Trade Bulletin

JANUARY 2026

Genç Ticaretçiler

FOREWORD

Dear Readers,

We are pleased to present the January 2026 issue of the *Genç Ticaretçiler Trade Bulletin*. This issue brings together concise analyses of recent developments in international trade at both the national and global levels. We touch upon Türkiye's latest trade performance, the evolving MERCOSUR–EU trade relationship and its possible reflections on Türkiye, changes in Türkiye's 30€ duty-free threshold in cross-border trade, proposed new tariffs related to Iran trade and their broader market implications, and India's automotive tariff adjustments within its FTA framework with the EU.

Rather than covering every headline, we have selectively focused on developments that signal changing trade policies, agreements, and market conditions affecting international commerce.

As Genç Ticaretçiler, our aim is to provide clear, timely, and relevant insights for those who follow global trade. We hope this issue offers a useful snapshot of the current trade landscape and supports your academic and professional interests.

Enjoy reading.

Genç Ticaretçiler

TABLE OF CONTENT

Türkiye’s Trade Performance: January 2026

In January 2026, Türkiye’s exports declined by 3.9% year-on-year, amounting to USD 20.33 billion, while imports increased marginally by 0.03% to USD 28.68 billion. As a result, total foreign trade volume decreased by 1.7%, reaching USD 49.01 billion.

The foreign trade deficit widened to USD 8.35 billion, indicating a deterioration in the trade balance at the beginning of the year. The export-to-import coverage ratio fell by 2.9 percentage points to 70.9%, reflecting Türkiye’s continued dependence on imported inputs, particularly in manufacturing-oriented production structures.

Table 1. Turkish Monthly Foreign Trade Data (Million USD)

	Export	Import
January 2026	20.328	28.681
January 2025	21.161	28.671
Difference	**-3,9**	**0,03**

Source: Ministry of Commerce of the Republic of Türkiye (2026)

In January, the manufacturing industry remained the backbone of exports, accounting for 92.7% of total exports (USD 18.85 billion). This was followed by:

- Agriculture, Forestry and Fishing: 4.8% (USD 985 million)
- Mining and Quarrying: 1.7% (USD 355 million)

This structure confirms that Türkiye’s export performance continues to rely heavily on industrial production, while the contribution of primary sectors remains limited.

Germany ranked as Türkiye’s largest export destination with USD 1.78 billion, followed by the United States (USD 1.22 billion) and the United Kingdom (USD 1.21 billion). The top ten export destinations accounted for 47.8% of total exports, indicating a moderately concentrated export structure.

On the import side, China remained the leading supplier with USD 4.28 billion, followed by Russia (USD 2.94 billion) and the United States (USD 2.87 billion). This pattern highlights Türkiye’s reliance on energy products, intermediate goods, and raw materials.

January 2026 foreign trade data signal a cautious start to the year. While declining exports and a lower coverage ratio present short-term challenge, the strong dominance of manufacturing exports underscores Türkiye’s ongoing production capacity. In the medium and long term, reducing import dependency and diversifying export markets remain critical priorities for achieving a more sustainable foreign trade balance.

Author: Emrullah T. KARÇİÇEĞİ

Resources:

- https://ticaret.gov.tr/haberler/2026-yili-ocak-ayi-dis-ticaret-verileri
- https://data.tuik.gov.tr/Kategori/GetKategori?p=dis-ticaret-104

MERCOSUR - European Union Trade Agreement and Its Potential Impacts on Türkiye

Countries are turning to regional trade agreements as multilateral agreements' impact on international commerce has diminished in recent years. The free trade agreement between the European Union (EU) and Mercosur, the South American common market, is a noteworthy development in this regard. This deal, which was signed in Paraguay on January 17, 2026, following around 25 years of discussions, is regarded as one of the biggest trade accords the European Union has ever reached. With almost 700 million customers, the deal has created one of the biggest trading zones in the world.

Source: Generated by AI

Approximately 91% of goods traded between the EU and Mercosur will no longer be subject to tariffs thanks to the deal. In addition to tariff reductions, this agreement covers a wide range of topics, such as public procurement, investments, and trade in products and services. Enhancing long-term economic cooperation and facilitating trade between the parties are the objectives. With respect to previous free trade agreements, the agreement's structure is more extensive in this regard.

The agreement offers significant advantages for the European Union in the industrial sector. The gradual elimination of tariffs in sectors such as automotive, machinery, chemicals, and pharmaceuticals make EU products more competitive in the Mercosur market. Conversely, Mercosur countries may face increased competition from the European Union in the industrial sector.

The agreement's most delicate area is the agricultural sector. For high-value agricultural goods including wine, dairy products, and olive oil, the European Union has access to the Mercosur market. In contrast, Mercosur nations have restricted and quota-based access to the European Union market for goods like chicken and cattle. This illustrates the European Union's careful strategy for safeguarding its agriculture industry.

