

Liberalizing Trade in Agriculture between Türkiye and the European Union: A Multi-Regional Computerized General Equilibrium Analysis

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ABSTRACT

This study examines the regional impacts of agricultural trade liberalization between Türkiye and the European Union (EU), which has been excluded from their Customs Union since 1996. Motivated by recent diplomatic progress toward expanding the Customs Union to include agriculture, we employ a Multi-Regional Turkish Computable General Equilibrium (CGE) model to simulate the effects of reducing tariffs and non-tariff barriers (NTBs) by 50% (moderate scenario) and 90% (ambitious scenario). Our findings reveal significant regional disparities: while regions like the Mediterranean and Aegean stand to gain from enhanced market access, others such as Central and East Anatolia may face intensified competition from EU imports. Urban centers, notably Istanbul and Izmir, are projected to benefit from lower consumer prices, improving the affordability of agricultural products. Importantly, no region is expected to experience welfare losses; in fact, areas like Southeast Anatolia may see considerable welfare gains. These results underscore the necessity for strategic policies that align with EU standards and bolster regional competitiveness to fully harness the benefits of trade liberalization and promote equitable development across Türkiye's diverse regions.

Keywords: Türkiye, Agriculture, Regional Trade Agreements, Customs Union, Türkiye-EU relations, Computerized General Equilibrium (CGE) model

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