, although the EU’s growth outlook is weak, it is on an improving trajectory. Even with growth subdued in France and Italy, the IMF revised its euro area forecast upwards [55]. A negotiating stance premised on the EU’s economic weakness is therefore not supported by the data. Türkiye’s case in its engagement with the EU should rest on the manufacturing capacity the EU needs in order to reach its own industrial objectives.

2.3. The services layer

The software and cloud services layer of the AI economy falls outside the scope of the IAA. The Customs Union likewise does not cover services or public procurement [56]. Türkiye’s access to the EU market in this layer is therefore governed essentially by the general rules on trade in services and on cross-border transfers of personal data. Although EU-Türkiye trade in services reached €42.1 billion in 2024, this amount corresponds to only 1.4% of the EU’s trade in services with the world [57]. The depth of integration achieved in goods has not been matched in services. Türkiye’s position within the EU’s new industrial policy will therefore be determined, in the short and medium term, largely by physical goods and hardware.

3. The Industrial Accelerator Act and the “Made in Europe” Criterion

3.1. The structure of the proposal

The Commission’s proposal of 4 March 2026 (COM(2026) 100) rests on three pillars: creating lead markets for European-made and low-carbon products through public procurement and public support; attaching conditions to foreign investment in strategic sectors; and accelerating permitting procedures to facilitate industrial clustering [58]. The overarching objective of the Act is to raise the share of manufacturing in EU GDP from 14.3% to 20% by 2035 [59]. Its scope is limited to steel, cement, aluminium, clean technologies, electric vehicles and plug-in hybrid vehicles. Areas included in earlier drafts, such as semiconductors, sensors, autonomous driving and cloud services, were removed from the final text [60].

3.2. From classification criterion to condition of participation

The legal innovation of the IAA lies in changing the function of the concept of “Union origin”. Until now, the concept has served mainly as a classification criterion for customs and trade policy purposes. Under the IAA, the same criterion becomes a minimum condition for participating in certain public tenders, accessing public funds and obtaining approval for certain investments. The main provisions on public procurement are expected to apply from 1 January 2029 [61].

Annex III of the proposal establishes a separate and stricter regime for the automotive sector. Battery electric, plug-in hybrid and fuel cell vehicles acquired through public procurement, or benefiting from public support schemes and corporate vehicle incentives, must meet three conditions: final assembly in the EU, Union origin for at least 70% of the

ex-works value of their components excluding the battery, and separate origin requirements for the battery [62]. A requirement of assembly in the EU also applies to the CO₂ super-credits granted for small zero-emission vehicles [63]. Bruegel’s legal reading of the proposal indicates that, for electric vehicles, the text covers only vehicles assembled in the EU and leaves FTA partners outside this special regime. The same study draws attention to a disproportionate-cost clause that may be invoked where the origin requirement raises costs above a threshold of 20-30% [64].

3.3. Türkiye’s position under the March proposal

The proposal treats content from countries with which the EU has an FTA or a customs union as equivalent to Union origin, subject to certain conditions [65]. This equivalence covers some 40 partners, including the United Kingdom, Japan, South Korea and Türkiye [66]. The initial optimism in Türkiye rested on this provision. Three features of the proposal, however, have posed risks for Türkiye from the outset:

- The distinction between components and vehicles: a component produced in Türkiye may count as equivalent to Union origin, whereas an electric vehicle assembled in Türkiye falls foul of the requirement of assembly in the EU under Annex III [67]. EY Türkiye has also pointed out that the proposal does not treat vehicles produced in Türkiye as being of Union origin [68].
- The power of exclusion: the Commission will be empowered to remove from the scope of equivalence any country that fails to grant national treatment to EU products or that facilitates circumvention of the rules [69].
- The level of implementation: even if Türkiye is not excluded in the basic act, it may subsequently be pushed out of scope through an annex or an implementing decision [70].

The proposal has also drawn criticism within the EU. The European Parliamentary Research Service has noted criticism that granting access to a large number of third countries would weaken the criterion in practice. The European Trade Union Confederation has proposed that partner status be granted on application, conditional on reciprocity, genuine value creation in Europe and compliance with the EU’s social and environmental standards [71]. According to a leaked draft, the impact assessment accompanying the proposal received a negative opinion from the Commission’s Regulatory Scrutiny Board [72]. Both points indicate that the narrowing seen in October is the concrete expression, in the automotive sector, of a tendency already present within the EU.

4. The Franco-German Compromise of 15-16 October 2026

The Franco-German draft markedly narrows the scope of “Made in Europe” in the automotive sector compared with the Commission’s proposal, while relaxing the 2035 emissions target even beyond what the Commission proposed. The process began at the joint ministerial meeting of 17 July 2026, when French President Emmanuel Macron and German Chancellor Friedrich Merz tasked their ministers with preparing a comprehensive automotive agreement [73]. At its core, the negotiation has been a trade-off from the start: Germany sought flexibility in emissions rules, while France sought to strengthen the European preference in public support [74]. On 9 October, the French Presidency stated that the European preference should be limited to the 27 member states and should cover batteries and components as well as vehicles [75].

Table 2. The Commission proposal compared with the Franco-German draft

Issue	Commission proposal (4 March 2026)	Franco-German draft (15-16 October 2026)
Automotive scope	Content from FTA and customs union partners equivalent, subject to conditions [76]	EU-27 plus European partners that formed part of the internal market on 1 January 2020 [77]
Türkiye	Within the scope of equivalence as a Customs Union partner [78]	Excluded [79]
United Kingdom	Within the scope of equivalence as an FTA partner [80]	Included, subject to full reciprocity and alignment with EU trade defence measures [81]
Other European partners	FTA and European Economic Area (EEA) partners included	Norway included on a conditional basis; some reports also list Iceland and Switzerland [82]
2035 CO ₂ target	90% reduction, with the remaining 10% offset through credits	90% reduction; offsetting requirement removed and super-credits extended to all vehicles [83]
Legal framework	Within the IAA	Automotive provisions to be moved from the IAA to the Automotive Package [84]

4.1. The meaning of the “1 January 2020” criterion

Although this date-based criterion appears technical, it has been chosen with political care. On 1 January 2020 the United Kingdom was still a member of the EU; it left the Union on 31 January 2020 and remained in the internal market during the transition period that lasted until the end of 2020. Norway and Iceland belong to the internal market as members of the EEA. Türkiye, by contrast, has been in a customs union with the EU since 1996 but has never been part of the internal market. The internal market encompasses not only the free movement of goods but also the free movement of services and capital and the common supervision of competition and state aid rules. The criterion thus excludes Türkiye without naming it. It also leaves Japan and South Korea outside the scope [85].

Reports diverge as to whether Switzerland falls within the scope. Since Switzerland is not a member of the EEA, the definition as reported and the list of countries cited in some reports do not fully coincide [86]. This detail should not be treated as settled until the final text is available.

The conditions envisaged for the United Kingdom are particularly instructive for Türkiye. According to the Financial Times, the United Kingdom’s inclusion is conditional on its adoption of the EU’s trade defence measures, including the duties on electric vehicles originating in China [87]. Partners brought within the scope will also be required to prevent third countries from using them as a transit route to circumvent EU rules [88]. Each of these conditions provides a direct template for the policy options discussed in Section 12.

4.2. The legal nature of the compromise

The compromise produces no legal effects of its own; it is a political step intended to guide negotiations at EU level [89]. According to a Bloomberg report of 16 October, Germany withheld final approval owing to a debate within its governing coalition over obtaining binding investment and employment commitments from carmakers [90]. On the same day the two governments announced their joint position, and German Finance Minister Lars Klingbeil stressed that manufacturers bear responsibility for investing in German sites and safeguarding jobs [91]. The proposal to move the automotive provisions from the IAA to the Automotive Package also matters procedurally. Türkiye must henceforth monitor two separate legislative processes in parallel [92].

5. The Factors Shaping the Positions of France and Germany

It would be misleading to look for a single political decision directed against Türkiye behind its exclusion. Seven mutually reinforcing factors are at work, and Türkiye’s strategy needs to address each of them separately.

5.1. France’s experience of deindustrialisation

For France, “Made in Europe” is an instrument for reversing two decades of lost production. According to an analysis by the Jacques Delors Centre, Renault and Stellantis (formerly PSA), under pressure on profitability, relocated production, particularly of small and compact cars, to lower-cost plants in Central and Eastern Europe, Türkiye and North Africa. France’s share of the two groups’ production in the EU and neighbouring countries fell from 64% in 2003 to 25% in 2020, and France lost around half of its automotive manufacturing employment between 2008 and 2024 [93]. Türkiye and Morocco are among the main destinations of this relocated French production. From France’s perspective, allowing plants in these countries to benefit from public support would amount to subsidising the very shift in production it seeks to correct. The advocacy by the French automotive industry platform (Plateforme automobile, PFA) of a scope limited to the EU-27 is consistent with this reading [94].

5.2. Germany’s employment crisis and order of priorities

Germany’s problem is of a different nature. Volkswagen is reported to be considering up to 100,000 job cuts worldwide [95]. Germany’s priority is to relax the 2035 emissions rule and to secure investment and employment commitments for its domestic plants [96]. Throughout the negotiations Germany advocated the inclusion of the United Kingdom and other trusted partners [97]; in the compromise it secured the conditional inclusion of the United Kingdom but did not insist on the same treatment for Türkiye. This suggests that Türkiye’s real problem with Germany is one of ranking low among its priorities, a problem that can be addressed through diplomatic means.

5.3. Concern over Chinese capital reaching the EU through the Customs Union

This concern has a concrete history. BYD’s one-billion-dollar investment in Manisa, signed in July 2024, was presented in the international press as a means of circumventing, through the Customs Union, the duties the EU imposes on electric vehicles originating in China. Reports at the time indicated that Chery was exploring a similar route [98]. The plant was expected to provide 5,000 direct jobs and to export around 75,000 vehicles a year to the

EU [99]. Türkiye’s simultaneous imposition of an additional 40% customs duty on electric vehicles from China, combined with exemptions from that duty tied to investment incentive certificates, was interpreted in European debate as an instrument for attracting Chinese investment [100].

In June 2026 BYD suspended the Manisa project and turned to concentrating production within the EU [101]. Industry media reported that the “Made in EU” rules were decisive in this decision [102]. Although part of the concern is retrospective, the trade defence and anti-circumvention conditions envisaged for the United Kingdom show that it remains very much alive [103].

5.4. A partner outside the reach of EU rules and judicial oversight

The legal logic of the 1 January 2020 criterion is to distinguish between partners that are subject to EU rules and their enforcement mechanisms and those that are not. Internal market partners are bound by the EU’s competition and state aid disciplines, its product legislation and, to a certain extent, its judicial oversight. Although Türkiye has obligations relating to the supervision of state aid under the Customs Union framework, the EU is not persuaded that this supervision operates effectively in practice. Public procurement, moreover, is an area entirely outside the Customs Union [104]. Turkish public procurement legislation grants a price advantage to domestic tenderers and domestic goods [105]. According to Barçın Yinanç, the Public Procurement Law has been amended more than 200 times since 2002, and the EU expects Türkiye not only to offer reciprocity in public procurement but also to accede to the GPA [106]. Yinanç also reports that an agreement on public procurement is being negotiated between the two sides; this has not yet been confirmed by official sources. This hands the EU a ready argument: a partner seeking to benefit from the European preference in public procurement does not reciprocally open its own public procurement.

5.5. The political climate and institutional deadlocks

The modernisation of the Customs Union has been stalled by political obstacles for years. In July 2026 Foreign Minister Hakan Fidan stated that a large majority of EU member states favour modernisation but that progress has been slower than desired owing to the position of the Greek Cypriot administration [107]. The joint committee in the EP also advocates keeping the scope of “Made in Europe” as narrow as possible [108]. In this climate, an arrangement in Türkiye’s favour is not seen by any member state as a step that would yield political gains at home. The question of which actor will bear the political cost of including Türkiye should therefore lie at the heart of the strategy.

