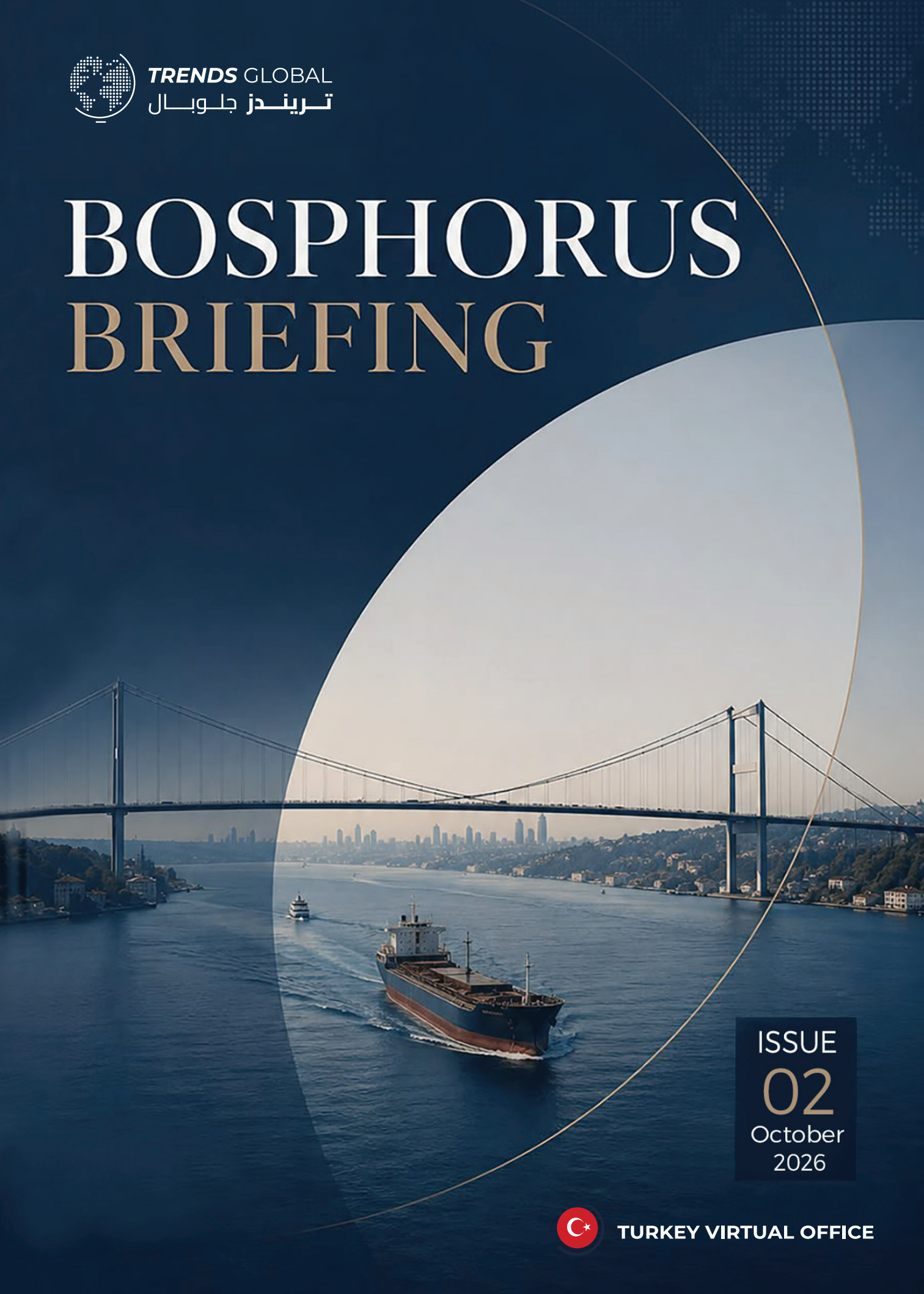
TRENDS GLOBAL
ترينـدز جلـوبـال

BOSPHORUS BRIEFING



ISSUE
02
October
2026

TURKEY VIRTUAL OFFICE

STRATEGIC CONTEXT

Türkiye and China after Bishkek:

Trade, Institutions, and Corridors



Strategic context:

The Shanghai Cooperation Organization (SCO) summit in Bishkek on 1 September 2026 produced no new status for Türkiye, but it did produce a revealing sentence. Speaking to the SCO+ session as a dialogue partner, Turkish President Erdoğan described the organization as a "rising star" and underlined Türkiye's role in facilitating the SCO's access to Western markets through energy corridor diversification, adding that Ankara wants to further align the Middle Corridor with the Belt and Road Initiative (BRI).[1] On the flight home, he went further, saying Türkiye would consider taking the relationship to a higher level and that full membership would not imply a breakaway from any other bloc or from the West.[2] That formulation, in which Türkiye offers itself simultaneously as a member of the Western alliance and as the Western gateway for a Sino-Russian security organization, is the whole of Ankara's China policy compressed into a single claim. This briefing explores whether the claim is holding.

