Our Activities and Recent Developments

MAKİNA İMALATÇILARI BİRLİĞİ

This document summarizes key sectoral developments and activities concerning the machinery industry, as well as the initiatives carried out by us.

We closely follow national and international developments concerning our machinery manufacturing industry; we continue our efforts to strengthen our sector's competitiveness, investment capacity, and position in foreign markets. Below, we briefly summarise the developments and activities regarding the main topics relevant to the machinery sector.

Opinions & Developments

Assessment of the 2026 First Half Outlook in Machinery Exports

According to data released by MAİB (Machinery Exporters' Association), Turkey's machinery exports, including free zones, increased by 1.7 percent in the first half of 2026, reaching 13.8 billion dollars. Despite the pressure on export volume, the average export price per kilogram rising by 11 percent to 8.7 dollars is a positive development toward maintaining the sector's added value.

- Sales to our largest export market, Germany, increased by 8.7 percent, reaching 1.7 billion dollars. Despite the weak outlook in the European industry, this growth in the German market is significant for our sector.
- Machinery exports to the US rose by 33.9 percent to 1.2 billion dollars. US investments in industry, energy, defense, and infrastructure present an increasingly important area of opportunity for Turkish machinery manufacturers.
- Italy, the United Kingdom, and Spain were our other leading export markets. This distribution shows that Europe remains the core market for

our sector; however, the growth in the US holds the potential to diversify our exports.

- Among product groups, the strongest increase was recorded in turbines, turbojets, and hydraulic cylinders with 25.6 percent. In contrast, exports of leather processing machinery contracted by 35.3 percent. The differentiation among sub-sectors indicates strengthening demand for high-tech products linked to energy and defense.
- Geopolitical uncertainties, energy and logistics risks, and structural issues in the European industry continue to weigh on the export outlook. On the other hand, investments in defense, critical infrastructure, energy, digitalization, and restructuring create new and long-term order opportunities for the machinery sector.
- Stronger integration into European defense supply chains can advance our quality, traceability, cybersecurity, and production standards. Turkey's strong production infrastructure and logistical location offer significant advantages for our country to become a strategic manufacturing hub in the new security-oriented industrial order.

The overall picture shows that our machinery exports continue to grow in value despite challenging global conditions. In the upcoming period, our main objective is to make the increase in value per kilogram permanent, raise our market share in growing markets like the US, and ensure stronger participation of our members in defense, energy, and advanced manufacturing supply chains.

We are bringing our sector's priorities to the Ministry's agenda

Ahead of the meetings to be held with our Ministry of Industry and Technology, the current status, priority issues, and solution proposals of our sector were comprehensively prepared under the coordination of MAKFED.

As MİB, we particularly emphasized:

- High financing costs and access to finance,
- Special loan and guarantee mechanisms for domestic machinery investments,
- KGF (Credit Guarantee Fund)-backed buyer financing models,
- Unfair competition caused by low-priced and non-compliant imported products, particularly from China,
- Strengthening product safety and market surveillance in imports,
- Increasing the use of domestic machinery in public procurement and investment incentives,
- Monitoring Domestic Product Certificate calculation methods and our requests for revision,
- Sectoral support for artificial intelligence, automation, energy efficiency, digital manufacturing, and low-carbon production.

We consider the financing package with a total volume of 1 trillion TL announced for the manufacturing industry to be significant. The expansion of the Investment Commitment Advance Loan Program to 750 billion TL and the new 250 billion TL loan facility for working capital are positive developments. We will closely monitor the accessibility of these resources and the extent to which they will be reflected in our machinery manufacturing industry.

Additionally, we informed our members about the loan support of up to 2.5 million US dollars with a 10-year maturity, announced by the SSB (Presidency of Defense Industries) in July, covering machinery-equipment, personnel, and facility investments for investments in the defense, aerospace, and space sectors. It may be beneficial for our eligible members to apply for the program in question.

We are monitoring the developments in our competitiveness

The first quarter results of 2026 for the TÜSİAD Cost-Based Competitiveness Index show that costs in the machinery and equipment sector increased by 3.5 percent compared to the previous quarter, while increasing by 1.9 percent in competing countries.

The decline of the competitiveness index for the machinery and equipment sector from 88.7 in the third quarter of 2025 to 85.2 in the first quarter of 2026 once again highlights the importance of our demands regarding financing, productivity, energy costs, the use of domestic components, and scaling up operations.

The outlook in Europe also remains cautious. Orgalim expects a limited growth of approximately 1.8 percent in European technology sectors and around 2 percent in the machinery sector in 2026. While geopolitical risks, energy prices, competition originating from China, and weak investment demand exert pressure on the sector; investments in defense, energy infrastructure, advanced manufacturing, and digitalization create new areas of opportunity.