While this agreement may not have a direct impact on Türkiye, it is expected to have an indirect effect. Since Türkiye is part of the Customs Union with the European Union, it is affected by free trade agreements signed by the EU with third countries. However, Türkiye is not a direct party to these agreements.

Türkiye is at risk from the fiercely competitive goods of the Mercosur nations, particularly in the food and agriculture industries. This risk may have a detrimental effect on Turkish local producers. In the industrial sector, Turkish enterprises may find it challenging to compete in both the domestic and EU markets if products of Mercosur origin access the Turkish market through the EU.

But Türkiye also has some opportunities as a result of this arrangement. Through the EU, Turkish businesses who have integrated their manufacturing can access the Mercosur market. This could lead to new partnerships, especially in the textile, mechanical, and automotive subindustries.

In conclusion, the Mercosur-European Union Trade Agreement contains both risks and limited opportunities for Türkiye. Currently, the updating of the Customs Union between Türkiye and the European Union is on the agenda.

Author: Dilşad YILMAZ USLU

Resources:

- https://www.dw.com/tr/ab-mercosur-anlaşması-türkiyeyi-nasıl-etkileyecek/a-75540681
- https://tr.euronews.com/my-europe/2026/01/18/25-yilda-ortaya-cikan-anlasma-abyi-boldu-mercosur-krizi-pariste-derinlesiyor
- https://ticaret.gov.tr/blog/sektor-haberleri/ab-ve-mercosur-25-yillik-muzakerelerin-ardindan-ticaret-anlasmasi-imzaladi
- https://www.aa.com.tr/tr/dunya/ab-mercosur-ticaret-anlasmasi-25-yillik-muzakerenin-ardindan-imzalandi/3802491
- https://www.bloomberght.com/ab-ile-mercosur-arasinda-25-yillik-muzakere-sonrasi-ticaret-anlasmasi-imzalandi-3766615

Türkiye Ends €30 Duty-Free Threshold: Implications for Cross-Border Trade

A significant regulation affecting cross-border e-commerce transactions in Türkiye has come into effect. With the "Decision on the Implementation of Certain Articles of the Customs Law No. 4458" (Decision No: 10813), published in the Official Gazette on January 7, 2026, the simplified customs exemption of 30 Euros applied to individual purchases from abroad has been completely abolished. The decision will be implemented starting February 6, 2026.

Source: Generated by AI

With this regulation, all shipments ordered from abroad will now be subject to the normal import regime and more detailed customs procedures, regardless of the product price. The amendment removes the clauses that previously provided an exemption for low-value shipments. Thus, small-value shipments are now also subject to tax and declaration obligations. On the other hand, it is stated that the special taxation for pharmaceuticals and dietary supplements with a value not exceeding €1,500 will continue, while other products will be subject to the general taxation regime.

The most noticeable consequence of the new regulation for consumers will be increased costs. According to experts, even products under 30 Euros will now incur customs duties, detailed declaration fees, and various service charges. This could lead to the total cost exceeding the product price, especially for low-priced items. A similar situation is expected for orders placed through international e-commerce platforms. While the price advantage previously provided for small purchases will largely disappear, it is stated that the total amount consumers will pay upon delivery will increase significantly.

However, the regulation presents a different picture for manufacturers and domestic retailers. Industry representatives have long argued that low-priced products entering the country tax-free and without inspection create unfair competition in the domestic market. The new decision is seen as reducing price pressure on domestic producers and creating more balanced competition conditions. In particular, preventing the entry of products into the market without quality and standards control is viewed as a positive development in some sectors.

Overall, the removal of the €30 exemption means higher costs and more complex processes for consumers, while it is seen as a protective measure for domestic producers and sellers. The regulation is also considered part of the government's goals to increase tax revenue and strengthen control over cross-border e-commerce. It is argued that Türkiye's e-commerce policy is shifting from a cheap access model favoring consumers to a more controlled structure prioritizing domestic production.

Author: A. Berke AYSÖNDÜ

Resources:

- https://www.resmigazete.gov.tr/eskiler/2026/01/20260107-3.pdf
- https://finans.cnnturk.com/finans-haberler/yurtdisindan-alisveriste-yeni-donem-iste-detaylar-2382031
- https://www.aa.com.tr/tr/ekonomi/yurt-disindan-e-ticaretle-alinan-30-avroya-kadar-esya-icin-basitlestirilmis-gumruk-donemi-sona-erdi/3791934
- https://www.timeturk.com/ekonomi/gumrukte-koklu-degisiklik-30-euro-siniri-artik-gecerli-degil-haber-1827060
- https://www.mondaq.com/Türkiye/international-trade-investment/1732912/removal-of-customs-duty-exemption-for-cross-border-shopping

Trump’s Proposed 25% Tariffs on Iran Trade: What It Means for Türkiye and Global Markets

US President Donald Trump's announcement on January 12, 2026, that a 25% additional tariff would be imposed on countries trading with Iran, has had a disruptive impact on both Türkiye and the global trade order. This decision, described as "coming into effect very soon" and "definite," stipulates that any country doing business with Iran will be subject to this tariff on all its trade transactions with the US. The limits on trade with Iran under this tariff are not yet clear.