The question has acquired new weight in recent months for three reasons. The first is the post-war reordering of Eurasia. The Iran war and the pressure it placed on the Strait of Hormuz raised the premium on overland connectivity, and China is the largest single source of cargo that any Eurasian corridor hopes to carry. Türkiye cannot become the hub it describes without Chinese freight, Chinese finance, or both, which makes Beijing's view of the Middle Corridor a structural variable in Ankara's strategy rather than a diplomatic nicety. The second is the European tariff wall. The EU's countervailing duties on Chinese electric vehicles from 2024 onward pushed Chinese manufacturers to look for production sites inside or adjacent to the European customs area, and Türkiye's customs union with the EU made it, on paper, the most obvious candidate. The third is the widening imbalance in the bilateral relationship itself. China was Türkiye's largest source of imports in 2025 at US$49.5 billion, or 13.6% of the total, supplying mainly telecommunications equipment, computing hardware, and passenger vehicles,[3] while Turkish exports to China have remained in the low single-digit billions for more than a decade. The relationship has grown, but almost entirely in one direction.

For the Gulf readership, the Türkiye-China relationship is worth watching for reasons that go beyond Ankara. The UAE is a full member of BRICS and a co-financier of the Iraqi-led Development Road Project; Türkiye is a partner-in-waiting to the first and the northern terminus of the second. Gulf capital is therefore already positioned at both ends of the corridor logic that Erdoğan presented in Bishkek, and the question of whether Beijing treats Türkiye as a partner, a transit state, or simply a market has direct implications for how Gulf-financed infrastructure in Iraq, the Caucasus, and Anatolia will be used. There is also a

1 "Erdoğan hails 'rising star' SCO as Türkiye seeks to deepen ties," **Daily Sabah**, September 1, 2026, https://www.dailysabah.com/politics/erdogan-hails-rising-star-sco-as-turkiye-seeks-to-deepen-ties/news.

2 "Erdogan says Turkey would consider full membership of China-, Russia-led security bloc," **Reuters**, September 2, 2026.

3 "Turkey trade data 2025," TradeInt, May 2026, based on TÜİK customs data, https://tradeint.com/insights/turkey-trade-data/.

comparative lesson. The Gulf states joined BRICS from a position of financial strength and were admitted as full members; Türkiye applied from a position of economic need and was offered partner status it has still not formally accepted, as Ankara feels partner status falls short of its goal of full membership.[4] That contrast says something about how the emerging multipolar architecture prices membership, and about where Türkiye sits within it.

This briefing first examines why full membership of the SCO, and by extension BRICS, remains harder for Ankara than the summit rhetoric suggests. It then turns to the bilateral economic relationship, with particular attention to the Chinese automotive investments announced in 2024 and 2025 and what has actually been built. The third section maps where Chinese and Turkish connectivity ambitions converge and diverge across the BRI, the Middle Corridor, and the Development Road. The final section sets out scenarios to 2030 and their implications for Gulf stakeholders. The argument throughout is that Türkiye's China relationship is a hedge rather than an alignment, and that hedges produce leverage only when the counterparty needs what is being withheld. To what extent Beijing needs Türkiye, in that sense, is the question the summitry has so far avoided.

Figure 1: Merchandise trade between Türkiye and China, 2015–2025 (US$ billion)



Source: TÜİK foreign trade statistics via the Ministry of Trade. 2015–2023 as reported. 2024–2025 export values (marked *) are the author's reconciliation of TÜİK monthly data with reported annual volumes and are indicative; Chinese customs data record Turkish exports roughly US$1 billion higher owing to valuation differences. Author-generated figure.

Takeaway: Trade has doubled since 2020 with Turkish exports flat.

4 "BRICS Offered Turkey Partner Country Status, Turkish Trade Minister Says," **Reuters**, November 14, 2024, https://www.reuters.com/world/brics-offered-turkey-partner-country-status-turkish-trade-minister-says-2024-11-14/.