Our "Made in EU" initiatives and CECIMO contacts

The European Union's Industrial Acceleration Act and the "Made in EU" approach are among the most critical industrial policy dossiers of the upcoming period.

Turkey and the European industry possess strong and integrated supply chains. Excluding the Turkish machinery industry from this structure would harm not only our country, but also Europe's own production capacity and competitiveness.

During the contacts of our Minister of Trade, Mr. Ömer Bolat, in Brussels, the impacts of the "Made in EU" approach on the integrated value chains between Turkey and the EU were also brought to the agenda.

As MİB, we submitted our position regarding Made in Europe / Industrial Acceleration Act to the EU Commission. At the same time, we are closely monitoring the new trade initiatives developed by the EU with countries such as MERCOSUR and India to ensure they do not create a competitive asymmetry against Turkish machinery manufacturers.

Furthermore, during our contacts with CECIMO, we continuously underline that Turkey is a natural, strong, and complementary part of the European production ecosystem.

Our preparations for MEEXX Bursa 2026

Machine Excellence Expo – MEEXX Bursa 2026 will be held on November 25–28, 2026, at the Bursa Fair Center.

We officially invited the President and Director General of CECIMO to our fair. For the corporate representation of CECIMO, their participation as speakers in the opening and conference programs, as well as the participation of CECIMO member associations, we created an International Area within the fair and allocated 9-square-meter spaces for each participating association.

We also proposed that MEEXX be announced to European machinery manufacturers through CECIMO member associations.

In the first MEEXX organization, 120 companies and company representatives, 140 stands, over 21,000 domestic visitors, and more than 600 international sector professionals came together. In the new organization, we aim to take both exhibitor quality and the number of international visitors even further. We intend to transform MEEXX into not just an exhibition, but a permanent business development platform that carries the production power of Bursa and the Turkish machinery industry to international markets.

The fact that MAKTEK and MEEXX will be held approximately two months apart this year makes our promotional and participation efforts even more critical. We will see together how participation takes shape in terms of companies' exhibition budgets and schedules. Therefore, we must step up the promotion of MEEXX in advance and make Bursa's strong industrial infrastructure, along with the advantage of direct access to manufacturing companies and real buyers, even more visible.

Our Trade Delegation Organization for Serbia

We plan to organize a Sectoral Trade Delegation for Machinery and Production Technologies to Kruševac, Serbia, on September 14–16, 2026, under the organization of MİB and in cooperation with the Kruševac Chamber of Commerce.

Within the scope of the program, our companies are targeted to hold pre-planned bilateral business meetings (B2B) with potential customers, distributors, and business partners in the Serbian and Balkan markets, as well as to visit local institutions.

Metal processing machine tools, CNC machining centers, cutting and processing tools, hydraulic systems, automation solutions, textile machinery, woodworking machinery, and aluminum and PVC processing technologies are among the focus areas of the delegation.

The participation fee is 2,500 Euros per person, and the fact that 75 percent of this amount can be reimbursed under state support for participants who meet the necessary conditions presents a significant advantage. The application deadline is July 25, 2026. We invite our members seeking new customers, distributors, and business partners in the Balkan market to participate in the program.

AMB Stuttgart – AHK buyers' delegation opportunity

AMB Stuttgart, one of the world's leading gatherings for metalworking and manufacturing technology, will be held on September 15–19, 2026.

Within the scope of the fair, a structured buyers' delegation program is being prepared by AHK Turkey. The program offers an important opportunity, particularly for companies planning to procure technology, machinery, and production equipment from Germany or to develop their commercial relations with German companies.

We will continue our contacts and information efforts with AHK Turkey so that our members can benefit from this organization. We recommend considering the program not merely as a trade fair visit, but as an opportunity to access Baden-Württemberg's strong industrial ecosystem and new business connections.

Our participation in EuroBLECH

EuroBLECH Hannover 2026 International Sheet Metal Working Technology Exhibition will take place in Hannover between October 20–23, 2026. As the Machinery Manufacturers' Association, we also intend to participate in the exhibition to promote our MEEXX Bursa Fair there.

Ankara NATO Summit and new opportunities for our industry

At the NATO Summit held in Ankara on July 7–8, 2026, converting defense investments into concrete production capacity was one of the main agenda items. During the Defense Industry Forum organized within the scope of the summit, increasing production capacity, joint procurement, technology development, innovation, and defense industry collaborations were discussed.

The demand that will emerge in line with NATO's 5 percent defense and security investment target closely concerns not only prime defense contractors, but also manufacturers of machine tools, precision machining, casting, robotics, automation, measurement systems, manufacturing software, and special-purpose machinery.

