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How will the Trump administration's protectionist policies impact Turkish-American relations?

After a year marked by elections around the globe, the elected governments are adopting new policies and reshaping the global environment. Most significant among those are the second Trump administration's protectionist trade policies, which are often perceived as economic coercion or even a new kind of "mercantilism". Unlike Beijing and Brussels, where Washington's commitment to higher tariffs raises eyebrows, Ankara is rather optimistic about Turkey's economic prospects. The Turkish currency, the lira, surged after Trump's election victory in November 2024, and Turkish officials anticipate lower tariffs and an easier flow of Turkish export goods into the US market.

On the other hand, Ankara is also eager to join BRICS – an organisation that was recently warned by Donald Trump to not challenge the dominant status of the US dollar in the global financial system. Given these contradictory trends, it remains to be seen how US-Turkish relations will proceed under the Trump presidency. Will Washington spare Turkey the additional tariffs that are likely to hit China, Mexico and perhaps even Europe in 2025? How will the Trump administration's protectionist policies impact Turkish-American relations?

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"To me, the most beautiful word in the dictionary is tariff." This statement by US President Donald Trump offers insight into the economic policies that could define his second administration. Trump's protectionism aims to encourage foreign companies exporting to the US to relocate production domestically and create jobs. Turkey's exports to the US are highly diverse – including machinery, mechanical and electrical devices, precious stones and metals, automotive products, carpets and other textile floor coverings, lime and cement – but they represent only a small share of total US imports. Given this, from a political and economic point, there is no urgent need for Washington to impose tariffs on Turkey immediately. However, Trump is likely to weaponise economic pressure, including tariffs, against Turkey if he disagrees with Ankara on issues such as developments in Syria or Turkey's relations with Israel. Since 2022, bilateral relations between the US and Turkey have taken on a more constructive tone, a trend that is expected to continue – albeit in a pragmatic and transactional manner. Trump's personal affinity for President Tayyip Erdoğan and his willingness to seek positive relations with Turkey will likely shape the dynamics of US-Turkey relations. Nevertheless, there is little reason for reckless

optimism about fully restoring mutual trust. Divergent priorities in Syria, tensions over the S-400 missile system and Turkey's delicate balancing act between NATO, Russia and China present significant obstacles to achieving a deeper and more harmonious relationship.

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Ahead of the election, US President Donald Trump promised tariffs of 10 to 20 per cent on all imports, with a special rate of 60 per cent on Chinese imports. Although Turkey is not one of Trump's most irritating trading partners, there is no reason why he would spare Turkey unless it is offered some attractive trade, diplomatic or military concession in return. Trump could even apply the likely US Reciprocal Trade Act to Turkey, that is, impose on Turkey exactly the same tariff lines that Turkey applies to the US. In addition, Trump could require Turkey and all Turkish companies to comply with strict coercive trade measures against Russia, China and Iran. Companies that do not comply will face American sanctions, such as the closure of the US import market or a ban on holding dollar accounts. These are much more powerful weapons than tariffs. In the end, Turkey will also be forced to renegotiate its trade relations with the US and grant it more favourable terms. To mitigate the negative consequences of trade disruptions, Turkey can deepen trade and economic cooperation with third countries, including those in the EU.

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For Turkey, the US has been the second-largest export market in goods, after Germany. In 2023, Turkish exports to the US amounted to \$14.9 billion, while imports from the US reached \$15.8 billion. In 2022, the balance slightly favoured Turkey. For the US, the total amount of imports received from Turkey is minuscule compared to the volumes received from countries such as China (\$536.3 billion), Mexico (\$454.8 billion) and Canada (\$436.6 billion) in 2022. To date, Turkey has not been explicitly identified as a potential target for President Trump's anxiously anticipated tariffs on US imports. On the contrary, Turkish officials have even expressed cautious optimism about the possibility of reduced tariffs. Given these factors, Turkey is unlikely to become a priority target for Trump's tariff policies and may potentially be spared tariff hikes.

However, this will largely depend on the state of political relations between the two countries. Despite Turkish President Recep Tayyip Erdoğan's apparent favour for Donald Trump, it was during the first Trump administration that Turkey faced significant tariff hikes. In 2018, Trump imposed duties on Turkish aluminium and steel and threatened to devastate the Turkish economy over the detention of an American pastor. A similar threat was issued in 2019 in response to Turkish military operations against Kurdish groups allied with the US in north-eastern Syria. That same year, Turkey was expelled from the F-35 project as retaliation for its

purchase of Russian S-400 missile defence systems. Given his past record, caution is warranted regarding the prospect of lower tariffs and expanded Turkish exports to the US.

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Ankara has some reasons to expect good things from Donald Trump. He is likely to use targeted tariffs as a negotiation tool, and high tariffs on China could offer opportunities for Turkey to capture market shares in the long run. Although other countries with large trade surpluses are also possible targets given Trump's protectionist ambitions to change terms of trade, Turkey is not in that camp.

However, the first Trump administration targeted Turkey with punitive tariffs and other very painful measures due to foreign policy disagreements. Should disagreements arise again over policy in, for example, Syria or with respect to Israel-Palestine and/or Iran, Turkey could well be targeted.