5.6. Foreign policy alignment and political conditionality

Explaining the exclusion through industrial policy alone would be incomplete. The EU has recently been developing an approach that ties economic access to foreign policy alignment. According to Barçın Yinanç, drawing on Politico, a draft prepared by an adviser to Commission President Ursula von der Leyen would make gradual access to the Single Market for candidate and neighbouring countries conditional on their aligning their foreign policies with the EU. The draft also envisages tying access to the condition that critical technologies are not shared with Russia or China, and it lists Türkiye among the countries that could benefit [109].

On this criterion, Türkiye’s position is weak. The CFSP alignment of candidate countries is measured by their rate of participation in statements by the EU High Representative and in Council sanctions decisions. Türkiye’s alignment rate, which stood at around 80% in the 2000s, has fallen below 5% [110]. Yinanç argues that this metric fails to capture Türkiye’s actual contribution to European security in areas such as Ukraine, Libya and migration, and reports that work on a more comprehensive methodology is under way at the initiative of the EP’s rapporteur on Türkiye, Nacho Sánchez Amor [111].

The same pattern has emerged in defence. Under SAFE, at least 65% of the cost of a supported product must come from the EU, from the other EEA countries or from Ukraine. Türkiye may act as a supplier only within the 35% share open to third countries and cannot serve as prime contractor. Canada, by contrast, may account for up to 80% of a contract’s value under a participation agreement concluded in June 2026 [112]. The “Made in Europe” debate carries into industrial policy the distinction between partners that the EU has already drawn in the field of security.

5.7. Predictability from the investor’s perspective

Production lines rest on long-term decisions and do not tolerate uncertainty of direction. Yinanç stresses that Türkiye’s pursuit of production partnerships with China, while maintaining its economic integration with the EU, creates a tension in this respect [113]. The fact that two major Chinese electric vehicle investments in Türkiye are on hold shows that the model in which China invests, Türkiye produces and Europe buys no longer works [114].

Two conclusions follow. First, relations with Russia and China do not provide strong leverage vis-à-vis the EU. Second, the credibility of Türkiye’s case towards the EU depends on its pursuing, in a predictable manner, a trade and investment course consistent with the EU.

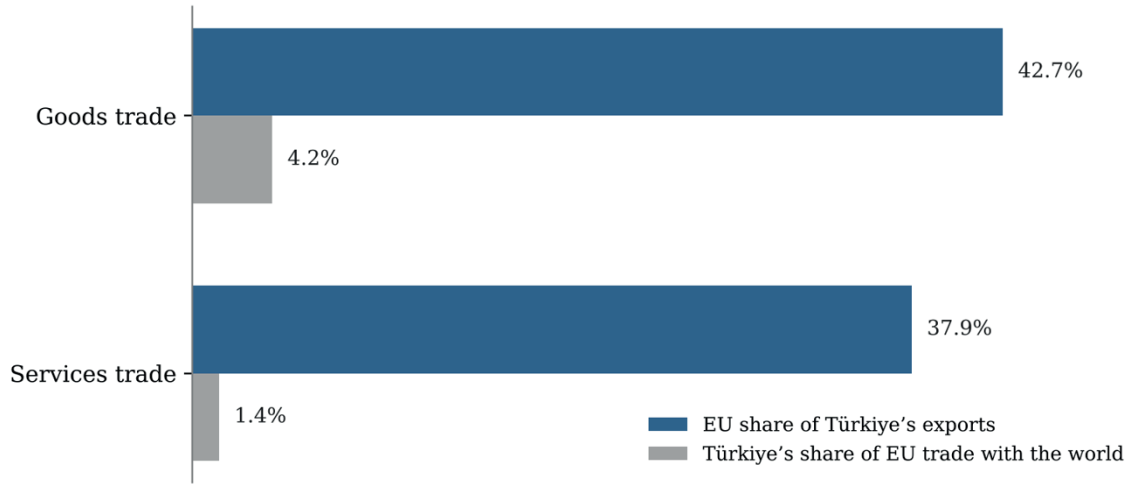
The common implication of these seven factors is that a reference to Customs Union partnership alone does not suffice to secure Türkiye’s inclusion. What is required is a package that responds to each of the EU’s concerns and contains verifiable guarantees.

6. Asymmetric Interdependence

In the literature on international relations and international economics, asymmetric interdependence is treated as a source of power. In his 1945 study, Albert O. Hirschman showed that in relationships where trade matters far more to one country than to the other, the prospect of disruption becomes an instrument of influence [115]. Robert Keohane and Joseph Nye distinguished between the sensitivity and vulnerability dimensions of interdependence, arguing that the higher the cost to one party of adjusting to a disruption in the relationship, the greater its vulnerability [116].

Within this framework, EU-Türkiye trade displays a clear asymmetry. According to Commission data, bilateral trade in goods reached a record €217.6 billion in 2025. The EU exported €114.3 billion worth of goods to Türkiye and imported €103.3 billion from it. Motor vehicles, machinery and electrical equipment lead in both directions. The EU accounts for 42.7% of Türkiye’s goods exports and 35.3% of its goods imports. Türkiye, by contrast, although the EU’s fifth-largest trading partner, accounts for 4.2% of the EU’s trade in goods with the world [117]. The asymmetry is even more pronounced in services. The EU absorbs 37.9% of Türkiye’s services exports excluding travel [118], while Türkiye accounts for 1.4% of the EU’s trade in services with the world [119].

Figure 1. The asymmetry of interdependence in EU-Türkiye trade



Source: Goods trade data refer to 2025; services trade data refer to 2024 for the EU and to 2025 (excluding travel) for Türkiye [120].

Table 3. Indicators of interdependence

Indicator	From Türkiye's perspective	From the EU's perspective
Weight of the partner in goods trade	The EU takes 42.7% of Türkiye's goods exports	Türkiye accounts for 4.2% of the EU's goods trade
Weight of the partner in services trade	The EU takes 37.9% of Türkiye's services exports excluding travel	Türkiye accounts for 1.4% of the EU's services trade
Bilateral goods trade balance (2025)	Deficit of €11.0 billion	Surplus of €11.0 billion
Dependence in the automotive sector	72.5% of automotive exports go to the EU (2025)	Around 75% of automotive production in Türkiye is owned by European companies

Source: [121]. The trade balance is calculated from the Commission's export and import data.

Two conclusions follow from these data. First, the relative cost of exclusion from the scope of “Made in Europe” is markedly higher for Türkiye than for the EU. The claim, occasionally voiced in public debate, that exclusion would harm the EU more than Türkiye is not supported by these data and undermines credibility in negotiations. The defensible proposition is that exclusion would impose costs on both sides. Trade Minister Ömer Bolat's statements addressed to EU institutions follow the same line [122].

Second, the asymmetry visible in aggregate trade data is partly offset in the automotive sector. The fact that roughly three quarters of automotive production in Türkiye is owned by European companies shows that interdependence in this sector operates through capital ownership [123]. In Keohane and Nye's terms, Türkiye's vulnerability is concentrated in trade flows, whereas the EU's is concentrated in the production assets of European companies in Türkiye and in the intra-European employment linked to those assets. The EU's goods trade surplus of €11 billion with Türkiye further underlines the importance of the

Turkish market for European exporters. Türkiye’s bargaining power will grow to the extent that it can make this second form of dependence visible.

The asymmetry is also embedded in the institutional design of the Customs Union. Türkiye is obliged to apply the EU’s Common Customs Tariff and its commercial policy [124]. Yet it is not a party to the FTAs that the EU concludes with third countries, and it has no vote in the preparation of the EU legislation with which it must align [125]. The 2014 evaluation prepared by the World Bank at the Commission’s request concluded that the Customs Union has been more beneficial to both parties than a simple FTA would have been. According to the study, under an FTA Türkiye’s exports to the EU would have been up to 7.2% lower and the EU’s exports to Türkiye up to 4.2% lower [126]. The same study also stressed the need to modernise the Customs Union in order to remedy the asymmetries in decision-making and in FTAs [127].

7. The Automotive Sector: Current Balances, Actors and the Legislative Calendar

The automotive sector is the centre of gravity of EU-Türkiye economic relations, which explains why the exclusion debate has started there. According to the Ministry of Trade, €55 billion of annual bilateral trade in goods of €205 billion consists of automotive products, corresponding to about 27% of the total [128]. In 2025 the automotive industry was once again Türkiye’s leading export sector, a position it has held in nineteen of the past twenty years [129].

Table 4. Key indicators of the integration of Türkiye’s automotive sector with the EU

Indicator	Value	Source
Automotive exports (2025)	\$41.5 billion	[130]
Share in total exports (2025)	15.2%	[131]
Automotive exports to the EU (2025)	\$30.1 billion	[132]
EU share of sector exports (2025)	72.5%	[133]
Largest single market: Germany (2025)	\$6.6 billion	[134]
Supplier industry exports (2025)	\$15.8 billion	[135]
Automotive exports (January-September 2026)	\$31.1 billion	[136]
EU share (January-September 2026)	73.7%	[137]
Supplier industry exports (January-September 2026)	\$12.1 billion (39% of sector exports)	[138]
Share of European companies in production in Türkiye	Around 75%	[139]
Related employment of these companies in Europe	Around 250,000 jobs	[140]

Türkiye’s automotive exports are, to a large extent, a link in the intra-EU production network of European companies. The first costs of exclusion will therefore fall not only on Turkish manufacturers but also on Renault, Stellantis, Ford, Toyota, Hyundai, Mercedes-Benz and their suppliers, all of which produce in Türkiye. Toyota’s plant in Sakarya is a concrete

example of this integration. The plant, where hybrid and plug-in hybrid versions of the C-HR are produced following an investment of €308 million, is Toyota’s first plug-in hybrid production centre in Europe and has the capacity to assemble 75,000 battery units a year [141].

7.1. The positions of the actors

Table 5. Positions of the main actors

Actor	Position
French Presidency and PFA	Scope should be limited to the EU-27 and should also cover components and batteries [142]
Germany	Initially favoured a broad definition; under the compromise the United Kingdom is included conditionally [143]
Volkswagen, Renault, Stellantis (June 2026)	At least 70% of a vehicle’s value should be produced in the member states [144]
Stellantis	Welcomed the compromise; produces 86% of its European-brand vehicles in the EU [145]
Renault	Viewed the compromise positively; assessing its impact on operations in Morocco and Türkiye [146]
European Automobile Manufacturers’ Association (ACEA)	European preference should be granted to the EU-27 and the United Kingdom; manufacturers’ operations in Morocco and Türkiye should be protected [147]
Toyota Motor Europe	“Made with Europe”: trusted partners such as the United Kingdom, Türkiye and Japan should be included [148]
Ford of Europe	The rules should remain open to trusted partners such as the United Kingdom and Türkiye [149]
Japan and South Korea	Excluded under the Franco-German draft; Toyota and Hyundai produce in Türkiye [150]
EP joint committee	Scope should be as narrow as possible; final assembly alone in the EU should not suffice [151]
A group of MEPs	Preparing amendments to bring Morocco within the scope [152]
Turkish industry associations	Türkiye should remain within the scope under the Customs Union [153]
Government of Türkiye	President Erdoğan wrote to von der Leyen on the issue in January 2026; Trade Minister Bolat stresses that exclusion would harm both sides [154]

The most significant finding in the table is that European industry is divided on the issue. Stellantis, most of whose production is located within the EU, and the French industry platform support a narrow definition, whereas Toyota and Ford, which operate major production bases in Türkiye and the United Kingdom, advocate a broad one, and ACEA calls for the protection of manufacturers’ operations in Türkiye and Morocco. This division shows

“Made in Europe” and Türkiye

that Türkiye has natural allies within the EU. On the Turkish side, the Foreign Economic Relations Board (DEİK), the Automotive Manufacturers Association (OSD), the Uludağ Automotive Industry Exporters’ Association (OİB), the Association of Automotive Parts and Components Manufacturers (TAYSAD), the Machinery Manufacturers’ Association (MİB), the White Goods Manufacturers’ Association of Türkiye (TÜRKBEŞD) and the Foreign Trade Professionals Association (Dışyönder) have expressed similar views.

