

TÜRKİYE AND ANKARA IN THE CONTEXT OF THE CARBON BORDER ADJUSTMENT MECHANISM: A Q&A



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Ankara Chamber of Industry



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This publication presents, in English and in a concise question-and-answer format, the key findings of ASO's research report, **"Sınırdaki Karbon Düzenleme Mekanizması Kapsamında Türkiye and Ankara Analizi (Türkiye and Ankara Analysis within the Scope of the Carbon Border Adjustment Mechanism)"**.

TÜRKİYE AND ANKARA IN THE CONTEXT OF THE CARBON BORDER ADJUSTMENT MECHANISM: *A Q&A*

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This publication is a concise version of the main report, ***“Assessment of Firms Operating in Ankara under the Carbon Border Adjustment Mechanism,”*** prepared under the leadership of the Ankara Chamber of Industry (ASO). It is designed to provide stakeholders and readers with a clear and accessible overview of the report’s key findings.

This study presents the main report’s descriptive data, financial findings and econometric analyses in a simplified question-and-answer format. It focuses on the core issues and highlights the findings most relevant to firms and policymakers.



WHY WAS THIS STUDY NEEDED?



The Carbon Border Adjustment Mechanism (CBAM) **creates cost pressures and competitive challenges** on industry due to the structure of Türkiye's trade with the EU. This study uses firm-level data to assess how prepared Ankara's industry is for CBAM and to support firms in making informed decisions.

The study aims to clarify the effects of CBAM on production structures, export strategies, and financing needs, thereby enabling firms and policymakers to take timely and appropriate action.

Key Takeaways:

- CBAM has become a direct cost and competitive factor for industry.
- Dependence on exports to the EU increases its impact.
- The study aims to accelerate decision-making processes.





WHAT ANALYSES WERE CONDUCTED AS PART OF THE STUDY?



The study analyzed firm-level production patterns, export behavior, and financial indicators, providing a comparative assessment of Ankara and Türkiye. These analyses identified which sectors and groups of firms are at greater risk.

In addition, an econometric model was also used to identify how firms are responding to CBAM, and the analysis found that firms tend to redirect exports to alternative markets rather than invest in technology.

Key Takeaways:

As part of the study:

- Production, exports, and financial structures were analyzed at the firm level.
- Ankara and Türkiye were compared.
- Changes in firm behavior were measured.



WHO WILL BE AFFECTED BY THE CARBON BORDER ADJUSTMENT MECHANISM?



The Carbon Border Adjustment Mechanism (CBAM) directly affects firms operating in carbon-intensive sectors that export to the EU. In the initial phase, the iron and steel, aluminium, cement, fertilisers, electricity, and hydrogen sectors have been included within the scope.

As of 2026, firms are now exposed to carbon-related costs based on the embedded emissions of the products they export to the EU. **The scope of CBAM is expected to expand in the years ahead.**

Key Takeaways:

- Exporters operating in carbon-intensive sectors are directly affected.
- Carbon costs are being applied as of 2026.
- An expansion of the scope is anticipated.



TO WHAT EXTENT ARE EXPORTING FIRMS AFFECTED?



CBAM raises exporters' costs and intensifies competitive pressures. Firms operating in carbon-intensive sectors are particularly exposed to higher cost pressures.

Financial analysis shows that rising input costs and financing pressures are putting additional strain on firms' balance sheets. This situation is most pronounced among SMEs.

Key Takeaways:

- Cost pressures are high in carbon-intensive sectors.
- Competitive conditions are becoming more challenging.
- SMEs are more financially vulnerable.

WHAT IS THE SITUATION IN ANKARA?



Ankara's industrial structure is gradually shifting towards higher value-added activities, strengthening its relative position. The increase in its share of the EU market is an important indicator of this transformation.

However, rising input costs and high dependence on credit are creating financial vulnerabilities in Ankara's industrial sector. The competitiveness of medium-sized firms, in particular, is weakening.

Key Takeaways:

- Ankara is moving towards higher value-added production.
- There is a relative strengthening in the EU market.
- Financial vulnerabilities are increasing.



HOW ARE ANKARA FIRMS RESPONDING TO CBAM?



So far, firms appear to be responding to CBAM primarily by redirecting exports rather than by investing in cleaner production technologies. Export growth is concentrated primarily in non-EU markets.

This indicates that, in the short term, firms are relying on their existing production structures rather than making transition investments, while also facing difficulties in passing cost pressures on to prices.

Key Takeaways:

- Firms are pursuing a market-shifting strategy.
- Technological transformation has remained limited.
- Pricing power is low.



WHAT DOES THE FUTURE HOLD FOR ANKARA'S INDUSTRIAL SECTOR?



In the coming period, Ankara's industrial sector will face increasing carbon costs and competitive pressures. The introduction of CBAM's financial obligations in 2026 is intensifying these pressures.

Firms that are unable to finance the transition will find it increasingly difficult to maintain their position in the EU market. Financially constrained firms will face the greatest risks.

Key Takeaways:

- Cost pressures will increase.
- Competitive conditions will become more challenging.
- Companies that fail to transform will lose market share.



HOW SHOULD FIRMS ADAPT TO THIS PROCESS?



Firms need an integrated transition strategy covering production, financing and institutional capacity. Access to long-term and cost-effective financing instruments is of critical importance.

The technical capacity of SMEs should be strengthened, the knowledge and expertise of large firms should be transferred across supply chains, and low-carbon production should be scaled up.

Key Takeaways:

- Firms should accelerate their transition investments.
- The technical capacity of SMEs should be strengthened.
- Low-carbon production should be expanded.



WHAT SHOULD ASO DO WITHIN THE SCOPE OF CBAM?



ASO will serve as a coordination hub, providing direct support to industrial firms and generating field-level data throughout the CBAM transition. The Chamber will systematically identify the challenges firms face and translate these findings into practical solutions

In this context, ASO will move beyond awareness-raising and introduce practical tools to accelerate firms' transition.



PRIORITY ACTIONS



Feedback and Monitoring System:

- Regularly collect data on firms' cost pressures and implementation challenges and communicate the findings to policymakers.



MRV and Technical Support Infrastructure:

- Provide direct technical support, particularly to SMEs, to facilitate carbon accounting, monitoring, reporting and verification.



Financing and Cooperation Platforms:

- Facilitate access to alternative financing instruments and promote knowledge transfer between large firms and SMEs.

NOTES



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