Turkish News

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Rising Output and Demand Meet Export Headwinds and CBAM Pressure in Türkiye Steel Sector

Steel Production

In April 2026, Türkiye's crude steel production increased by 9.4% year-on-year to 3.3 million tons. During the January–April period, production rose by 6.3% to 13 million tons.

Steel Consumption

Finished steel consumption increased by 12% in April 2026 compared to the same month of 2025, reaching 3.3 million tons. In the first four months of the year, finished steel consumption rose by 9.7% year-on-year to 13.2 million tons.

Exports

In April 2026, steel product exports increased by 11.3% in volume compared to the same month of 2025, reaching 1.3 million tons, while export value rose by 9.3% to USD 885.5 million. During the January–April period, steel product exports declined by 3.3% in volume to 4.8 million tons and by 5.5% in value to USD 3.2 billion compared to the corresponding period of 2025.

Imports

In April 2026, steel product imports increased by 17.7% year-on-year in volume to 1.6 million tons, while import value rose by 7.8% to USD 1.1 billion. During the January–April period, steel product imports increased by 6.3% in volume to 5.9 million tons and by 0.9% in value to USD 4.1 billion compared to the same period of 2025.

Foreign Trade Balance

The export-to-import coverage ratio, which stood at 83.4% in the January–April period of 2025, declined to 78.1% during the same period of 2026.

World Steel Production

According to the data released by the World Steel Association (worldsteel), global crude steel production in April 2026 decreased by 1.9% year-on-year to 153.4 million tons. During the January–April period, global production declined by 2% compared to the same period of the previous year, reaching 613.3 million tons. During the January–April period, China's crude steel production fell by 4.1% year-on-year to 331.1 million tons. India, ranked second, increased its crude steel production by 9.4% to 58.7 million tons, while the United States recorded a 6.6% increase, reaching 28.1 million tons.

Assessment

The Turkish steel industry outperformed the global average in crude steel production during the first four months of the year. However, **the consequences of the conflict between the United States, Israel, and Iran, which have led to rising energy prices, together with the annual impacts of the Carbon Border Adjustment Mechanism (CBAM), are expected to adversely affect the sector.**

While crude steel production increased by 6.3% year-on-year to 13 million tons and finished steel consumption rose by 9.7% to 13.2 million tons during the first four months of the year, foreign trade data indicate a more cautious outlook for the industry. In the January–April period, steel product exports declined by 3.3% in volume to 4.8 million tons, whereas imports increased by 6.3% to 5.9 million tons. As a result, the export-to-import coverage ratio fell from 83.4% to 78.1%.

During the first four months of 2026, losses in the EU market deepened due to CBAM implementation, with exports to the region declining by 16.3% in volume and 17.5% in value. Although exports to South America increased by 31%, this growth was insufficient to offset the overall decline in exports.

The negative impact on the Turkish steel industry is becoming increasingly evident as the European Union advances measures aimed at protecting its steel imports. The possibility that the quotas planned for Türkiye may remain below historical levels suggests that the advantages provided by the Customs Union and Free Trade Agreements are being gradually disregarded, thereby placing Turkish steel producers at a competitive disadvantage.

Although access to public procurement opportunities under the EU's "Made in Europe" approach may theoretically be available, quota restrictions significantly limit Turkish steel exports to the European market, preventing these opportunities from being utilized effectively in practice. In contrast, European-origin products continue to enjoy unrestricted access to the Turkish market without any quota limitations, further exacerbating the competitive imbalance.

Should ongoing negotiations with the EU fail to produce concrete results in the future, pressure on Turkish steel exports is likely to intensify further. Therefore, it is considered essential to swiftly implement trade policy measures similar to those adopted by many steel-producing countries, particularly the United States and the European Union, in order to protect the domestic market against both EU-origin restrictions and the increasing volume of imports from third countries.

Cooling Production and Demand Signal Adjustment Phase for Türkiye's Auto Industry

In the January–May 2026 period, total automotive production decreased by 10% and passenger car production declined by 20% compared to the same period of the previous year. During this period, total production reached 538,718 units, while passenger car production amounted to 301,367 units.

In the January–May 2026 period, the total market contracted by 8% year-on-year to 468,507 units. During the same period, the passenger car market declined by 10%, reaching 356,256 units.

In the commercial vehicle segment, production increased by 6% in January–May 2026 compared to the same period of the previous year. Production of heavy commercial vehicles rose by 8%, while light commercial vehicle production increased by 6%. During the January–May period, the commercial vehicle market remained at the same level as the previous year, totaling 112,251 units. The light commercial vehicle market increased by 2%, whereas the heavy commercial vehicle market declined by 11%.

Compared to the same period of the previous year, total automotive exports decreased by 15% in volume terms during the January–May 2026 period, while passenger car exports declined by 29%. In the January–May period, total automotive exports amounted to 373,825 units, while passenger car exports reached 180,849 units.

In the January–May 2026 period, total automotive exports increased by 2% year-on-year in value terms, reaching approximately USD 16.6 billion. During the same period, passenger car exports declined by 8%, totaling USD 4.4 billion.

Norm Fasteners Recognized by Hyundai as Supplier of the Year for New Project Development

Norm Fasteners has once again demonstrated the strength of the Turkish automotive supply industry on the global stage by winning the "2025 Supplier of the Year" award from Hyundai Motor Group in the "New Project Development" category.

Every year, Hyundai Motor Group honors companies among its worldwide suppliers that stand out across various categories for their superior performance, innovative approach, and customer-oriented project management. Representing success in quality, reliability, and collaboration within the global supply chain, this award is recognized as a hallmark of international prestige in the automotive sector.

A Significant Global Achievement for Norm Fasteners

Recognized in the "New Project Development" category, Norm Fasteners certified its success in new project development processes and its engineering competence in the international arena in 2025. In an organization where over 100 suppliers were evaluated, the fact that no Turkish company has won this award in the "New Project Development" category for the past three years makes Norm Fasteners' achievement even more significant.

The decisive factors behind this success were the localization projects offered to customers, the effective management of these projects, and the development of fast, flexible, and reliable solutions tailored to the needs of the automotive industry.

Strong Position in the Global Supply Chain

Norm Fasteners continues to contribute to the transformation of the automotive sector with its innovative solutions and high-quality standards. This award from Hyundai Motor Group reinforces the company's strong position in international markets and signifies the global validation of Turkey's production and engineering capabilities. ■