The limits of private-sector influence are also apparent. Ford of Europe President Jim Baumbick has stated that the private sector is doing what it can but that its influence is limited. According to Vahap Munyar, Turkish business leaders are waiting for direct steps from the government [155].

7.2. The legislative calendar

The IAA is subject to the ordinary legislative procedure. Once the EP and the Council have adopted their positions, trilogue negotiations between the three institutions will begin [156]. In the EP, the file is being examined by a joint committee composed of the committees on industry, international trade and the internal market. On 8 September 2026 the co-rapporteurs published a draft report containing 199 amendments [157]. The committee vote is scheduled for 30 November and the plenary vote for mid-December [158]. Adoption is not expected before 2027 [159]. If the automotive provisions are moved to the Automotive Package, the automotive file may advance faster than the IAA, given EU leaders’ aim of finalising that package by the end of the year [160].

8. Sectoral Impact Map

The automotive sector is currently the only area of direct exclusion. In the other sectors covered by the IAA, Türkiye’s position still depends on the equivalence provision of the Commission’s proposal. France is reported to seek to extend its narrow approach to strategic areas such as steel, cement and green technologies [161]. The risk levels in the table below reflect the author’s qualitative assessment.

Table 6. Impact channels and risk levels by sector

Sector	Impact channel and exposure	Risk level
Electric and plug-in hybrid passenger cars	Public procurement, public support, corporate fleet incentives and CO ₂ super-credits; requirements of assembly in the EU and 70% Union content. Allocation of new electric models directly affected [162].	High
Automotive supplier industry	Under a narrow definition, Turkish components may count as non-EU in the 70% calculation. Exports of \$15.8 billion in 2025 depend largely on assembly lines in Europe [163].	Medium-high
Light commercial vehicles, buses, trucks	Electric vehicle purchases by municipalities and public bodies. In 2025 bus exports rose by 30% and goods vehicle exports by 28% [164]. Scope to be clarified in the final text.	Medium-high
Electrical equipment, cables, transformers	Origin shares in grid and net-zero technology tenders; a market expanding with the AI infrastructure demand identified by the IMF [165].	Medium-high
Steel, aluminium, cement	Low-carbon and origin requirements in public procurement and support. Equivalence under the proposal was seen as an opportunity for Turkish steel [166].	Medium
Wind, solar, batteries, heat pumps	Origin shares in renewable energy support schemes and public tenders [167].	Medium-high
Machinery	Limited direct coverage; impact arises through the value chains of EU-based industrial groups [168].	Low-medium
White goods	Outside the direct scope of the IAA; indirect impact through precedent and steel inputs. Türkiye is Europe’s largest production base, with annual output of 29 million units [169].	Low

Should the narrow definition adopted for the automotive sector become permanent, it will set a precedent for other sectors. In EU rule-making, a criterion once accepted tends to serve as an agreed starting point in subsequent legislation. The outcome of the automotive file will therefore affect a far wider share of Türkiye’s exports.

9. Channels of Impact on Exports and Costs for Türkiye

The “Made in Europe” criterion does not introduce a customs duty. Vehicles produced in Türkiye will continue to enter the EU duty-free, as they do today. The impact will arise through indirect channels that alter the price and demand conditions faced by a vehicle in the EU market. Drawing this distinction clearly is necessary both to avoid exaggeration in public debate and to preserve credibility with EU counterparts. Being ineligible for support is not the same as being unable to sell in the EU market [170].

9.1. Six channels of impact

1. Public procurement: purchases of electric vehicles by municipal bus operators, public fleets and public bodies will be closed to products that do not meet the criterion. In the bus and light commercial vehicle segments, where Türkiye is strong, public procurement is one of the main channels of demand.
2. Consumer and fleet incentives: once member states’ electric vehicle subsidies are tied to these rules, a vehicle assembled in Türkiye will become more expensive than its competitor by the amount of the subsidy. Germany has announced that it would adapt its existing electric vehicle subsidy accordingly once the rules enter into force [171]. Since corporate fleet incentives are also covered by Annex III, the company car market will be directly affected [172].
3. CO₂ compliance value: the Franco-German draft extends super-credits to all vehicles [173]. To the extent that super-credits remain tied to assembly in the EU, each electric vehicle produced in the EU will become more valuable in a manufacturer’s fleet emissions calculation than the same vehicle produced in Türkiye. This difference does not appear on the price tag, but it shapes model allocation decisions.
4. Content calculation: if Turkish components count as non-EU in the 70% calculation, sourcing components from Türkiye for assembly lines in the EU will become costly in terms of origin. The impact on the supplier industry may therefore extend more widely than the impact on vehicle exports.
5. Investment allocation: this is the largest cost and the one that will become apparent last. Global manufacturers will allocate new-generation electric platforms and battery assembly across countries over the next two to three years. BYD’s decision on Manisa is the first visible example of this channel [174]. The relaxation of the 2035 emissions rule may buy Türkiye time in the short term by extending the life of internal combustion engine production. The risk of losing ground in the segment towards which value added is shifting nevertheless persists.
6. Precedent and perception: a criterion accepted in the automotive sector may be extended to other sectors. The perception of a country left outside the EU’s industrial perimeter will also feed into the risk assessments of investors and financial institutions. The IMF’s downward revision of Türkiye’s growth and inflation outlook is an additional factor that may reinforce this perception in location decisions [175].

9.2. Parallel trade defence: quotas on hybrid vehicles from China

The “Made in Europe” criterion is not the only automotive measure the EU is pursuing in parallel. Following talks on 8-9 October 2026, the EU and China agreed to limit exports of hybrid and plug-in hybrid vehicles from China. According to reported details, a quota of 350,000 vehicles is envisaged for China in the first year, to be increased by 6% annually and applied for four years. The EU’s imports of hybrid vehicles from China rose from 107,000 units in 2024 to 302,000 units in 2025 [176]. According to Agence Europe, Chinese-brand vehicles produced in third countries will not count against China’s quota but against the quota of the country of production. This raises the question of which quota regime will apply to Chinese-brand hybrid vehicles produced in Türkiye. Since the final implementing text has not yet been published, Türkiye’s quota or exemption status could not be verified [177].

9.3. The magnitude of the cost

It has been claimed in public debate that vehicles produced in Türkiye may be exported to Europe at a cost premium of €5,000-7,000 [178]. Since the method behind this figure has not been disclosed, it is not used in this report as verified data. In terms of mechanism, any such difference would arise from forgone subsidies and CO₂ compliance value, and would concern only the subsidised electric vehicle segment.

A transparent sensitivity calculation can be offered instead. Türkiye’s automotive exports to the EU amounted to \$30.1 billion in 2025 [179]. Table 7 shows the annual value of different rates of loss in these exports.

Table 7. Annual cost under different rates of loss in automotive exports to the EU (sensitivity analysis)

Rate of loss	Approximate annual loss
1%	\$0.3 billion
5%	\$1.5 billion
10%	\$3.0 billion

Note: Calculated by the author on the basis of automotive exports to the EU in 2025 (\$30.1 billion) [180].

Which scenario materialises will depend on the share of electric vehicles in Türkiye’s automotive exports to the EU and on manufacturers’ model allocation decisions. Neither figure is available in disaggregated form in public sources. Compilation of these data at firm level by industry associations would provide the most robust foundation for the case to be made to the EU.

9.4. The cost of a narrow definition for the EU

The cost of a narrow definition is not confined to Türkiye. According to Bruegel’s analysis of September 2026, a binding Union-origin requirement for battery cells would raise cell costs from €50 to €85 per kilowatt-hour, implying a cost increase of approximately €2,100 per vehicle for an average 60-kilowatt-hour battery pack [181]. Bruegel notes that this cost would weigh most heavily on entry-level segments and lower-income consumers. In its view, current policy rests on an implicit bargain whereby manufacturers relocate their supply chains to Europe in return for protection from foreign competition, and the cost of this bargain will be borne by consumers and taxpayers [182].

Transport & Environment (T&E), for its part, argues that as production scales up, the cost gap between EU-made and Chinese battery cells could narrow from 90% to around 30%, and describes this cost as a sovereignty premium worth paying [183]. Under this scenario, the additional cost per vehicle could fall to around €500 by 2030 [184].

This debate carries a significant implication for Türkiye. The EU is prepared to accept the cost of an origin requirement; the debate concerns its size and duration. A definition that excludes Türkiye’s competitive manufacturing capacity means reaching the same sovereignty objective at a higher cost and at a later date. Türkiye’s strongest argument towards the EU is the one grounded in the EU’s own cost calculus.

10. The Balance of Benefits and Costs

Keeping Türkiye within the scope would bring advantages of scale, cost and security of supply to both sides. Excluding Türkiye, by contrast, would weaken the line of defence the EU seeks to build against Chinese competition.

Table 8. Consequences of keeping Türkiye within the scope for both sides

Dimension	For the EU	For Türkiye
Scale	According to Toyota, the automotive market accessible to Europe together with trusted partners amounts to some 31 million vehicles [185]	Competition on equal terms in its largest market
Cost	A cost base supporting European manufacturers’ price competitiveness against China; additional capacity lowering the origin premium [186]	Preservation of exporters’ profit margins
Security of supply	Short logistics routes and production compliant with EU legislation; according to MİB, Turkish industry poses no dependency risk for the EU [187]	Consolidation of its position in the European value chain
Investment	Preservation of the value of European production assets in Türkiye [188]	Attraction of new electric vehicle and battery investment
Employment	Some 250,000 related jobs of these companies in Europe [189]	Preservation of employment in the automotive and supplier industries
China policy	Keeping aligned with the EU a partner that applies additional duties on electric vehicles from China [190]	Alignment with the EU on a common trade defence line

In the event of exclusion, Türkiye should expect the following: loss of demand in the electric vehicle segment; origin-driven shifts of orders away from its supplier industry; re-direction of new model and battery investment to the EU or to competing countries such as Morocco; a precedent for other IAA sectors; and an erosion of the perceived value of the Customs Union. For the EU, the consequences would include a higher cost base for European manufacturers, a decline in the investment value of their plants in Türkiye, supply disruptions on intra-EU assembly lines supplied from Türkiye, and a narrowing of its scale advantage against China.

10.1. The contradiction inherent in exclusion

The EU’s most prominent concern is that Chinese capital may reach the European market through Türkiye. Yet pushing Türkiye outside Europe’s industrial perimeter would strengthen the incentive to replace lost European investment with capital from other sources. For a production base excluded from the European value chain, Chinese investment becomes more attractive and compliance with European standards less compelling. Exclusion may

thus magnify the very risk it seeks to avert. Framed in terms of the EU’s own interests, this is the argument most likely to resonate with EU institutions.

11. Historical Background and Structural Weaknesses

11.1. An old asymmetry in a new guise

The present situation is an extension into a new field of the asymmetries that the Customs Union has carried since its inception. The association relationship between Türkiye and the EU was established by the Ankara Agreement of 1963. The Additional Protocol, signed in 1970, set the timetable for abolishing customs duties and quotas on industrial goods, and the Customs Union was completed on 1 January 1996 by Association Council Decision No 1/95 [191]. Bilateral trade, worth some \$33 billion in 1996, reached €217.6 billion in 2025 [192].