Trump may also enact global sanctions on certain goods. The EU-Turkey Customs Union does not bind Turkey to follow the EU in retaliatory trade measures, so the question will arise whether Ankara should coordinate retaliation for global tariffs with its main trading partner. If it chooses to do so, Turkey-EU relations could warm, but there is an obvious risk that Trump will try to divide and conquer his European allies/adversaries by offering some countries, including Turkey, a way out. Ankara may use the threat of defection as leverage against the EU on other issues. The EU could increase the chances for Turkish cooperation by including it in the formulation of any joint response.

Wolfgang Piccoli, Teneo, London

President Tayyip Erdoğan may feel optimistic about Donald Trump's return to office, but this optimism is likely misplaced. The personal affinity between Erdoğan and Trump during Trump's first term did not lead to an improvement in Turkish-American relations. On the contrary, significant crises arose, notable over the detention of American pastor Andrew Brunson and Turkey's purchase of Russian S-400 missile systems. Both of these episodes imposed substantial economic costs on Turkey. Although bilateral trade ties might remain stable, the overall economic partnership is unlikely to advance. Geopolitical realities, rather than personal rapport, will continue to define the already challenging relationship between Turkey and the US.

With Trump's return to the White House, the question of European security will become more pressing. However, it is doubtful that this development will generate momentum in Turkey-EU relations or enable more meaningful engagement, including Ankara's participation in the EU's defence mechanisms. At best, Trump's re-

election could provide a window of opportunity for Turkey and the EU to reassess their positions on contentious issues such as arms exports to Ankara. In particular, Germany reportedly lifted its veto on the sale of Eurofighter Typhoon fighter jets in November. Nevertheless, beyond the political objections of certain member states, a deeper issue of mistrust continues to undermine Turkey-EU relations.

Alan Makovsky, Center for American Progress (CAP), Washington D.C.

During his presidential campaign, Donald Trump said he would increase tariffs across-the-board by 25 per cent. That would naturally include Turkey and all other US trading partners. However, since the campaign, he has not singled out Turkey as he has China and Mexico. My guess is that Trump is unlikely to raise tariffs on Turkey unless they are linked to a specific policy objective, as was the case with his response to Pastor Andrew Brunson's incarceration and the October 2019 Turkish incursion into Syria. If he were to raise tariffs, it would undoubtedly harm the Turkish economy, as the US is Turkey's second-largest export market. In such a scenario, Turkey would presumably seek alternative markets, with EU markets perhaps among the potential options. Tariffs aside, it would be wise for the US and the EU to encourage Turkey's development as an alternative to China in the global supply chain, as suggested in a 2022 World Bank report. In addition to economic benefit for Turkey and its Allies, this would also likely tighten Turkey's bonds with the West.

Juliane Schäuble, Der Tagesspiegel, Washington D.C.

Recep Tayyip Erdoğan tried to get a head start with Donald Trump after his election victory in November, being one of the first world leaders to congratulate the Republican and calling him "my friend" – a term he never used for Joe Biden. The Turkish president is apparently hoping that the new US administration will be easier to deal with than Biden's, which drew a sharp line between democracies and autocracies. Under Biden, Turkey was excluded from the Summit for Democracies and the US officially recognised the Armenian genocide – a red flag for Ankara. Erdoğan calculates that Trump will ignore Turkey's increasingly authoritarian governance and instead focus on transactional relations and deals. Experts also see possible alignments, for example if Washington really reengages with Russia as promised. This could enable Ankara to resume its mediator role from early on in the conflict. Both Trump and Erdoğan prefer a personalised, leader-to-leader approach, with Erdoğan enjoying a special relation with Trump, having the US president's personal phone number. However, challenges remain. The US partnership with the Syrian Kurds directly conflicts with Ankara's interests, and Erdoğan expects that the US will reduce its involvement in the Middle East, which could create more opportunities for Turkey. And then there is Trump's love for tariffs. In his first term, Trump imposed tariffs on Turkish steel and aluminium, which led to a

decrease in Turkish exports of almost 20 per cent. It remains uncertain whether future tariffs will affect Turkey's almost \$25 billion in annual trade with the US.

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I do not expect Turkish-American economic ties to be negatively affected in particular by Donald Trump's rise to power. In fact, Ankara has reason to believe that Turkey's export industry will benefit from the increases in US tariffs vis-à-vis China, Canada and Mexico. The core aim of US protectionist policies will be to guard American manufacturing from competition with China in the realm of cutting-edge technologies. Since Turkey does not have a significant role to play in the global supply chain of semiconductors, electronic vehicles and solar panels, it will be spared from the harshest US measures. In other words, Turkish companies will not likely be at the receiving end of its sticks, but it may still get carrots from Washington.

On a broader spectrum, however, Trump's unilateral policies and radical moves – including the US' further departure from World Trade Organization rules – will create an unpredictable environment, which may also backfire on Turkey. The same principle also applies to the intensification of the Sino-US geopolitical rivalry, which may have an adverse – albeit indirect – impact on Ankara. Turkey's cooperation with Huawei to build its 5G infrastructure, for instance, may become a new area of contention under the Trump administration. In this new political environment, Ankara may find little manoeuvring space between Beijing and Washington. Therefore, Turkey's desire to join the BRICS or the Shanghai Cooperation Organization may draw increasing levels of hostility from Washington.

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