The multilateral track: why SCO membership is harder than it sounds

Türkiye has been a dialogue partner of the SCO since 2012, and Erdoğan first declared full membership a target in September 2022 after the Samarkand summit.[5] Four summits later, the status is unchanged. The reasons are structural rather than circumstantial, and they are worth separating because Turkish officials tend to present the gap as a matter of timing when it is more accurately a matter of design.

The first obstacle is that the SCO is a security organization before it is anything else. Its founding purpose was Sino-Russian border demilitarization, its permanent body is a counter-terrorism structure, and its members conduct joint military exercises in which Russia and China are the anchors. NATO's 2022 Strategic Concept names China as a systemic challenge and Russia as the most significant direct threat. No treaty clause prohibits a NATO ally from joining the SCO, but the memorandum of obligations that every new member signs commits it to the organization's positions on regional security, and Türkiye cannot sign that document without accepting language on Ukraine, Taiwan, and Central Asia that its alliance partners would read as defection. Ankara's actual behavior since 2022, in which it has sold drones to Kyiv, blocked warship transit under Montreux, and hosted every round of Black Sea negotiation, suggests the government understands this. The rhetoric of membership is for the domestic audience and the Western one; the practice of partnership is for Moscow and Beijing.

India presents the second obstacle. Admission to the SCO requires unanimity, and New Delhi's view of Ankara has deteriorated sharply since Turkish drones and diplomatic backing featured on the Pakistani side of the May 2025 India-Pakistan clashes. Indian officials denied vetoing Türkiye's BRICS application in Kazan (2024), but the Rio summit in 2025 admitted ten partner countries while Türkiye remained silent on the status it had been offered, and reporting since then has described a hard Indian objection.[6] The same veto logic applies in the SCO. Türkiye is asking to join two organizations in which India is either a founding-era member or an influential player, at a moment when India-Türkiye relations are at their lowest point in a generation, and neither Beijing nor Moscow has shown any appetite to spend capital with New Delhi on Ankara's behalf.

5 "Can the SCO be Turkey's alternative to the West?" **Al Jazeera**, September 21, 2022, https://www.aljazeera.com/news/2022/9/21/turkey-shanghai-cooperation-organisation-membership-nato-west-alternative.

6 Ragip Soylu, "Turkey's Brics membership hopes are dashed for now," **Middle East Eye**, July 7, 2025, https://www.middleeasteye.net/news/turkeys-brics-membership-hopes-are-dashed-now.

The third obstacle is Beijing's own calculation. China gains from having a NATO member as a partner in the room because it dilutes the organization's anti-Western reading and validates the multipolar narrative. It gains rather less from having that member inside the tent, where Türkiye would bring its Turkic-world agenda into an organization whose Central Asian members are precisely the states over which Ankara and Beijing compete for influence. Xinjiang sits underneath this. The 2017 extradition treaty that China ratified in 2020 remains unratified by the Turkish parliament, and the Organization of Turkic States (OTS), which Erdoğan chairs in alternation, is an institutional rival to the SCO's claim on the same geography.[7] For Beijing, Türkiye as a dialogue partner is a diplomatic asset; Türkiye as a member is a management problem.

The fourth obstacle is that partner status already delivers most of what Ankara wants. The economic content of the SCO is thin. Its development bank has been under discussion for two decades and was again only "planned" in Bishkek. The trade, transport, and digital agendas that Erdoğan cited are pursued bilaterally or through the OTS and the Middle Corridor framework, none of which require SCO membership. What full membership would add is symbolic, and symbolism is exactly what NATO and the EU would price.

BRICS follows the same pattern. Türkiye applied for full membership in September 2024, attended the Kazan summit, was offered partner status, and has neither accepted nor declined it. India chairs the bloc in 2026 and hosted the New Delhi summit on 12–13 September, where the agenda was payment infrastructure and an expansion framework for partners rather than new members. Ankara is unlikely to move either before then or after. From the Gulf's perspective, the contrast bears repeating. The UAE and Saudi Arabia were invited in as full members in 2024 because they bring sovereign capital, energy weight, and rising geopolitical influence in the Arab world that the bloc wanted; Türkiye was offered the waiting room because it brings a trade deficit and a NATO flag. Membership in the multipolar architecture, in this case, it turns out, is priced into balance sheets.