From the outset, this success story has developed alongside three structural flaws:

1. Asymmetry in trade policy: Türkiye applies the EU’s Common Customs Tariff but is not a party to the FTAs that the EU concludes with third countries. Goods from countries with which the EU has an agreement can enter the Turkish market via the EU, whereas Turkish goods cannot enter those countries on the same terms [193].
2. Asymmetry in decision-making: Türkiye has no vote in the preparation of the EU legislation with which it must align and must content itself with limited channels of consultation [194].
3. Asymmetry in coverage: the Customs Union covers industrial goods. Coal, steel and agricultural products are subject to separate preferential agreements, while services and public procurement fall outside its scope [195].

The “Made in Europe” debate is the expression of the third asymmetry in the age of industrial policy. When the EU was building an origin-neutral internal market in the 1990s, the exclusion of public procurement from the Customs Union was regarded as a secondary detail. In 2026, as public procurement and public support have become the principal instruments of EU industrial policy, the same gap has become a strategic vulnerability.

11.2. The relationship between Customs Union modernisation and the IAA text

In December 2016 the Commission proposed modernising the Customs Union and extending bilateral relations to areas such as services, public procurement and sustainable development. The Council, however, has not yet granted a negotiating mandate for this proposal [196]. The High-Level Dialogue on Trade between the Turkish Ministry of Trade and the Commission has resumed, and its third meeting was held on 13 October 2026 [197]. At the political level, however, the deadlock linked to the Cyprus question persists [198].

This situation requires two distinct time horizons to be kept apart. The “Made in Europe” question will be settled now, in the text of the IAA and the automotive legislation; the final form of the provision on the equivalence of customs union partners will be decisive. Modernisation of the Customs Union, by contrast, is a separate, long-term agenda that may take years. A modernisation extending to public procurement could provide a lasting solution that prevents the same problem from recurring. Presenting modernisation as a short-term remedy, however, would not be realistic.

11.3. The DS629 dispute at the WTO

In October 2024 China brought Türkiye’s measures on electric vehicles originating in China before the WTO [199]. The panel report circulated to the parties in July 2026 found part of the measures inconsistent with WTO rules, and the Turkish Ministry of Trade announced that it would challenge the findings [200]. The dispute entails a twofold risk for Türkiye. A finding by an international body that Türkiye’s practices are discriminatory may provide the Commission with a ready justification for exercising its power of exclusion under the IAA [201]. Selective customs exemptions tied to investment incentive certificates, meanwhile, reinforce the impression that protection is being used to attract Chinese investment [202]. Both risks can be reduced with instruments that lie in Türkiye’s own hands.

11.4. An assessment under WTO law

Public debate has also raised the question of whether Türkiye’s exclusion could be challenged under WTO law. The answer differs for the two instruments of the IAA.

As regards public procurement, Türkiye’s position under WTO law is weak. Article III:8(a) of the General Agreement on Tariffs and Trade (GATT) excludes purchases by governmental agencies for governmental purposes from the national treatment obligation [203]. Non-discrimination in public procurement is governed principally by the GPA, to which Türkiye is not a party [204]. The IAA’s equivalence provision, however, also covers GPA parties [205]. Accession to the GPA could therefore give Türkiye a foundation both under WTO law and under the IAA.

As regards public support, the picture is different. Article 3.1(b) of the SCM Agreement defines subsidies contingent upon the use of domestic over imported goods as prohibited subsidies [206]. Tying consumer and corporate fleet incentives for electric vehicles to Union-origin content may sit uneasily with this provision. In 2022 the EU itself objected to the local content requirements of the US IRA as discriminatory and demanded changes [207]. This precedent may serve as an argument of consistency in Türkiye’s negotiations with the EU.

The practical limits of this argument should also be borne in mind. The WTO Appellate Body has not functioned since December 2019, and an appeal against a panel report can in effect leave a dispute in abeyance. The Customs Union’s own dispute settlement mechanism rests on the Association Council, a political body [208]. WTO law therefore offers a legal framework that is unlikely to yield quick results but can be used in negotiations.

12. Policy Options for Türkiye

Türkiye’s strongest asset is that the conditions the EU has envisaged for the United Kingdom are ones Türkiye is also in a position to meet. It may therefore be worth broadening the strategy from a request grounded in Customs Union partnership to a request that the conditions applied to the United Kingdom also be applied to Türkiye. The options below take existing mechanisms into account and are listed in order of priority.

12.1. Options concerning the legal framework

1. A condition-based partner category: the 1 January 2020 criterion excludes Türkiye by definition and is difficult to relax through negotiation. At the EP and Council stages, the

inclusion in the text of a “trusted partner” category open to partners meeting specified conditions could be proposed. The conditions could mirror those envisaged for the United Kingdom: reciprocity, alignment with EU trade defence measures and anti-circumvention guarantees [209]. This approach could also form natural common ground with the amendments of MEPs advocating the inclusion of Morocco [210].

2. Alignment in trade defence: Türkiye already applies an additional customs duty of 40% on electric vehicles originating in China [211]. A structured coordination mechanism between the EU’s countervailing duties on China and Türkiye’s measures could be put on the table. Türkiye’s existing policy would thereby be converted into a commitment recognised within the EU’s legal framework.
3. Anti-circumvention guarantees and investment screening: public sources do not indicate that Türkiye has a general, strategic-sector-focused mechanism equivalent to the foreign direct investment screening framework established by Regulation (EU) 2019/452. This finding should be confirmed with the relevant institutions. A regime based on origin verification and limited investment screening in the IAA sectors could be considered. This would be the most persuasive response to the concern over Chinese capital.
4. Reciprocity in public procurement: Article 63 of Public Procurement Law No. 4734 provides for a price advantage in favour of domestic tenderers and domestic goods [212]. Treating products of Union origin as domestic goods in Turkish public tenders, limited to the IAA sectors, could be put forward on the basis of reciprocity. This step would remove the EU’s strongest counter-argument and make Türkiye’s request a two-way proposition.
5. Reducing the risk arising from DS629: applying origin-differentiated requirements, such as after-sales service obligations, in an origin-neutral manner and tying selective exemptions linked to investment incentives to objective criteria could be considered. This would simultaneously weaken the grounds for exclusion in the WTO proceedings and under the IAA.
6. Accession to the GPA: becoming a party to the GPA could provide a basis under the IAA’s equivalence provision that is additional to, and independent of, the Customs Union [213]. This step is among the EU’s expectations [214]. Since accession negotiations take time, a declaration of intent and a roadmap could be put forward in the short term and considered together with the proposal on reciprocity in public procurement.

12.2. Options concerning advocacy and diplomacy

1. Working to the calendar: amendments in the EP joint committee and the committee vote on 30 November are the decisive thresholds [215]. Intensifying contacts with the co-rapporteurs and shadow rapporteurs before that date would be advisable. Given the possibility that the automotive provisions will be moved to the Automotive Package, the rapporteurs on that file should also be followed closely [216].
2. A common voice with European investors: Türkiye’s case can be conveyed most effectively to EU institutions through the European and global companies that produce in Türkiye. Toyota’s “Made with Europe” framework [217], Ford’s emphasis on trusted partners [218], ACEA’s call for the protection of operations in Morocco and Türkiye [219] and

“Made in Europe” and Türkiye

Renault’s impact assessment [220] could be anchored in a common dataset. Firm-level compilation by industry associations of electric vehicle exports and model allocation plans, presented together with their effects on employment in Europe, would ground the cost debate in concrete data.

3. Using existing channels: the High-Level Dialogue on Trade [221] and the High-Level Economic Dialogue are appropriate channels for the technical follow-up of this issue. A dedicated coordination structure for this file could be established among the Ministries of Trade, Industry and Technology, and Foreign Affairs and the industry associations.
4. Changing Germany’s order of priorities: Germany’s initial preference for a broad definition [222] and the production assets of German companies in Türkiye make Germany a counterpart that can be won back. Türkiye’s inclusion could be presented as a matter of cost and competitiveness for German manufacturers and suppliers.
5. Adding an industrial policy chapter to Customs Union modernisation: in the longer term, the addition to the modernisation negotiations of a consultation and equivalence chapter securing Türkiye’s position in the EU’s industrial policy instruments could be proposed.
6. Coordination with Japan and South Korea: the Franco-German draft also excludes Japan and South Korea [223]. Coordinating the request for a condition-based partner category with these two countries, home to Toyota and Hyundai, both of which produce in Türkiye, could prevent the request from being perceived as a bid for an exception specific to Türkiye.

12.3. Core messages for EU institutions

- Around three quarters of automotive production in Türkiye is owned by European companies; the cost of exclusion will also fall on European industry [224].
- Türkiye stands on the same line as the EU regarding electric vehicles from China and is ready to underpin this stance with legal guarantees [225].
- Türkiye asks that the conditions applied to the United Kingdom also be applied to Türkiye.
- The EU’s 2022 criticism of the local content requirements of the US IRA applies equally to its own incentive regime [226].
- Excluding Türkiye could increase the very circumvention risk that the EU seeks to prevent.
- Türkiye is ready to negotiate reciprocity in public procurement in the IAA sectors.

Since the last two messages involve commitments requiring political decisions, they should be confirmed with the relevant institutions before being made public.

13. Scenarios and Monitoring Calendar

The most likely outcome is that the narrow definition will be largely preserved in the automotive sector and that Türkiye will be able to enter the scope only through a conditional category. Whether such a category makes it into the text will depend on the advocacy undertaken in the coming weeks. The probability assessments are the author’s own.

Table 9. Possible scenarios

Scenario	Impact on Türkiye	Assessment
A. The narrow definition is confirmed	Loss of demand and investment in the electric vehicle segment; origin pressure on the supplier industry	Likely
B. A condition-based partner category is created	Limited impact, in return for commitments on trade defence, investment screening and public procurement	Attainable through advocacy
C. Return to the Commission proposal	Most favourable outcome; the requirement of assembly in the EU under Annex III would still pose a problem	Low probability
D. The narrow definition spreads to other sectors	Impact extends to exports of steel, cement and net-zero technologies	Medium probability; depends on the outcome of the automotive file

Table 10. Monitoring calendar

Date	Development
30 November 2026	EP joint committee vote; final threshold for amendments [227]
Early December 2026	Safeguard measure on imports of hybrid vehicles from China expected to apply; the quota applicable to Chinese-brand vehicles produced in Türkiye should be clarified [228]
Mid-December 2026	EP plenary vote; the Parliament’s position is finalised [229]
End of 2026	EU leaders’ target for completing the automotive package; if the automotive provisions are moved to the package, the effective deadline for Türkiye [230]
2027	Adoption of the IAA expected [231]
1 January 2029	Main provisions on public procurement expected to apply [232]

Note: The target date for the Council’s general approach could not be identified in public sources.

14. Conclusion

The EU’s reindustrialisation drive is a structural policy axis that will extend over at least a decade. For thirty years, the Customs Union has given Türkiye a place on this axis. As the language of industrial policy has shifted from the customs tariff to public procurement and public support, however, the legal foundation of that place has worn thin. The Franco-German compromise of 15-16 October is the first concrete consequence of this erosion, and it is not yet the final word. The EU’s tendency to tie economic access to foreign policy alignment, together with the SAFE precedent in defence, shows that the issue extends beyond a technical dispute over rules of origin.

“Made in Europe” and Türkiye

The interdependence between Türkiye and the EU is asymmetric. Türkiye is the more vulnerable party in terms of trade flows, whereas the EU stands to lose considerable value in terms of European production assets in Türkiye. Türkiye’s bargaining power depends on making this second form of dependence visible and on addressing the EU’s concerns with its own instruments. The way forward lies in placing protection against China within an origin-neutral framework aligned with the EU, opening reciprocity in public procurement to negotiation, and making investment guarantees verifiable.