As MİB, we believe that defense investments should be reflected more strongly in the domestic machinery and production technologies industry; and we continue to monitor developments aimed at enabling our members to take a greater part in new supply chains.

Our work for the upcoming period

As MİB, in the upcoming period, we will continue to closely monitor and regularly inform our members about:

- The implementation conditions of financing supports,
- Domestic machinery incentives and public procurement,
- Made in EU and Industrial Acceleration Act efforts,
- Our relations with CECIMO and our stakeholders in Europe,
- Unfair competition and product safety issues,
- AMB, EuroBLECH, MAKTEK, and MEEXX fairs,
- New market initiatives, particularly Serbia,

- Investments in defense, artificial intelligence, automation, and advanced manufacturing.

Our goal is to be a strong and effective association that not only monitors developments, but also takes timely positions on behalf of our sector, establishes direct contact with relevant institutions, and creates concrete opportunities for our members.

Brief developments from Turkey and the world

We are closely monitoring economic and commercial developments that could directly or indirectly affect our sector:

- Exports from the 19 free zones in Turkey increased by 6.2 percent in the first half of 2026, reaching a period record level of 6.6 billion dollars. The rise in the share of medium-high and high-tech products in free zone exports to approximately 59 percent is a positive development for value-added production.

- Turkey's exports to the Gulf Cooperation Council countries increased by 35.7 percent in June, reaching 826.8 million dollars. Total exports in the first half of the year stood at approximately 4.1 billion dollars. The Gulf market, led by Saudi Arabia and the United Arab Emirates, offers growing opportunities for our machinery exporters.

- A significant phase was completed as the Ukrainian Parliament ratified the Turkey–Ukraine Free Trade Agreement. With the entry into force of the agreement, approximately 90 percent of trade between the two countries is expected to be mutually liberalized. Considering Ukraine's reconstruction process, significant market potential may emerge in terms of machinery, production technologies, and infrastructure equipment.

- The European Bank for Reconstruction and Development invested 1.2 billion euros in Turkey in the first half of 2026. EBRD's strong project pipeline for the remainder of the year and liquidity facilities for companies represent a financing source to be monitored regarding investment and transformation projects.
- Industrial production in the Eurozone contracted by 0.3 percent annually in May. The fact that the recovery in European industry remains weak indicates that we should remain cautious regarding demand in our main export markets. However, investments in defense, energy, automation, and advanced manufacturing stand out more positively.
- VDMA called on the European Union to take more effective measures against the competitive pressure created by Chinese manufacturers through subsidies, dumping, and non-compliant products with technical regulations. VDMA's proposals toward strengthening market surveillance, applying countervailing duties on certain products, and introducing independent pre-certification for third-country manufacturers largely overlap with our demands on unfair competition and product safety that we bring to the agenda in Turkey as MİB.
- The Chinese economy recording its lowest growth rate of the last three and a half years at 4.3 percent in the second quarter of 2026 increases the likelihood of Chinese manufacturers turning more aggressively toward

foreign markets. This situation must be closely monitored in terms of price pressure and export competition in the machinery sector.

- With the entry into force of the UK–India Free Trade Agreement, British machinery manufacturers gained tariff advantages in the Indian market. Cooperation in semiconductors, artificial intelligence, clean technologies, electric vehicles, and advanced manufacturing is also accelerating in EU–India relations. We are monitoring the new competitive asymmetries that global trade agreements might create for Turkish machinery manufacturers.
- Tensions in the Middle East and uncertainties surrounding the Strait of Hormuz continue to pose risks in terms of energy prices, freight costs, and delivery times. As spot pricing increasingly replaces long-term freight agreements, our exporters need to be more cautious regarding transport contracts, bill of lading provisions, and additional costs that may arise subsequently.
- The concentration of production and refining of critical raw materials such as copper, lithium, nickel, cobalt, graphite, and rare earth elements in a small number of countries poses a strategic supply risk for the machinery and high-tech industries. Domestic production, alternative supply sources, and recycling technologies will gain greater importance in the upcoming period.
- The European Union is debating amendments to the Emissions Trading System that will preserve the competitiveness of the industry. Extending free carbon allowances and transferring a larger portion of ETS revenues

to clean technology investments are on the agenda. These developments show that Europe is seeking a new balance between its green transition targets and the need to protect industrial production.

These developments demonstrate that financing, energy, logistics, foreign trade, sustainability, and global competition topics can no longer be evaluated separately from one another. As MİB, we will continue to monitor developments that may affect our members, advocate our sector's views before relevant institutions, and share emerging opportunities with our members.