Table 1: Türkiye's institutional positions and what each delivers

Framework	Türkiye's status	Binding obligations	Economic content	Gatekeeper	Realistic ceiling to 2030
NATO	Full member since 1952	Article 5; force integration	Indirect (defense industry, procurement)	Consensus of 32	Unchanged
EU Customs Union	Member since 1996	Tariff alignment; no voice in EU trade deals	Very high (over 40% of trade)	European Commission	Modernization talks stalled
SCO	Dialogue partner since 2012	None	Low	Unanimity, with India influential	Observer at most
BRICS	Partner status offered in 2024, unanswered	None	Low to medium (NDB access, payments)	Unanimity, with India decisive	Partner country
Organization of Turkic States	Founding member; rotating chair	Political coordination	Medium (transport, trade facilitation)	Ankara-led	Deepening

Source: Author assessment based on organizational charters and reporting cited in the text. The "Realistic ceiling" column is the author's judgment.

Takeaway: The organizations Türkiye can join add little; the one it might want is gated by India.

7 Treaty on Extradition between the Republic of Türkiye and the People's Republic of China, signed May 13, 2017; ratified by the NPC Standing Committee, December 26, 2020; pending before the TBMM Foreign Affairs Committee.



Bilateral ties: a market, not yet a partner

Strip away the summitry, and the Türkiye-China economic relationship has three layers of sharply different depth. The first is trade, and it is deep in one direction only. Chinese goods now account for roughly one in seven U.S. dollars Türkiye spends on imports, some of which are concentrated in the categories that define an industrial economy's dependence, namely telecommunications equipment, computing hardware, electrical machinery and, increasingly, vehicles.[8] Still, some others consist of "intermediate goods and affordable machinery" that do support export-oriented production.[9] Turkish exports to China, by contrast, are dominated by marble, metal ores and scrap, which are raw materials sold into a manufacturing base that then sells finished goods back. The deficit with China alone was in the region of US$45 billion in 2025, close to half of Türkiye's total merchandise deficit. Ankara's response has been to seek Chinese investment as an offset, on the logic that if Türkiye cannot sell to China, it can at least host Chinese production for Europe. That logic is sound, but its execution is the problem.

The second layer is Chinese capital already in place, and it is thinner than the announcements suggest. Alibaba's control of Trendyol, Türkiye's largest e-commerce platform, is the single most consequential Chinese investment in the country and gives Chinese suppliers a direct retail channel into the Turkish consumer.[10] Xiaomi and Oppo assemble handsets under contract in Istanbul, Huawei maintains an R&D presence, ICBC operates a Turkish subsidiary—albeit with a downsized set of branch offices—and the central banks maintain a lira-yuan swap line last expanded in 2021. Beyond this, the Chinese FDI stock in Türkiye remains modest by the standards of both a US$1.3 trillion economy and Chinese outward investment elsewhere, well behind the Gulf's own footprint in Turkish assets. Chinese firms have found it easier to sell into Türkiye than to build in it, and the automotive sector shows why.

The third layer is the automotive bargain, and it deserves to be told in sequence. In June 2024, Ankara imposed a 40% additional tariff on Chinese-built vehicles, then exempted any manufacturer that committed to local production. Within weeks, BYD signed a US$1 billion

8 "Turkey trade data 2025," TradeInt, May 2026, https://tradeint.com/insights/turkey-trade-data/.
9 Necati Demircan, "Türkiye's Eyes on BRICS But Ear to EU," Modern Diplomacy, September 24, 2024, https://moderndiplomacy.eu/2024/09/24/turkiyes-eyes-on-brics-but-ear-to-eu/.
10 Alibaba Group, annual report disclosures on Trendyol.

agreement for a 150,000-unit-per-year plant in Manisa, with production promised by the end of 2026 and up to 5,000 jobs, and received an investment incentive certificate that exempted it from import duties in return.[11] The immediate effect was on sales rather than factories. BYD sold 45,537 vehicles in Türkiye in 2025, becoming the best-selling new-energy brand, and Chinese brands collectively took 7.8% of the market in the first half of that year, up from 6.1% in 2023.[12] Chery, already the largest Chinese brand in the country thanks to the strength of its SUVs, was announced by the presidency in March 2025 as the second US$1 billion investor, at a 200,000-unit-per-year plant in Samsun. Chery stated the same day that it had no plan to build a factory in Türkiye and was seeking third-party partnerships instead.[13]