The origin label written by the United Kingdom in 1887 eventually became a mark that made the strength of German industry visible. The label the EU is writing today is subject to a similar principle: its value will be determined by the productive capacity behind it. Türkiye’s task is to demonstrate, in terms of the EU’s own interests, that a significant share of that capacity is located in Türkiye, and to show that it is ready to meet the conditions that would secure it.

This report is a policy assessment based on publicly available sources as of 19 October 2026 and does not constitute legal advice. The details of the Franco-German compromise are based on draft documents as reported in the press, and the final text may differ. Trade data refer to different dates and institutions; official and up-to-date figures should be taken from the Turkish Statistical Institute (TurkStat), OİB and Eurostat.

Notes

- [1] Clifford Chance (2026). “The EU Industrial Accelerator Act: Made in Europe?”, March 2026; Endeks24 (2026). “Almanya ile Fransa’nın ‘Made in Europe’ taslağı Türkiye’yi kapsamıyor” [The German-French ‘Made in Europe’ draft does not cover Türkiye], 15 October 2026 (reporting Reuters and AFP).
- [2] Endeks24 (2026), see note 1.
- [3] HKTDC Research (2026). “European Parliament Targets December Vote on Proposed Industrial Accelerator Act”, August 2026; Freshfields (2026). “Where next for EU Industrial Policy? European Commission’s IAA draft sparks criticism from all sides in European Parliament”, October 2026.
- [4] European Commission, Directorate-General for Trade and Economic Security (2026). “EU trade relations with Türkiye: Facts, figures and latest developments”.
- [5] European Commission, Directorate-General for Trade and Economic Security (2026), see note 4.
- [6] Endeks24 (2026), see note 1.
- [7] Ekonomi Gazetesi (2026). “Otomotiv endüstrisi 2025 yılını 41,5 milyar dolar ihracatla zirvede kapattı” [The automotive industry closed 2025 at the top with \$41.5 billion in exports] (OİB data), January 2026.
- [8] Endeks24 (2026), see note 1.
- [9] European Commission, Directorate-General for Trade and Economic Security (2026), see note 4.
- [10] European Commission (2026). “Annexes to the proposal for an Industrial Accelerator Act” (Annex III); Yeşil Haber (2026). “AB otomotivde surları yükseltiyor: Türkiye içeride mi, dışarıda mı?” [The EU raises its walls in automotive: is Türkiye inside or outside?], 16 October 2026 (reporting Journal de l’Automobile, AFP, Bloomberg, OİB, the Ministry of Trade and L’argus).
- [11] European Commission (2026), see note 10.
- [12] AGBI (2026). “Chinese carmaker BYD suspends major project in Turkey”, June 2026; electrive (2026). “BYD legt Pläne für Werk in der Türkei auf Eis – und sucht Alternative in Europa” [BYD shelves plans for a plant in Türkiye and seeks an alternative in Europe], 11 June 2026.
- [13] Sözcü (2026). “Türkiye’de otomotiv sektörünü uçarak hamleye Fransa engeli” [France blocks a leap forward for Türkiye’s automotive sector], October 2026.
- [14] SETA Foundation (2026). “Beyond a Costly Exclusion: A SAFE Plus Arrangement for Türkiye and European Defence”, July 2026.
- [15] Hürriyet Daily News (2026). “IMF lowers Türkiye’s growth forecast for 2026”, 13 October 2026.
- [16] Qatar News Agency (2026). “IMF: Investing in AI boosts global growth”, 13 October 2026.
- [17] Bruegel (2026). “The European Union’s automotive sector needs a plan, not undue protection”, Policy Brief, September 2026.

- [18] Euronews (2026). “‘Made in Europe’ battery rules could add €2,100 to electric car prices, report says”, 22 September 2026.
- [19] Complete Car (2026). “Toyota urges EU to include UK and Turkey in automotive legislation”, 16 October 2026; Reuters (2026). “EU must push for ‘Made in Europe’ strategy, EU industry chief says”, 2 February 2026.
- [20] Yeşil Haber (2026), see note 10.
- [21] Endeks24 (2026), see note 1.
- [22] Jacques Delors Centre (2025). “Europe’s Car Industry in Transition: Stuck in Neutral or Shifting into Gear?”.
- [23] Just Auto (2026). “UK car sector could join EU’s ‘Made in Europe’ scheme under China condition”, 16 October 2026 (reporting the Financial Times); Reuters (2026). “Reactions to Germany-France car deal”, Devdiscourse, October 2026.
- [24] AGBI (2024). “China files trade complaint against Turkey over EV tariffs”, 9 October 2024.
- [25] Just Auto (2026), see note 23; Euronews (2026). “France and Germany strike car-industry deal linking 2035 engine rules to ‘Made in Europe’ push”, 16 October 2026.
- [26] Yinanç, B. (2026). “Türkiye’nin AB ile jeopolitik uyumu: Yüzdelerin ötesinde bir tartışma” [Türkiye’s geopolitical alignment with the EU: a debate beyond percentages], T24, 12 October 2026.
- [27] Council of the EU (2025). “EU-Türkiye trade relations” (infographic), last reviewed 30 January 2025.
- [28] Public Procurement Law No. 4734 (Kamu İhale Kanunu), Official Gazette of the Republic of Türkiye, 22 January 2002, No. 24648, Article 63.
- [29] AGBI (2024), see note 24.
- [30] Just Auto (2026), see note 23.
- [31] Clifford Chance (2026), see note 1.
- [32] World Trade Organization (1994). Agreement on Subsidies and Countervailing Measures, Article 3.1(b).
- [33] Recharge (2022). “EU demands changes to ‘discriminatory’ IRA amid row over US flag-ship renewables law”, 8 November 2022.
- [34] European Commission, Directorate-General for Trade and Economic Security (2026), see note 4.
- [35] German History Intersections (n.d.). “‘Made in Germany’ was Made in Britain (1887)”. Source text: H. Payn, The Merchandise Marks Act of 1887.
- [36] Williams, E. E. (1896). Made in Germany. London: Heinemann. Excerpts in German History in Documents and Images.
- [37] German History Intersections (n.d.). “Article from the Austrian Patent Office Journal (1902)”.
- [38] Evenett, S., Jakubik, A., Martín, F. and Ruta, M. (2024). “The Return of Industrial Policy in Data”, IMF Working Paper WP/24/1. Washington, DC: International Monetary Fund.
- [39] Juhász, R., Lane, N. and Rodrik, D. (2024). “The New Economics of Industrial Policy”, Annual Review of Economics, 16.

- [40] Draghi, M. (2024). The Future of European Competitiveness. Brussels: European Commission.
- [41] Draghi, M. (2024), see note 40.
- [42] Economic Development Foundation (İKV) (2026). “AB Sanayi Hızlandırıcı Yasası Taslağı Yayınlandı: ‘Made in EU’ Kriteri Gümrük Birliği Ortaklarını da Kapsıyor” [Draft EU Industrial Accelerator Act published: the ‘Made in EU’ criterion also covers Customs Union partners], March 2026.
- [43] Hürriyet Daily News (2026), see note 15.
- [44] Qatar News Agency (2026), see note 16.
- [45] FourWeekMBA (2026). “IMF Holds 2026 Growth at 3.1% as AI Investment Props It Up” (summary of IMF, World Economic Outlook, October 2026, Box 1.2).
- [46] Associated Press (2026). “IMF raises its forecast for world growth this year but warns of risks from AI boom and debt”, ITV News, 13 October 2026.
- [47] Reuters (2026). “AI investment props up global growth, but war and debt threaten outlook, IMF says”, The Morning, 13 October 2026.
- [48] FourWeekMBA (2026), see note 45.
- [49] Hürriyet Daily News (2026), see note 15; Reuters (2026), see note 47; Medyascope (2026). “IMF, Türkiye için büyüme tahminini yüzde 2,7’ye indirdi” [IMF lowers Türkiye’s growth forecast to 2.7 per cent], 13 October 2026.
- [50] Dünya (2026). “IMF Türkiye’nin büyüme tahminini üçüncü kez düşürdü” [IMF cuts Türkiye’s growth forecast for the third time], October 2026.
- [51] Qatar Tribune (2026). “OECD sees slower Türkiye growth through 2027”, 24 September 2026.
- [52] Hürriyet Daily News (2026), see note 15.
- [53] Reuters (2026), see note 47.
- [54] Dünya (2026), see note 50.
- [55] Reuters (2026), see note 47; Dünya (2026), see note 50.
- [56] Council of the EU (2025), see note 27.
- [57] European Commission, Directorate-General for Trade and Economic Security (2026), see note 4.
- [58] European Commission (2026). “Industrial Accelerator Act”, COM(2026) 100, 4 March 2026.
- [59] tset (2026). “‘Made in Europe’: What the Industrial Accelerator Act Means for Automotive Manufacturers”.
- [60] Holland & Knight (2026). “The European Union’s ‘Made in Europe’ Push”, May 2026.
- [61] Economic Development Foundation (İKV) (2026), see note 42.
- [62] European Commission (2026), see note 10.
- [63] Yeşil Haber (2026), see note 10.
- [64] García Bercero, I., McWilliams, B. and Tagliapietra, S. (2026). “The flaws in the European Union’s proposed Industrial Accelerator Act and how to fix them”, Bruegel Policy Brief 10/2026.

- [65] Clifford Chance (2026), see note 1.
- [66] tset (2026), see note 59.
- [67] Yeşil Haber (2026), see note 10.
- [68] EY Türkiye (2026). “AB’nin Made in Europe politikası: Türkiye için tehdit mi, fırsat mı?” [The EU’s Made in Europe policy: a threat or an opportunity for Türkiye?].
- [69] Clifford Chance (2026), see note 1.
- [70] Türkiye Today (2026). “Made in Europe: Alarm bells ring for Türkiye’s industrial sector”.
- [71] European Parliamentary Research Service (2026). “International dimension of the proposed Industrial Accelerator Act”, EPRS Briefing, September 2026.
- [72] Table.Media (2026). Draft text of the Industrial Accelerator Act proposal (leaked document).
- [73] Il Foglio (2026). “Il motore franco-tedesco parte in auto” [The Franco-German engine starts with cars], 28 July 2026.
- [74] Yeşil Haber (2026), see note 10.
- [75] Yeşil Haber (2026), see note 10.
- [76] Clifford Chance (2026), see note 1.
- [77] Endeks24 (2026), see note 1.
- [78] Endeks24 (2026), see note 1.
- [79] Endeks24 (2026), see note 1.
- [80] tset (2026), see note 59.
- [81] Endeks24 (2026), see note 1; Just Auto (2026), see note 23.
- [82] Endeks24 (2026), see note 1; Euronews (2026), see note 25.
- [83] Endeks24 (2026), see note 1; France 24 (2026). “France and Germany agree to ease EU car emissions rules in new deal”, 16 October 2026.
- [84] MLex (2026). “Car companies to see more detailed ‘made in Europe’ rules under French-German plan”, 16 October 2026.
- [85] Just Auto (2026), see note 23; Yeşilada, A. (2026). “‘Made in Europe’ Düzenlemesi: Türkiye Dev Sanayi Hamlesinin Dışında Kalma Riskiyle Karşı Karşıya” [The ‘Made in Europe’ regulation: Türkiye at risk of exclusion from a major industrial drive], ParaAnaliz, 19 October 2026.
- [86] Endeks24 (2026), see note 1; Euronews (2026), see note 25.
- [87] Just Auto (2026), see note 23.
- [88] Euronews (2026), see note 25.
- [89] Yeşil Haber (2026), see note 10.
- [90] Yeşil Haber (2026), see note 10.
- [91] Euronews (2026), see note 25; Reuters (2026), see note 23.
- [92] MLex (2026), see note 84.
- [93] Jacques Delors Centre (2025), see note 22.
- [94] Yeşil Haber (2026), see note 10.

