



THE EU AND TÜRKİYE

July 2026



Türkiye is an **EU candidate country** since 1999

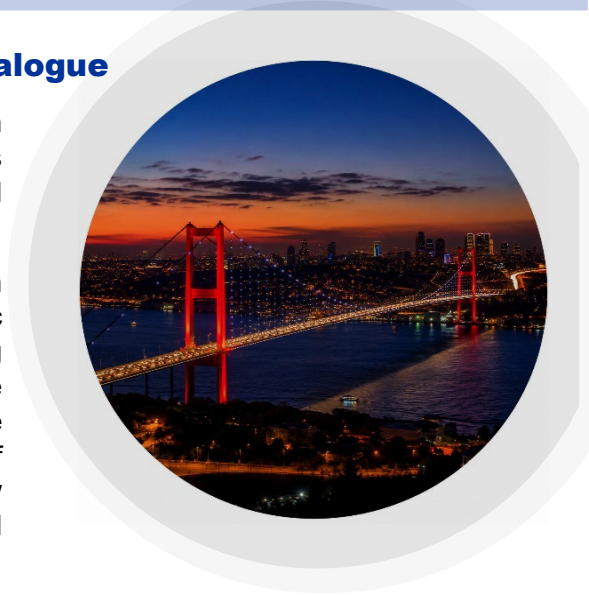


Background on Türkiye-EU High Level Economic Dialogue

The Türkiye-EU High Level Economic Dialogue (HLED) was agreed upon during the EU-Türkiye Summit on 29 November 2015. The dialogue is designed to contribute to further enhancement of economic relations and create a business platform to bring business circles together.

In this regard, the HLED is held in two main sessions. One session consists of a ministerial-level dialogue focusing on the macroeconomic outlook for the EU and Turkish economies, as well as exploring opportunities for ambitious reforms and strengthened cooperation. The other session takes place as a Business Summit, where officials from the European Commission and Turkish Government, and representatives of major Turkish and European businesses come together and focus on how to create a better business environment and deepen bilateral trade and investment links.

Representatives from European-based international financial institutions are also invited to both sessions of the HLED. The most recent HLED meeting in April 2025 was a step towards enhancing relations between Türkiye and the EU as part of the implementation of the recommendations outlined in the Joint Communication on the state of play of EU-Türkiye political, economic and trade relations from November 2023.



The EU is Türkiye's

largest trade partner

largest investor

largest provider of financial assistance

Close Trade and Investment Links

The EU-Türkiye Customs Union, that since 1996 removed tariffs and quantitative restrictions for industrial and processed agricultural products, has driven deep economic integration, tightly linking EU and Turkish economies and industrial value chains together. Notwithstanding its geographical position, Türkiye's strong integration into European value chains through the EU-Türkiye Customs Union, reinforced by its proximity to EU markets, also help it to navigate disruptions in global supply chains caused by geopolitical tensions in the region.