The Manisa site then went quiet. Excavation equipment was photographed in January 2026, opposition deputies filed parliamentary questions about how much of the promised investment had been realized and what BYD had gained from duty-free imports, and Industry Minister Kacır said in March that the incentive legislation contained sanctions for investors who failed to complete projects on schedule.[14] In June, BYD's executive vice president confirmed to Reuters that the Turkish plant was on hold, that construction had not begun, and that the company had no timeline for production, with Hungary as the first priority and a second site elsewhere in Europe.[15] Ankara is reported to have withdrawn the tax exemption. The consequences were immediate. BYD's Turkish sales fell 73% year on year in the first half of 2026 because it could no longer import at the exempt rate, the collective Chinese share of the market dropped from 7.8% to 5.1%, and the number of Chinese brands operating in Türkiye fell from ten to seven.[16] Togg, the domestic car brand, overtook BYD in the electric segment in the same period.

---

11 Republic of Türkiye Ministry of Industry and Technology, statement of July 8, 2024; "BYD to build $1 billion EV plant in Turkey," CnEVPost, July 9, 2024, https://cnevpost.com/2024/07/09/byd-to-build-1-billion-ev-plant-in-turkey/.

12 "BYD puts $1B Türkiye plant on hold to prioritize Europe expansion," Türkiye Today, June 10, 2026, https://www.turkiyetoday.com/business/byd-puts-1b-turkiye-plant-on-hold-to-prioritize-europe-expansion-report-3221635.

13 "Chinese carmaker Chery to invest $1 billion in Turkey, president's office says," Reuters, March 26, 2025, https://www.reuters.com/business/autos-transportation/chinese-carmaker-chery-invest-1-billion-turkey-presidents-office-says-2025-03-26/.

14 TBMM written questions of January 28, 2026 (CHP, İzmir) and June 2026 (İYİ Party).

15 Akin Nazli, "Chinese EV giant BYD quietly shelves plan for billion-dollar plant in Turkey," **bne IntelliNews**, June 10, 2026, https://www.intellinews.com/chinese-ev-giant-byd-quietly-shelves-plan-for-billion-dollar-plant-in-turkey-447770/.

16 Otomotiv Distribütörleri ve Mobilite Derneği (ODMD), monthly market data, 2026.

Three lessons follow from these, all of them relevant to investors assessing Ankara's investment-for-access model. First, the incentive worked in reverse. BYD extracted two years of duty-free market entry against a commitment it never executed, and the Turkish state's recourse was to remove a privilege rather than recover a cost. Second, Türkiye's customs union advantage is real but not decisive. Hungary offers Chinese manufacturers EU membership, lower political risk and comparable labor costs in the relevant regions, and when BYD had to choose, it picked the site inside the tariff wall rather than adjacent to it. Third, the announcement cycle in Ankara runs ahead of the commitment cycle in Beijing. The presidency's Chery announcement was contradicted by the company within hours as a case in point. Therefore, the pattern of state-level ceremony followed by corporate hedging is now established enough that Gulf due diligence on Turkish industrial projects should treat Chinese participation as unconfirmed until ground is broken.

None of this means Chinese automotive investment in Türkiye is finished. Chery's third-party partnership model may yet produce a contract manufacturing arrangement, as SAIC's MG has explored a plant through its Turkish distributor, and the tariff structure still favors localization. But the relationship has moved from a phase in which Ankara set the terms to one in which Beijing's manufacturers set the pace, and the state that hosted the signing ceremonies is now the one waiting.

Table 2: Announced Chinese automotive investments in Türkiye and status, September 2026