- [95] Semafor (2026). “France, Germany are hatching plans to revive auto industry”, 27 July 2026.
- [96] Reuters (2026), see note 23.
- [97] Just Auto (2026), see note 23.
- [98] AGBI (2024), see note 24.
- [99] Gulf Times (2024). “China’s BYD signs \$1bn agreement to open electric vehicle plant in Türkiye”, July 2024.
- [100] AGBI (2024), see note 24.
- [101] AGBI (2026), see note 12.
- [102] electrive (2026), see note 12.
- [103] Euronews (2026), see note 25; Just Auto (2026), see note 23.
- [104] Council of the EU (2025), see note 27.
- [105] Public Procurement Law No. 4734 (Kamu İhale Kanunu), see note 28.
- [106] Yinanç, B. (2026). “Üretim hatları netlik istiyor; AB’ye karşı Rusya ve Çin kozu işler mi?” [Production lines need clarity: will the Russia and China cards work against the EU?], T24, 7 October 2026.
- [107] Milliyet (2026). “Dışişleri Bakanı Hakan Fidan: Gümrük Birliği’nin güncellenmesinde Kıbrıs Rum kesiminin blokajı var” [Foreign Minister Hakan Fidan: the Greek Cypriot side is blocking the modernisation of the Customs Union], 1 July 2026.
- [108] HKTDC Research (2026), see note 3.
- [109] Yinanç, B. (2026), see note 106.
- [110] Yinanç, B. (2026), see note 26.
- [111] Yinanç, B. (2026), see note 26.
- [112] SETA Foundation (2026), see note 14.
- [113] Yinanç, B. (2026), see note 106.
- [114] Yinanç, B. (2026), see note 106.
- [115] Hirschman, A. O. (1945). National Power and the Structure of Foreign Trade. Berkeley: University of California Press.
- [116] Keohane, R. O. and Nye, J. S. (1977). Power and Interdependence: World Politics in Transition. Boston: Little, Brown.
- [117] European Commission, Directorate-General for Trade and Economic Security (2026), see note 4.
- [118] Ekonomi Gazetesi (2026). “2025’te 124,9 milyar dolarlık hizmet ihracatı yapıldı” [Services exports reached \$124.9 billion in 2025] (TurkStat international trade in services statistics).
- [119] European Commission, Directorate-General for Trade and Economic Security (2026), see note 4.
- [120] European Commission, Directorate-General for Trade and Economic Security (2026), see note 4; Ekonomi Gazetesi (2026), see note 118.

- [121] European Commission, Directorate-General for Trade and Economic Security (2026), see note 4; Ekonomi Gazetesi (2026), see note 118; Ekonomi Gazetesi (2026), see note 7; Endeks24 (2026), see note 1.
- [122] Endeks24 (2026), see note 1.
- [123] Endeks24 (2026), see note 1.
- [124] European Commission, Directorate-General for Trade and Economic Security (2026), see note 4.
- [125] World Bank (2014). Evaluation of the EU-Turkey Customs Union, Report No. 85830-TR. Washington, DC.
- [126] World Bank (2014). “World Bank Group Report: EU-Turkey Customs Union Boosts Trade, But Needs Strengthening”, press release, 8 April 2014.
- [127] World Bank (2014), see note 125.
- [128] Endeks24 (2026), see note 1; Bloomberg HT (2025). “Bolat: Türkiye-AB yüksek düzeyli ticaret diyalogu sürecektir” [Bolat: the Türkiye-EU High-Level Dialogue on Trade will continue].
- [129] Ekonomi Gazetesi (2026), see note 7.
- [130] Ekonomi Gazetesi (2026), see note 7.
- [131] Ekonomi Gazetesi (2026). “Otomotivde ihracatın şampiyonları ödül aldı” [Automotive export champions receive awards].
- [132] Ekonomi Gazetesi (2026), see note 7.
- [133] Ekonomi Gazetesi (2026), see note 7.
- [134] Ekonomi Gazetesi (2026), see note 7.
- [135] Ekonomi Gazetesi (2026), see note 7.
- [136] Yeşil Haber (2026), see note 10.
- [137] Yeşil Haber (2026), see note 10.
- [138] Yeşil Haber (2026), see note 10.
- [139] Endeks24 (2026), see note 1.
- [140] Endeks24 (2026), see note 1.
- [141] Yeşil Haber (2026), see note 10.
- [142] Yeşil Haber (2026), see note 10.
- [143] Just Auto (2026), see note 23.
- [144] Yeşil Haber (2026), see note 10.
- [145] Morocco World News (2026). “European Lawmakers Push to Include Morocco in ‘Made in Europe’ Industrial Benefits”, 18 October 2026.
- [146] Briefs (2026). “France and Germany strike auto pact blending looser CO2 push with tougher ‘Made in Europe’ rules”, October 2026; Morocco World News (2026), see note 145.
- [147] Yeşil Haber (2026), see note 10.
- [148] Complete Car (2026), see note 19; Habertürk (2026). “Toyota’dan AB’ye Türkiye çağrısı: Dışarıda bırakmayın” [Toyota’s call to the EU on Türkiye: do not leave it out], 17 October 2026.

- [149] Reuters (2026), see note 19.
- [150] Just Auto (2026), see note 23; Yeşilada, A. (2026), see note 85.
- [151] HKTDC Research (2026), see note 3; EU Perspectives (2026). “Do it right or not at all’: Can ‘Made in Europe’ save EU industry?”, September 2026.
- [152] Morocco World News (2026), see note 145.
- [153] Yeşil Haber (2026), see note 10; Machinery Manufacturers’ Association (MİB) (2026). “Our Views on the EU Industrial Accelerator Act Submitted to the European Commission”; Ekonomi Gazetesi (2026). “Beyaz eşya satışları 2025’te yüzde 3 azaldı” [White goods sales fell by 3 per cent in 2025] (statement by TÜRKBESD); Fuar Dergisi (2026). “Made in Europe tartışması: Türkiye Avrupa’nın tedarik zincirinde kalmalı” [The Made in Europe debate: Türkiye must remain in Europe’s supply chain] (statement by Dışyönder).
- [154] Yinanç, B. (2026). “Erdoğan’dan von der Leyen’e Made in Europe mektubu” [Erdoğan’s Made in Europe letter to von der Leyen], T24, 26 January 2026; Endeks24 (2026), see note 1.
- [155] Yinanç, B. (2026), see note 106.
- [156] European Commission (2026), see note 58.
- [157] Freshfields (2026), see note 3.
- [158] HKTDC Research (2026), see note 3; Freshfields (2026), see note 3.
- [159] Holland & Knight (2026), see note 60.
- [160] Yeşil Haber (2026), see note 10; MLex (2026), see note 84.
- [161] Sözcü (2026), see note 13.
- [162] European Commission (2026), see note 10; Yeşil Haber (2026), see note 10.
- [163] Ekonomi Gazetesi (2026), see note 7.
- [164] Ekonomi Gazetesi (2026), see note 7.
- [165] EY Türkiye (2026), see note 68; Qatar News Agency (2026), see note 16.
- [166] GMK Center (2026). “The Made in Europe policy could strengthen the Turkish steel industry”, 9 March 2026.
- [167] EY Türkiye (2026), see note 68.
- [168] Machinery Manufacturers’ Association (MİB) (2026), see note 153.
- [169] Ekonomi Gazetesi (2026), see note 153.
- [170] Yeşil Haber (2026), see note 10.
- [171] electrive (2026), see note 12.
- [172] European Commission (2026), see note 10.
- [173] Endeks24 (2026), see note 1.
- [174] AGBI (2026), see note 12; electrive (2026), see note 12.
- [175] Hürriyet Daily News (2026), see note 15.
- [176] Yeşil Haber (2026), see note 10.
- [177] Yeşil Haber (2026), see note 10.

- [178] ANKA News Agency (2026). “Gökhan Günaydın: Türkiye, ‘Made in Europe’ kapsamı dışında bırakılıyor” [Gökhan Günaydın: Türkiye is being left outside the scope of ‘Made in Europe’], October 2026.
- [179] Ekonomi Gazetesi (2026), see note 7.
- [180] Ekonomi Gazetesi (2026), see note 7.
- [181] Bruegel (2026), see note 17.
- [182] Euronews (2026), see note 18.
- [183] Reuters (2026). “EU can sharply cut local battery prices with Made in Europe plan, T&E report says”, 2 March 2026.
- [184] Electric Vehicles (2026). “EU-Made Battery Rule Would Add €2,100 to Cost of Typical EV, Bruegel Says”, September 2026.
- [185] Endeks24 (2026), see note 1.
- [186] Bruegel (2026), see note 17.
- [187] Machinery Manufacturers’ Association (MİB) (2026), see note 153.
- [188] Endeks24 (2026), see note 1.
- [189] Endeks24 (2026), see note 1.
- [190] AGBI (2024), see note 24.
- [191] European Commission, Directorate-General for Trade and Economic Security (2026), see note 4; Economic Development Foundation (İKV) (n.d.). “Gümrük Birliği” [The Customs Union].
- [192] Economic Development Foundation (İKV) (n.d.), see note 191; European Commission, Directorate-General for Trade and Economic Security (2026), see note 4.
- [193] World Bank (2014), see note 125.
- [194] World Bank (2014), see note 125.
- [195] Council of the EU (2025), see note 27.
- [196] European Commission, Directorate-General for Trade and Economic Security (2026), see note 4.
- [197] Ministry of Trade of the Republic of Türkiye (2026). “Türkiye-AB 3. Yüksek Düzeyli Ticaret Diyalogu Toplantısı Brüksel’de gerçekleştirildi” [Third meeting of the Türkiye-EU High-Level Dialogue on Trade held in Brussels], 15 October 2026.
- [198] Milliyet (2026), see note 107.
- [199] AGBI (2024), see note 24; World Trade Organization (n.d.). “DS629: Türkiye – Measures Concerning Electric Vehicles and Other Types of Vehicles from China”.
- [200] World Trade Organization (n.d.), see note 199.
- [201] Clifford Chance (2026), see note 1.
- [202] AGBI (2024), see note 24.
- [203] World Trade Organization (1994). General Agreement on Tariffs and Trade (GATT), Article III:8(a).
- [204] World Trade Organization (n.d.). “Agreement on Government Procurement: Parties, observers and accessions”.

- [205] Clifford Chance (2026), see note 1.
- [206] World Trade Organization (1994), see note 32.
- [207] Recharge (2022), see note 33.
- [208] World Bank (2014), see note 125.
- [209] Endeks24 (2026), see note 1; Euronews (2026), see note 25; Just Auto (2026), see note 23.
- [210] Morocco World News (2026), see note 145.
- [211] AGBI (2024), see note 24.
- [212] Public Procurement Law No. 4734 (Kamu İhale Kanunu), see note 28.
- [213] Clifford Chance (2026), see note 1.
- [214] Yinanç, B. (2026), see note 106.
- [215] HKTDC Research (2026), see note 3; Freshfields (2026), see note 3.
- [216] MLex (2026), see note 84.
- [217] Complete Car (2026), see note 19.
- [218] Reuters (2026), see note 19.
- [219] Yeşil Haber (2026), see note 10.
- [220] Briefs (2026), see note 146.
- [221] Ministry of Trade of the Republic of Türkiye (2026), see note 197.
- [222] Just Auto (2026), see note 23.
- [223] Just Auto (2026), see note 23.
- [224] Endeks24 (2026), see note 1.
- [225] AGBI (2024), see note 24.
- [226] Recharge (2022), see note 33.
- [227] HKTDC Research (2026), see note 3; Freshfields (2026), see note 3.
- [228] Yeşil Haber (2026), see note 10.
- [229] Freshfields (2026), see note 3.
- [230] Yeşil Haber (2026), see note 10; MLex (2026), see note 84.
- [231] Holland & Knight (2026), see note 60.
- [232] Economic Development Foundation (İKV) (2026), see note 42.