Source: Generated by AI

The World Trade Organization (WTO) had ruled that similar tariffs imposed during Trump's previous administration violated global trade rules. Due to its geographical and strategic location, Türkiye is among the countries most affected by this decision. On one hand, there is a trade and strategic energy relationship with Iran worth approximately $6 billion according to Turkish Statistical Institute (TÜİK) data, and on the other hand, there is a massive trade volume exceeding $30 billion with the US. Türkiye meets approximately 13-17% of its natural gas needs from Iran. The fact that the current gas agreement between the two countries will last until July 2026 shows that it is technically impossible to stop this import all at once. According to TEPAV experts, this additional tax decision could cost Türkiye approximately $4 billion. Besides energy, steel, metal, automotive, textile, defense, and aerospace sectors are among the sectors that will be directly affected by this situation.

Trump's decision will affect all of Iran's trading partners and global supply chains, with Iran trading with 147 countries worldwide. Analysts say the primary target of this move is China, Iran's largest trading partner and the recipient of approximately 80% of its oil. This new tariff is expected to push tariffs on Chinese goods entering the US to over 70%. China has officially stated that it will take "all necessary measures" against this US decision. This decision appears to be forcing countries to sit down at the negotiating table with the US for bilateral agreements.

U.S. importers may face increased costs and supply chain disruptions due to these broad, country-specific tariffs, even if the products they import have no direct link to Iran.

Author: Ümran GÜVEN

- https://www.cumhuriyet.com.tr/turkiye/trump-in-iran-la-ticaret-yapana-yuzde-25-ek-vergi-karari-turkiye-yi-nasil-etkiler-4-milyar-dolar-fatura-cikabilir-2469836

- https://economictimes.indiatimes.com/news/international/us/which-countries-will-be-impacted-by-trumps-25-iran-tariffs-some-are-close-allies-of-us-heres-the-breakdown/articleshow/126504691.cms?from=mdr
- https://about.bnef.com/insights/commodities/oil-can-hit-91-a-barrel-in-late-2026-on-iran-disruption/
- https://www.turkiyetoday.com/business/how-25-us-tariff-on-irans-trade-partners-could-impact-turkiye-3212902?s=1
- https://www.aa.com.tr/tr/dunya/dto-abdnin-turk-celigine-yonelik-ilave-vergi-kararinda-turkiyeyi-hakli-buldu/2760889

India Reduces Automotive Tariffs Under the EU–India Free Trade Agreement Framework

The European Union and India signed a comprehensive Free Trade Agreement (FTA) on January 27, 2026, after nearly 20 years of negotiations. This agreement aims to increase trade volume between the EU and India and largely eliminate tariffs. The agreement includes significant liberalization steps in trade in goods and services and is expected to have a broad impact, ranging from industrial products to service sectors.

Source: Generated by AI

India has agreed to gradually reduce the high tariffs imposed on cars imported from the EU. Currently at around 110%, the tariffs will initially be reduced to 40% and could be further reduced to 10% over time.

These tariff reductions will particularly ease access to the Indian market for European car manufacturers (e.g., Mercedes-Benz, BMW, Volkswagen, Renault).

The agreement also includes plans to completely eliminate tariffs on car parts within five to ten years.

This agreement has the potential to increase the current trade volume between the two sides. It is projected that EU exports to India could double by 2032. In addition to tariff reductions in the automotive sector, the agreement includes tariff reductions on a wide range of products, from food and chemicals to textiles, machinery, and equipment.

According to some industry and trade analyses, these regulations could create significant opportunities for the EU automotive industry in the Indian market, while also altering the competitive dynamics within the Indian industry.

Author: Ahmet Hakan ÖZBEY & Kağan Nihat AKTEPE

Resources:

- https://www.bloomberght.com/hindistan-ve-ab-arasinda-ticaret-anlasmasi-3767332
- https://www.gzt.com/ekonomi/ab-hindistan-serbest-ticaret-anlasmasi-2026-otomobilde-gumruk-vergisi-dusuyor-ekonomi-haberleri-4006298
- https://www.eeas.europa.eu/delegations/malawi/eu-and-india-conclude-landmark-free-trade-agreement_en