# Turkey and UK to modernise Free Trade Agreement with focus on services and digital sectors



Türkiye and the United Kingdom are set to modernise their Free Trade Agreement (FTA), marking a new chapter in the economic partnership between the two nations. Initiated during a high-profile Leadership Circle Networking Reception in London, hosted by the European Turkish Brands Association (ATMB) and the UK Asian Business Council, the discussions have highlighted not only the growing trade opportunities but also the potential for deeper economic and diplomatic collaboration.

The Turkish Ambassador to London, Osman Koray Ertas, confirmed that technical talks on updating the FTA are imminent, with support from British MP Afzal Khan and the UK Trade Representative to Türkiye. This modernisation effort is significant as the two NATO allies, although not members of the European Union, seek to enhance economic prosperity and contribute positively to regional security and stability. Ertas emphasised that their cooperation extends beyond commercial benefits, reflecting shared geopolitical interests.

Turkish business leaders such as ATMB President Vehbi Keles are optimistic about the prospects of the updated agreement. Keles noted that many Turkish businesses in the UK, led predominantly by second- and third-generation leaders, stand to benefit substantially. The trade volume between the UK and Türkiye could escalate to $68.6 billion in the medium term, signifying a considerable boost for both economies. Labour MP Tahir Ali echoed this optimism, pointing out the increasing interest in Turkish enterprises and the substantial Turkish-origin population in the UK of over 400,000 people as a vital economic and cultural link.

The agreement to modernise the trade deal reflects earlier diplomatic engagements, including recent meetings where Turkish Trade Minister Omer Bolat and UK Secretary of State for Business and Trade Jonathan Reynolds confirmed constructive progress. Sections of the agreement relating to motor vehicles and chemicals were recently signed, marking essential steps in the broader modernisation process. The countries also plan to convene the eighth session of the Türkiye-United Kingdom Joint Economic and Trade Committee (JETCO) later this year to comprehensively assess their economic relations.

Beyond goods, one key focus of the updated FTA is to broaden its scope to cover services, investments, agricultural concessions, and digital trade—areas not comprehensively addressed in the original 2020 agreement drawn up post-Brexit. Business leaders highlight this expansion as a response to growing commercial ties and advances in high-value sectors, signalling a new phase of economic complexity and scale. Osman Okyay, chairperson of the DEIK Türkiye-UK Business Council, remarked that Türkiye’s exports to the UK had already increased by 11% year-on-year in 2024, underscoring the dynamic nature of the trade relationship.

The UK government is also proactively seeking input from businesses and the public to shape the negotiating objectives for the new trade deal, focusing on updating provisions that date back to the 1990s when the UK was part of the EU. The call for contributions aims to ensure that the modernised FTA aligns with the priorities of British industries, including emerging sectors such as technology and digital services.

As diplomatic and economic ties deepen, voices from the UK’s political establishment and diaspora organisations express hopes for a wider vision of cooperation. Baroness Pola Uddin of the House of Lords highlighted the potential synergy between Turkish craftsmanship and Asian innovation, envisioning a new economic corridor. Taha Coburn-Kutay, chair of the UK Asian Business Council, called for greater visibility of Turkish brands across the UK, particularly in diverse regions like Northern Ireland, Manchester, and Birmingham, where unique business opportunities are emerging.

This renewed focus on UK-Türkiye trade relations is set against a backdrop of shifting global security and economic dynamics. With Turkey playing a pivotal role in NATO and European security, its partnership with influential allies like the UK assumes added importance. Recent calls within the EU to strengthen ties with Turkey in response to evolving geopolitical challenges also underline the broader regional significance of Turkey's network of alliances and trade agreements.

The forthcoming round of FTA negotiations, expected by the end of July 2025, promises to be a major milestone, positioning Türkiye and the UK for enhanced cooperation amid the complexities of 21st-century trade and diplomacy.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://trt.global/afrika-english/article/2278f1aa876b), [[4]](https://www.aa.com.tr/en/economy/turkiye-uk-push-to-expand-trade-deal-to-services-investment-digital-sectors/3562428)
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## Bibliography