References

- AGBI (2024). “China files trade complaint against Turkey over EV tariffs”, 9 October 2024. <https://agbi.com/trade/2024/10/china-files-trade-complaint-against-turkey-over-ev-tariffs>
- AGBI (2026). “Chinese carmaker BYD suspends major project in Turkey”, June 2026. <https://www.agbi.com/manufacturing/2026/06/chinese-carmaker-byd-suspends-major-project-in-turkey/>
- ANKA News Agency (2026). “Gökhan Günaydın: Türkiye, ‘Made in Europe’ kapsamı dışında bırakılıyor” [Gökhan Günaydın: Türkiye is being left outside the scope of ‘Made in Europe’], October 2026. <https://ankahaber.net/haber/gokhan-gunaydin-turkiye-made-in-europe-kapsami-disinda-birakiliyor-e6a00bf8>
- Associated Press (2026). “IMF raises its forecast for world growth this year but warns of risks from AI boom and debt”, ITV News, 13 October 2026. <https://www.itv.com/news/2026-10-13/imf-slightly-raises-its-outlook-for-the-world-economy>
- Bloomberg HT (2025). “Bolat: Türkiye-AB yüksek düzeyli ticaret diyalogu sürecek” [Bolat: the Türkiye-EU High-Level Dialogue on Trade will continue]. <https://www.bloomberght.com/bolat-turkiye-ab-yuksek-duzeyli-ticaret-diyalogu-surece-2356087>
- Briefs (2026). “France and Germany strike auto pact blending looser CO2 push with tougher ‘Made in Europe’ rules”, October 2026. <https://www.briefs.co/news/france-and-germany-strike-auto-pact-blending-looser-co2-push/>
- Bruegel (2026). “The European Union’s automotive sector needs a plan, not undue protection”, Policy Brief, September 2026. <https://www.bruegel.org/policy-brief/european-unions-automotive-sector-needs-plan-not-undue-protection>
- Clifford Chance (2026). “The EU Industrial Accelerator Act: Made in Europe?”, March 2026. <https://www.cliffordchance.com/content/dam/cliffordchance/briefings/2026/03/eu-industrial-accelerator-act-briefing.pdf>
- Complete Car (2026). “Toyota urges EU to include UK and Turkey in automotive legislation”, 16 October 2026. <https://www.completecar.ie/industry-news/article/15390/Toyota-urges-EU-to-include-UK-and-Turkey-in-automotive-legislation>
- Council of the EU (2025). “EU-Türkiye trade relations” (infographic), last reviewed 30 January 2025. <https://www.consilium.europa.eu/en/infographics/eu-turkey-trade-relations/>
- Draghi, M. (2024). The Future of European Competitiveness. Brussels: European Commission. https://commission.europa.eu/topics/competitiveness/draghi-report_en
- Dünya (2026). “IMF Türkiye’nin büyüme tahminini üçüncü kez düşürdü” [IMF cuts Türkiye’s growth forecast for the third time], October 2026. <https://www.dunya.com/foto-galeri/gundem/imf-turkiyenin-buyume-tahminini-ucuncu-kez-dusurdu-galeri-843615>
- Economic Development Foundation (İKV) (2026). “AB Sanayi Hızlandırıcı Yasası Taslağı Yayımlandı: ‘Made in EU’ Kriteri Gümrük Birliği Ortaklarını da Kapsıyor” [Draft EU Industrial Accelerator Act published: the ‘Made in EU’ criterion also covers Customs Union partners], March 2026. <https://www.ikv.org.tr/ikv.asp?id=9960>
- Economic Development Foundation (İKV) (n.d.). “Gümrük Birliği” [The Customs Union]. https://www.ikv.org.tr/ikv.asp?lng=tr&ust_id=9351&id=38

- Ekonomi Gazetesi (2026). “2025’te 124,9 milyar dolarlık hizmet ihracatı yapıldı” [Services exports reached \$124.9 billion in 2025] (TurkStat international trade in services statistics). <https://www.ekonomigazetesi.com/ekonomi/2025te-1249-milyar-dolarlik-hizmet-ihracati-yapildi-86853>
- Ekonomi Gazetesi (2026). “Beyaz eşya satışları 2025’te yüzde 3 azaldı” [White goods sales fell by 3 per cent in 2025] (statement by TÜRKBESD). <https://www.ekonomigazetesi.com/sektor-haberleri/beyaz-esya-satislari-2025te-yuzde-3-azaldi-71009>
- Ekonomi Gazetesi (2026). “Otomotiv endüstrisi 2025 yılını 41,5 milyar dolar ihracatla zirvede kapattı” [The automotive industry closed 2025 at the top with \$41.5 billion in exports] (OİB data), January 2026. <https://www.ekonomigazetesi.com/otomotiv/otomotiv-endustrisi-2025-yilini-415-milyar-dolar-ihracatla-zirvede-kapatti-69155>
- Ekonomi Gazetesi (2026). “Otomotivde ihracatın şampiyonları ödül aldı” [Automotive export champions receive awards]. <https://www.ekonomigazetesi.com/sehirler/otomotivde-ihracatin-sampiyonlari-odul-aldi-82958>
- Electric Vehicles (2026). “EU-Made Battery Rule Would Add €2,100 to Cost of Typical EV, Bruegel Says”, September 2026. <https://electric-vehicles.com/general/eu-made-battery-rule-would-add-e2100-to-cost-of-typical-ev-bruegel-says/>
- electrive (2026). “BYD legt Pläne für Werk in der Türkei auf Eis – und sucht Alternative in Europa” [BYD shelves plans for a plant in Türkiye and seeks an alternative in Europe], 11 June 2026. <https://www.electrive.net/2026/06/11/byd-legt-plaene-fuer-werk-in-der-tuerkei-auf-eis-und-sucht-alternative-in-europa/>
- Endeks24 (2026). “Almanya ile Fransa’nın ‘Made in Europe’ taslağı Türkiye’yi kapsamıyor” [The German-French ‘Made in Europe’ draft does not cover Türkiye], 15 October 2026 (reporting Reuters and AFP). <https://www.endeks24.com/made-in-europe-taslagi-turkiyeyi-kapsamiyor>
- EU Perspectives (2026). “‘Do it right or not at all’: Can ‘Made in Europe’ save EU industry?”, September 2026. <https://euperspectives.eu/2026/09/made-in-europe-industrial-accelerator-act/>
- Euronews (2026). “‘Made in Europe’ battery rules could add €2,100 to electric car prices, report says”, 22 September 2026. <https://www.euronews.com/2026/09/22/made-in-europe-battery-rules-could-add-2100-to-electric-car-prices-report-says>
- Euronews (2026). “France and Germany strike car-industry deal linking 2035 engine rules to ‘Made in Europe’ push”, 16 October 2026. <https://www.euronews.com/2026/10/16/france-and-germany-strike-car-industry-deal-linking-2035-engine-rules-to-made-in-europe-pu>
- European Commission (2026). “Annexes to the proposal for an Industrial Accelerator Act” (Annex III). https://single-market-economy.ec.europa.eu/document/download/99174b0d-bcda-4039-9157-62725439d010_en?filename=Annexes+to+the+proposal.pdf
- European Commission (2026). “Industrial Accelerator Act”, COM(2026) 100, 4 March 2026. https://single-market-economy.ec.europa.eu/publications/industrial-accelerator-act_en

“Made in Europe” and Türkiye

- European Commission, Directorate-General for Trade and Economic Security (2026). “EU trade relations with Türkiye: Facts, figures and latest developments”. https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/turkiye_en
- European Parliamentary Research Service (2026). “International dimension of the proposed Industrial Accelerator Act”, EPRS Briefing, September 2026. [https://eprs.europarl.europa.eu/contents/publications/EPRS/2026/09/EPRS_BRI\(2026\)791495.html](https://eprs.europarl.europa.eu/contents/publications/EPRS/2026/09/EPRS_BRI(2026)791495.html)
- Evenett, S., Jakubik, A., Martín, F. and Ruta, M. (2024). “The Return of Industrial Policy in Data”, IMF Working Paper WP/24/1. Washington, DC: International Monetary Fund. <https://www.imf.org/en/Publications/WP/Issues/2023/12/23/The-Return-of-Industrial-Policy-in-Data-542828>
- EY Türkiye (2026). “AB’nin Made in Europe politikası: Türkiye için tehdit mi, fırsat mı?” [The EU’s Made in Europe policy: a threat or an opportunity for Türkiye?]. https://www.ey.com/tr_tr/insights/tax/ab-made-in-europe-turkiye
- FourWeekMBA (2026). “IMF Holds 2026 Growth at 3.1% as AI Investment Props It Up” (summary of IMF, World Economic Outlook, October 2026, Box 1.2). <https://fourweekmba.com/ai-imf-holds-2026-growth-at-3-1-as-ai-investment-props-it-up/>
- France 24 (2026). “France and Germany agree to ease EU car emissions rules in new deal”, 16 October 2026. <https://www.france24.com/en/europe/20261015-france-and-germany-agree-to-ease-eu-car-emissions-rules-in-new-deal>
- Freshfields (2026). “Where next for EU Industrial Policy? European Commission’s IAA draft sparks criticism from all sides in European Parliament”, October 2026. <https://www.freshfields.com/en/our-thinking/blogs/risk-and-compliance/where-next-for-eu-industrial-policy-european-commissions-iaa-draft-sparks-criti-1020594>
- Fuar Dergisi (2026). “Made in Europe tartışması: Türkiye Avrupa’nın tedarik zincirinde kalmalı” [The Made in Europe debate: Türkiye must remain in Europe’s supply chain] (statement by Dışyönder). <https://www.fuartergisi.com.tr/made-in-europe-tartisma-si-turkiye-avrupanin-tedarik-zincirinde-kalmali>
- García Bercero, I., McWilliams, B. and Tagliapietra, S. (2026). “The flaws in the European Union’s proposed Industrial Accelerator Act and how to fix them”, Bruegel Policy Brief 10/2026. <https://www.bruegel.org/sites/default/files/2026-05/PB%2010%202026.pdf>
- German History Intersections (n.d.). ““Made in Germany” was Made in Britain (1887)”. Source text: H. Payn, The Merchandise Marks Act of 1887. <https://germanhistory-intersections.org/en/germanness/ghis:document-230>
- German History Intersections (n.d.). “Article from the Austrian Patent Office Journal (1902)”. <https://germanhistory-intersections.org/en/germanness/ghis:document-231.pdf>
- GMK Center (2026). “The Made in Europe policy could strengthen the Turkish steel industry”, 9 March 2026. <https://gmk.center/en/news/the-made-in-europe-policy-could-strengthen-the-turkish-steel-industry/>
- Gulf Times (2024). “China’s BYD signs \$1bn agreement to open electric vehicle plant in Türkiye”, July 2024. <https://www.gulf-times.com/article/686282/business/chinas-byd-signs-1bn-agreement-to-open-electric-vehicle-plant-in-turkiye>

