

NTV – Interview

Valdis Dombrovskis, the European Commission's Commissioner for Economic Affairs, was in Istanbul for the Türkiye-EU high-level economic dialogue meeting. Dombrovskis answered questions from NTV. He emphasized the importance of relations between the European Union and Türkiye. "Türkiye is definitely a strategic partner," he said.

The Customs Union is at the top of the list of disagreements between Türkiye and the European Union. Türkiye is seeking revisions to the Customs Union agreement. However, the negotiations conducted so far have not yielded results. The European Union delegation is in Istanbul for high-level economic dialogue talks with Türkiye. Valdis Dombrovskis, the European Commission's Commissioner for Economy and Efficiency, is a guest on NTV.

Q: Mr. Dombrovskis, thank you for taking the time to speak with us. Starting with the Customs Union agreement between the EU and Türkiye, what would you like to say about the modernization of the Customs Union, which has stalled recently? What steps are being taken in this regard? The steps taken to include Türkiye in the "Made in EU" initiative, which was brought to the agenda in March, were welcomed in Ankara.

Dombrovskis: First of all, it must be said that, overall, the Customs Union has been a success. Last year, our bilateral trade volume reached a new record high of approximately €217 billion. We therefore see this as a solid foundation for our economic cooperation and interaction. However, it is also true that many aspects of the Customs Union have become outdated since it was last updated in 1997. We are therefore currently examining how we can improve the practical functioning of the Customs Union. We are also making some technical updates to the legal framework of the Customs Union. This will provide greater clarity for economic actors in both Türkiye and the European Union and, in a sense, pave the way for the modernization of the Customs Union. Given that our industrial accelerator program is active in the context of the EU-led initiative you mentioned, it would be more accurate to describe it as an initiative developed in collaboration with the EU. We have also made this initiative available to our Free Trade Agreement partners or, as in the case of Türkiye, our Customs Union partners. Furthermore, public procurement for these partners took place within the framework of a public procurement agreement under the World Trade Organization. Consequently, there is also the possibility of accessing goods linked to an industrial accelerator law, both in terms of public support for goods produced in Türkiye and in terms of our ability to facilitate public procurement. However, when it comes to public procurement, we apply the principle of reciprocity as a key element. In other words, partner countries help keep their markets open for public procurement. In the case of Türkiye, discussions on this matter have already begun.

Q: Türkiye has recently focused on restoring macroeconomic stability through measures to combat inflation, a tight monetary policy, and structural reforms. As the European Commission, how do you assess Türkiye's current economic reform program and the disinflation process?

Dombrovskis: Yes, indeed, we welcome both the economic reform program and the disinflation process. This process is one of the topics we have discussed in the high-level economic dialogue we have been conducting with Minister Şimşek. And, of course, having a stable macroeconomic foundation is very important, as it provides the prerequisites for financial stability and economic growth. Therefore, the implementation of this economic reform program is crucial.

Q: Recent regional instability and risks along trade routes have prompted the EU to seek greater trade resilience and security. In this context, can we say that Türkiye is merely a candidate country for the European Union, or is it a key strategic partner?

Dombrovskis: Türkiye is definitely a strategic partner and plays an important role in the region. We are working very closely together on all these issues. Speaking more generally about economic or geopolitical instability in the region—due to the closure of the Strait of Hormuz and its consequences... Speaking of political instability, it is clear that the European Union is also affected by the closure of the Strait of Hormuz and its consequences. That is why we continue to pursue our policy of reducing our dependence on imported fossil fuels, which is one of the sources of instability. We experienced this once again in 2022 and 2023 following Russia's invasion of Ukraine. Russia attempted to use its gas supplies as a tool for blackmail and manipulation against the European Union. This situation changed as we moved away from Russian gas and Russian fossil fuels. However, diversifying these supply routes and suppliers has, in a sense, already helped us further expand the use of renewable energy. Consequently, it has helped reduce our dependence on fossil fuels. And we now see that we are more resilient to the current economic shock in this regard. However, in a broader sense, over the past year we have been pursuing a very active international trade agenda to diversify our trade relations. Consequently, we have signed agreements with Mercosur, India, Indonesia, and, more recently, Australia. In other words, we are working to expand and diversify our international trade network.

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