1. <https://trt.global/afrika-english/article/2278f1aa876b> - Please view link - unable to able to access data
2. <https://www.reuters.com/world/turkey-britain-hold-free-trade-agreement-modernisation-talks-by-end-july-trade-2025-05-07/> - Turkey and the United Kingdom have agreed to initiate the first round of negotiations to modernize and expand their Free Trade Agreement (FTA) by the end of July 2025. The current FTA, which was retained following the UK's exit from the European Union in 2020, was reviewed in 2023 and found to have areas that could be improved. During a meeting in London with UK Secretary of State for Business and Trade Jonathan Reynolds, Turkish Trade Minister Omer Bolat reported productive discussions, resulting in the signing of sections of the agreement relating to motor vehicles and chemicals—a key step in the modernization process. Furthermore, the two countries have agreed to convene the 8th session of the Türkiye-United Kingdom Joint Economic and Trade Committee (JETCO) in London later this year to conduct a comprehensive assessment of their trade relations.
3. <https://www.ft.com/content/42f838af-9aaa-4d43-b60f-3ceedd35821c> - NATO Secretary-General Mark Rutte has urged the EU to improve relations with Turkey amid ongoing European security uncertainties following US President Trump's actions. Trump's threats to withdraw security guarantees to NATO allies and his closer ties with Russia have compelled the EU to rethink alliances and increase defense spending. Rutte's call aims to strengthen Turkey-EU relations to enhance collective security and defense capabilities, given Turkey's significant defense industry. Furthermore, Turkey, despite its strained relationship with the EU and unresolved issues with Greece and Cyprus, remains crucial. The EU seeks more collaboration with non-EU neighbors, addressing Turkey’s ambiguous stance on Russia. The ongoing need to foster Turkey-EU ties reflects broader European defense and economic strategies in response to Trump's shifting policies.
4. <https://www.aa.com.tr/en/economy/turkiye-uk-push-to-expand-trade-deal-to-services-investment-digital-sectors/3562428> - Türkiye and the UK are moving to expand their post-Brexit free trade agreement to cover services, investments, agricultural concessions, and digital trade, officials and business leaders said Friday. The effort aims to build on the existing Türkiye-UK Free Trade Agreement and respond to growing commercial ties, especially in high-value sectors. The UK-Türkiye Business Forum in London, attended by Turkish Trade Minister Omer Bolat, discussed the importance of the upgrade. The first round of negotiations on the new deal is expected to be completed by the end of July. Speaking to Anadolu, Osman Okyay, chairperson of the DEIK Türkiye-UK Business Council, said Türkiye's exports to the UK increased 11% year-on-year in 2024. He described the relationship as having entered “a new phase” in both scale and complexity since Brexit.
5. <https://www.gov.uk/government/news/government-calls-on-business-expertise-to-boost-trade-with-turkey> - The UK is seeking views from businesses and the wider public on UK negotiation objectives for a new trade agreement with Turkey. The UK and Turkey are two major trading economies at either end of the European continent. Trade between the two countries reached £26 billion in the 12 months to June 2023, making Turkey a top 20 trading partner for the UK. In 2022, over 8,000 UK VAT-registered businesses exported goods to Turkey, including well-known brands like Vodafone. The UK and Turkey have an existing FTA which is based on outdated provisions from the 1990s negotiated when the UK was a member of the EU, and only covers goods. We are committed to negotiating a new, modernised FTA that is fit for the 21st century and covers sectors such as services, tech and digital. The Call for Input will give businesses, organisations, and individuals the opportunity to shape the UK’s negotiating aims ahead of talks and ensure the updated trade deal is tailored to the strengths and priorities of British businesses.
6. <https://www.gov.uk/government/news/update-on-uk-turkey-trade-talks> - UK and Turkey agree on date to relaunch talks for an upgraded free trade agreement. Secretary of State for Business and Trade Jonathan Reynolds and Minister of State for Trade Policy and Economic Security Douglas Alexander met today in London [Wednesday 7 May] with their Turkish counterparts, Minister of Trade Ömer Bolat and Deputy Minister of Trade, Mustafa Tuzcu, to discuss how to grow the UK economy by boosting trade. The UK and Turkey have a strong economic relationship, with trade between the two totalling around £28 billion in 2024, making Turkey the UK’s 16th largest trading partner, with UK companies already exporting £9.3 billion of goods and services to its growing market of 86 million people. Ministers affirmed the importance and strength of the UK-Turkey trading bilateral relationship, committed to continue to pursue closer cooperation and increased trade and investment, and underlined the importance of defending free trade. They also confirmed their intention for the first round of Free Trade Agreement negotiations to take place by the end of July. Ministers concluded the meeting by signing an upgraded Technical Barriers to Trade (TBT) chapter, in the form of an amendment to the 2020 UK-Turkey Free Trade Agreement (FTA).
7. <https://www.dailysabah.com/business/economy/turkiye-uk-agree-to-launch-fta-upgrade-talks-in-ankara> - Trade Minister Ömer Bolat and British Business and Trade Secretary Kemi Badenoch attend a videoconference meeting, Türkiye, July 11, 2023. (AA Photo) by Daily Sabah with Agencies Jul 18, 2023 3:00 am. Türkiye and the United Kingdom are expected to launch discussions on a new, modernized free trade agreement to further strengthen the already-booming trade ties, a statement said Tuesday. Britain said it intends to start talks to refresh the deal to include services and the digital sector in any future agreement. The U.K. already has a free trade agreement (FTA) with Türkiye, which was rolled over when the European Union, which the Trade Ministry said was now outdated. That deal did not cover services, digital and data, but was considered the most important trade deal since Türkiye's 1995 Customs Union with the E.U. A review of that agreement has resulted in both sides concluding that there is room for improvement with a new deal, the ministry said.