- The EU is Türkiye's main trading partner, while Türkiye is EU's fifth largest trading partner, accounting for 4.2% of the EU's total trade in goods with non-EU countries in 2025. In 2025, 42.8% of Türkiye's exported goods were destined for the EU, while 31.7% of the country's imported goods originated from the EU. Overall trade volume reached a new record high of **€218 billion** in 2025.
- Of the top 20 investing partners, EU Foreign Direct Investment (FDI) flows reached about **€5.34 billion** in 2025. The EU's share of FDI inflows into Türkiye increased from 58% in 2024 to 66% in 2025. Also, the EU is an important FDI destination for Türkiye; its investments (FDI) into the EU in 2025 represented 47.3% of total Turkish FDIs abroad.
- Turkish companies are deeply integrated into European supply chains, largely due to the EU-Türkiye Customs Union. These companies are active in both manufacturing and services sectors. There are prominent EU investors in automotive, banking and insurance, consumer goods and retail, energy and renewables.
- The EU and Türkiye continue to engage on areas of common interest with a view to advancing bilateral relations and unlocking their untapped potential. This renewed engagement has been underpinned by a series of High-Level Dialogues, five of which took place in 2025 alone. These covered the economy; trade, migration and security; science, research, technology and innovation; and climate. In addition, a new **EU-Türkiye High-Level Dialogue on Trade** was launched in 2024 to strengthen the full implementation of the Customs Union.
- The **European Investment Bank (EIB)** has resumed financing in Türkiye and signed two new financing operations of €100 million each with the Development and Investment Bank of Türkiye (TKYB) and Türk Eximbank, targeting the decarbonization of the Turkish economy. These funds will support projects that reduce greenhouse gas emissions, strengthen supply chains and energy security, enhance climate resilience, and create new green jobs in Türkiye.
- The **European Bank for Reconstruction and Development (EBRD)** is Türkiye's largest international financial institution investor, committing a record €2.7 billion across 54 projects in 2025. Around two-thirds of its investments support the green transition, including renewable energy, electricity grids, energy efficiency, sustainable infrastructure, and earthquake recovery.
- The **Council of Europe Development Bank (CEB)** finances social-sector investments in Türkiye, focusing on affordable housing, healthcare, education, SME support and earthquake recovery, often through partner institutions such as TKYB and TSKB.



The Türkiye Investment Platform

Established in 2022 by the EU, the **Türkiye Investment Platform** is the main vehicle for mobilising EU-backed investments in Türkiye. By leveraging EFSD+ guarantees and partnerships with European and international financial institutions, TIP supports strategic investments in decarbonisation, sustainable infrastructure, digitalisation, innovation and private sector development. With EUR 317 million in guarantee capacity, it aims to generate investments to the value of **€2.4 billion by the end of 2027** in Türkiye.

This includes:

- Financing and Accelerating the Sustainable Transition of Cities (**“FAST-Cities”**).
- Provision of liquidity to local financial institutions and to address local unserved and underserved MSMEs’ financing gaps. (**Growth4All and TERRA**).
- The **Connectivity programme**, promoting investments into low-emission energy supply projects, sustainable transport networks, digital connectivity and digitalisation projects, sustainable supply chains, and human development projects.
- **Global Green Bond Initiative** to support the development of green bond markets in partner countries.
- Risk sharing and credit guarantee (**NASIRA (Plus) and SAFE programme**) for micro, small and medium enterprises that are perceived to have a riskier profile (women, young persons, migrants, agri/rural MSMEs).
- **HI-BAR** to accelerate private investment in next-generation climate mitigation technologies and energy-intensive industries.



Areas of Cooperation under IPA

Between 2021 and 2025 the EU has allocated:

- **€130.8 million** for support to Civil Society.
- **€103.7 million** for environment and climate change.
- **€78.6 million** for support to health, education, employment, social protection and inclusion policies.
- More than **€280 million** for agriculture and rural development, including agri-food industry, organic agriculture and fisheries.

People to People Contacts

- The EU has funded over **260,000 exchanges** between EU and Turkish citizens in the areas of education, training, youth, and sport under **ERASMUS+** since 2021.



Economic Reform Programmes (ERP)

Since 2015, Türkiye, along with the other candidate countries and potential candidates, submit annual Economic Reform Programmes (ERP) to the European Commission. The EU strengthened its economic governance exercise with the enlargement countries to prepare them for their eventual participation in the European Semester.

As part of this exercise, Türkiye presents its medium-term macroeconomic projections, budgetary plans and a structural reform agenda for the next three years. In its last ERP (2026-2028), the Turkish Government continued putting emphasis on accelerating the green transition, supporting the digital transformation and addressing skill mismatches.

The European Commission assesses these plans, which then form the basis for discussions with EU Member States at the annual Economic and Financial Dialogue, where they agree on Joint Conclusions and shape future reform priorities for the year ahead.

Joint conclusions of the economic and financial dialogue with regional partners, 5 May 2026:

<https://data.consilium.europa.eu/doc/document/ST-8860-2026-INIT/en/pdf>