

# UAE and Türkiye to boost non-oil trade with Comprehensive Economic Partnership Agreement

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On 3 March 2023, the United Arab Emirates (UAE) and Türkiye signed a Comprehensive Economic Partnership Agreement (CEPA), which aims to increase and strengthen the economic and trade relationship through the establishment of a free-trade area. Following ratification by Türkiye on 27 April 2023 and the UAE on 31 May 2023, CEPA is expected to enter into force in the upcoming months after official notification procedures have been completed.

The parties aim to facilitate trade and investment by promoting efficient and transparent customs procedures that reduce costs and ensure predictability for the importers and exporters. In order to do so, CEPA will serve to provide mutual benefits by eliminating or reducing customs duties for more than 80 percent of non-oil trade, which had increased by 112 percent and 40 percent in the years 2021 and 2022, respectively.

In addition, CEPA focuses on small and medium size enterprises, facilitating investments between the two countries and introducing rules for intellectual property rights.

The agreement is also expected to contribute to doubling non-oil bilateral trade from its current value to USD 40 billion within the next five years, and creating 25,000 new jobs in the UAE and 100,000 in Türkiye by 2031, according to the UAE projections.

After the signing of the agreement, both countries' envoys have been working to implement cooperation on the contemplated investments. A recent UAE envoy visiting Ankara in June and July 2023 met with their Turkish counterparts to discuss a number of projects soon to be brought to life. The talks are reported to have focused on defence, renewable energy, metro and high-speed train projects, while ways to boost bilateral trade were also discussed. The Vice President and Finance Minister of Türkiye also travelled to the UAE in June, and discussed ways to further develop cooperation and enhance economic relationship between the two countries within the framework of CEPA.

Further concrete steps towards closer cooperation were taken during President Erdoğan's recent Gulf tour. On 19 July 2023, the UAE and Türkiye signed 13 agreements estimated to be worth USD 50.7 billion. These include an extradition accord, as well as energy and natural resources development, e commerce, finance, space and defence cooperation.

Please do not hesitate to contact us for any further information on this briefing.



**Nazlı Bezirci**

Partner  
nbezirci@paksoy.av.tr



**Şansal C.Erbacıoğlu**

Partner  
scerbacioglu@paksoy.av.tr

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