- Habertürk (2026). “Toyota’dan AB’ye Türkiye çağrısı: Dışarıda bırakmayın” [Toyota’s call to the EU on Türkiye: do not leave it out], 17 October 2026. <https://www.haberturk.com/ekonomi/toyota-dan-ab-ye-turkiye-cagrisi-made-in-europe-tartismasi-3920448>
- Hirschman, A. O. (1945). *National Power and the Structure of Foreign Trade*. Berkeley: University of California Press.
- HKTDC Research (2026). “European Parliament Targets December Vote on Proposed Industrial Accelerator Act”, August 2026. <https://research.hktdc.com/en/article/MjQwOTA4MDg1NQ>
- Holland & Knight (2026). “The European Union’s ‘Made in Europe’ Push”, May 2026. <https://www.hklaw.com/en/insights/publications/2026/05/the-european-unions-made-in-europe-push>
- Hürriyet Daily News (2026). “IMF lowers Türkiye’s growth forecast for 2026”, 13 October 2026. <https://www.hurriyetdailynews.com/imf-lowers-turkiyes-growth-forecast-for-2026-228062>
- Il Foglio (2026). “Il motore franco-tedesco parte in auto” [The Franco-German engine starts with cars], 28 July 2026. <https://www.ilmfoglio.it/economia/2026/07/28/news/il-motore-franco-tedesco-parte-in-auto--403353>
- Jacques Delors Centre (2025). “Europe’s Car Industry in Transition: Stuck in Neutral or Shifting into Gear?”. <https://www.delorscentre.eu/en/publications/detail/publication/europes-car-industry-in-transition>
- Juhász, R., Lane, N. and Rodrik, D. (2024). “The New Economics of Industrial Policy”, *Annual Review of Economics*, 16. <https://doi.org/10.1146/annurev-economics-081023-024638>
- Just Auto (2026). “UK car sector could join EU’s ‘Made in Europe’ scheme under China condition”, 16 October 2026 (reporting the Financial Times). <https://www.just-auto.com/news/uk-car-sector-made-in-europe/>
- Keohane, R. O. and Nye, J. S. (1977). *Power and Interdependence: World Politics in Transition*. Boston: Little, Brown.
- Machinery Manufacturers’ Association (MİB) (2026). “Our Views on the EU Industrial Accelerator Act Submitted to the European Commission”. <https://mib.org.tr/en/our-views-on-the-eu-industrial-accelerator-act-submitted-to-the-european-commission/>
- Medyascope (2026). “IMF, Türkiye için büyüme tahminini yüzde 2,7’ye indirdi” [IMF lowers Türkiye’s growth forecast to 2.7 per cent], 13 October 2026. <https://medyascope.tv/2026/10/13/imf-turkiye-icin-buyume-tahminini-yuzde-27ye-dusurdu/>
- Milliyet (2026). “Dışişleri Bakanı Hakan Fidan: Gümrük Birliği’nin güncellenmesinde Kıbrıs Rum kesiminin blokajı var” [Foreign Minister Hakan Fidan: the Greek Cypriot side is blocking the modernisation of the Customs Union], 1 July 2026. <https://www.milliyet.com.tr/gundem/disisleri-bakani-hakan-fidan-gumruk-birliginin-guncellenmesinde-kibris-rum-kesiminin-blokaji-var-7615934>

“Made in Europe” and Türkiye

- Ministry of Trade of the Republic of Türkiye (2026). “Türkiye-AB 3. Yüksek Düzeyli Ticaret Diyalogu Toplantisi Brüksel’de gerçekleştirildi” [Third meeting of the Türkiye-EU High-Level Dialogue on Trade held in Brussels], 15 October 2026. <https://ticaret.gov.tr/haberler/turkiye-ab-3-yuksek-duzeyli-ticaret-diyalogu-toplantisi-brukselde-gerceklestirildi-15-10-2026>
- MLex (2026). “Car companies to see more detailed ‘made in Europe’ rules under French-German plan”, 16 October 2026. <https://www.mlex.com/mlex/trade/articles/2538829>
- Morocco World News (2026). “European Lawmakers Push to Include Morocco in ‘Made in Europe’ Industrial Benefits”, 18 October 2026. <https://www.moroccoworldnews.com/2026/10/342653/european-lawmakers-push-to-include-morocco-in-made-in-europe-industrial-benefits/>
- Public Procurement Law No. 4734 (Kamu İhale Kanunu), Official Gazette of the Republic of Türkiye, 22 January 2002, No. 24648, Article 63.
- Qatar News Agency (2026). “IMF: Investing in AI boosts global growth”, 13 October 2026. <https://qna.org.qa/en/News-Area/News/2026-10/13/imf-investing-in-ai-boosts-global-growth>
- Qatar Tribune (2026). “OECD sees slower Türkiye growth through 2027”, 24 September 2026. <https://www.qatar-tribune.com/article/255633/business/oecd-sees-slower-turkiye-growth-through-2027>
- Recharge (2022). “EU demands changes to ‘discriminatory’ IRA amid row over US flagship renewables law”, 8 November 2022. <https://www.rechargenews.com/energy-transition/eu-demands-changes-to-discriminatory-ira-amid-row-over-us-flagship-renewables-law/2-1-1348103>
- Reuters (2026). “AI investment props up global growth, but war and debt threaten outlook, IMF says”, The Morning, 13 October 2026. <https://www.themorning.lk/articles/wq9QsVc1FkTJCIFPJbVP>
- Reuters (2026). “EU can sharply cut local battery prices with Made in Europe plan, T&E report says”, 2 March 2026. <https://finance.yahoo.com/news/eu-sharply-cut-local-battery-060708133.html>
- Reuters (2026). “EU must push for ‘Made in Europe’ strategy, EU industry chief says”, 2 February 2026. <https://finance.yahoo.com/news/eu-must-push-made-europe-223513858.html>
- Reuters (2026). “Reactions to Germany-France car deal”, Devdiscourse, October 2026. <https://www.devdiscourse.com/article/international/3993668-quotes-a-good-day-for-motorists-and-for-jobs-reactions-to-germany-france-car-deal>
- Semafor (2026). “France, Germany are hatching plans to revive auto industry”, 27 July 2026. <https://www.semafor.com/article/07/27/2026/france-germany-are-hatching-plans-to-revive-auto-industry>
- SETA Foundation (2026). “Beyond a Costly Exclusion: A SAFE Plus Arrangement for Türkiye and European Defence”, July 2026. <https://media.setav.org/en/file/2026/07/beyond-a-costly-exclusion-a-safe-plus-arrangement-for-turkiye-and-european-defence.pdf>

- Sözcü (2026). “Türkiye’de otomotiv sektörünü uçarak hamleye Fransa engeli” [France blocks a leap forward for Türkiye’s automotive sector], October 2026. <https://www.sozcu.com.tr/turkiye-de-otomotiv-sektorunu-ucarak-hamleye-fransa-engeli-p370052>
- Table.Media (2026). Draft text of the Industrial Accelerator Act proposal (leaked document). <https://table.media/assets/entwurf-iaa-proposal.pdf>
- tset (2026). “‘Made in Europe’: What the Industrial Accelerator Act Means for Automotive Manufacturers”. <https://tset.com/blog/what-the-industrial-accelerator-act-means-for-automotive-manufacturers>
- Türkiye Today (2026). “Made in Europe: Alarm bells ring for Türkiye’s industrial sector”. <https://www.turkiyetoday.com/opinion/made-in-europe-alarm-bells-ring-for-turkiyes-industrial-sector-3221033>
- Williams, E. E. (1896). Made in Germany. London: Heinemann. Excerpts in German History in Documents and Images. <https://germanhistorydocs.org/en/wilhelmine-germany-and-the-first-world-war-1890-1918/ghdi:document-5468>
- World Bank (2014). “World Bank Group Report: EU-Turkey Customs Union Boosts Trade, But Needs Strengthening”, press release, 8 April 2014. <https://www.worldbank.org/en/news/press-release/2014/04/08/world-bank-group-report-eu-turkey-customs-union-boosts-trade-but-needs-strengthening>
- World Bank (2014). Evaluation of the EU-Turkey Customs Union, Report No. 85830-TR. Washington, DC. <https://www.worldbank.org/content/dam/Worldbank/document/eca/turkey/tr-eu-customs-union-eng.pdf>
- World Trade Organization (1994). Agreement on Subsidies and Countervailing Measures, Article 3.1(b). https://www.wto.org/english/docs_e/legal_e/24-scm_01_e.htm
- World Trade Organization (1994). General Agreement on Tariffs and Trade (GATT), Article III:8(a). https://www.wto.org/english/docs_e/legal_e/gatt47_01_e.htm
- World Trade Organization (n.d.). “Agreement on Government Procurement: Parties, observers and accessions”. https://www.wto.org/english/tratop_e/gproc_e/memobs_e.htm
- World Trade Organization (n.d.). “DS629: Türkiye – Measures Concerning Electric Vehicles and Other Types of Vehicles from China”. https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds629_e.htm
- Yeşil Haber (2026). “AB otomotivde surları yükseltiyor: Türkiye içeride mi, dışarıda mı?” [The EU raises its walls in automotive: is Türkiye inside or outside?], 16 October 2026 (reporting Journal de l’Automobile, AFP, Bloomberg, OİB, the Ministry of Trade and L’argus). <https://yesilhaber.net/ab-otomotiv-kurallari-turkiye-montaj-sarti/>
- Yeşilada, A. (2026). “‘Made in Europe’ Düzenlemesi: Türkiye Dev Sanayi Hamlesinin Dışında Kalma Riskiyle Karşı Karşıya” [The ‘Made in Europe’ regulation: Türkiye at risk of exclusion from a major industrial drive], ParaAnaliz, 19 October 2026. <https://www.paraanaliz.com/haberler/made-in-europe-duzenlemesi-turkiye-dev-sanayi-hamlesinin-disinda-kalma-riskiyle->
- Yinanc, B. (2026). “Erdoğan’dan von der Leyen’e Made in Europe mektubu” [Erdoğan’s Made in Europe letter to von der Leyen], T24, 26 January 2026. <https://t24.com.tr/yazarlar/barcin-yinanc/erdogandan-von-der-leyene-made-in-europe-mektubu,53504>

“Made in Europe” and Türkiye

Yinanç, B. (2026). “Türkiye’nin AB ile jeopolitik uyumu: Yüzdelerin ötesinde bir tartışma” [Türkiye’s geopolitical alignment with the EU: a debate beyond percentages], T24, 12 October 2026. <https://t24.com.tr/yazarlar/barcin-yinanc/turkiyenin-ab-ile-jeopolitik-uyumu-yuzdelerin-otesinde-bir-tartisma,59431>

Yinanç, B. (2026). “Üretim hatları netlik istiyor; AB’ye karşı Rusya ve Çin kozu işler mi?” [Production lines need clarity: will the Russia and China cards work against the EU?], T24, 7 October 2026. <https://t24.com.tr/yazarlar/barcin-yinanc/uretim-hatlari-netlik-istiyor-abye-karsi-rusya-ve-cin-kozu-isler-mi,59359>

ABOUT THE AUTHOR

Çiğdem Gizem Okkaoğlu

Okkaoğlu, born in 1991, graduated from Bilkent University, Department of Industrial Engineering in 2015. She started to work for Turkish Competition Authority after her graduation. Following her departure from public service in 2020, she worked as a Consultant at Balcıoğlu Selçuk Ardiyok Keki Attorney Partnership (Dentons Türkiye) and as a Senior Attorney at ELİG Gürkaynak Attorneys-at-Law. Okkaoğlu also completed the undergraduate programme at Faculty of Law, Ankara University in 2019 (LLB) ; the bachelor of arts degree at Department of Economics, Anadolu University in 2018 (BA) and associate degree at the Department of Social Services, Anadolu University in 2012. In 2022, Okkaoğlu began her Master's Programme in European Studies with Thesis at Middle East Technical University and currently works as a Partner at Günay Erdoğan Attorneys-at-Law. She also serves as the Secretary General of the Institute for Social Studies.



Cevizlidere Mah. Mevlana Bulv. No:123/305 Çankaya/Ankara
0312 939 93 00 | info@toplum.org.tr | www.toplum.org.tr/en