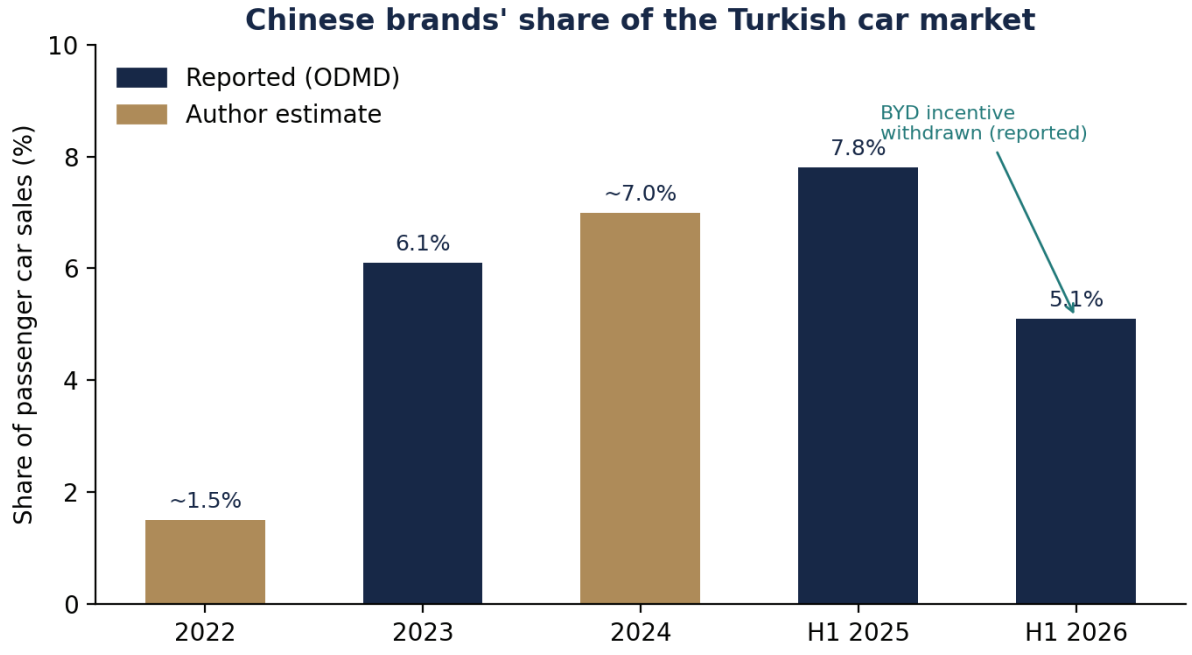
Company	Announced	Site	Capacity / value	Status	Assessment
BYD	July 2024	Manisa	150,000 units/year; US$1bn; 5,000 jobs	On hold since June 2026; no timeline; incentive reportedly withdrawn	**Not realized**
Chery	March 2025 (by presidency)	Samsun	200,000 units per year; US$1bn	Denied by company; seeking third-party partner	**Not realized**
SAIC / MG	2025 (distributor-led)	Undisclosed	Undisclosed	Exploratory	**Not realized**
SWM (Sineray)	2024 application	Undisclosed	~50,000 units per year	Application stage	**Not realized**
Farasis (battery)	2024	Undisclosed	Part of reported US$2bn project	Unclear	**Uncertain***

Source: Company statements; Ministry of Industry and Technology; Reuters; ODMD; compiled by the author. *Farasis entry rests on a single 2024 press report (Caixin) and has not been independently confirmed.

Takeaway: Two years of announcements, no production line.



Figure 2: Turkish passenger car market share of Chinese brands



Source: ODMD data as reported by Türkiye Today (5 June 2024) and Bazaar Times (6 July 2026). 2023, H1 2025 and H1 2026 as reported. 2022 and 2024 values (marked ~) are author estimates derived from brand-level ODMD sales figures divided by total market size. Author-generated figure.



Corridors: where Chinese and Turkish maps overlap, and where they don't

Erdoğan's Bishkek line about aligning the Middle Corridor with the BRI was not new. Türkiye signed a memorandum with China to that effect in November 2015, the same year a consortium of COSCO, China Merchants, and CIC bought 65% of Kumport, the container terminal on Istanbul's European shore, for roughly US$940 million.[17] Chinese contractors and finance built segments of the Ankara-Istanbul high-speed line, and the first China-Türkiye freight train crossed the Marmaray tunnel in November 2019. On paper, Türkiye has been a BRI partner for more than a decade. The question is what Beijing has done with that partnership, and the answer is that it has treated Türkiye as the terminus of a route it invests in elsewhere.

The Middle Corridor illustrates the pattern. Chinese state firms have put money into the Caspian end of the route, including participation in the US$300 million Aktau port on the Kazakh shore and grant support for the port of Baku, and China sits on the Trans-Caspian International Transport Route (TITR) association's board alongside Kazakhstan, Azerbaijan, Georgia, and Türkiye, which approved a 2026 work plan focused on digitalization.[18] Essentially, Chinese cargo is the reason for the corridor's existence. Container volumes from China through Azerbaijan rose roughly twenty-five-fold in 2024 from a very low base, and Kazakhstan's freight with China has grown four and a half times over a decade.[19] But the pattern of Chinese money follows Chinese interests, and those interests are in Central Asia. The China-Kyrgyzstan-Uzbekistan railway, now under construction, Chinese processing investments in Kazakhstan that respond to American

17 "Chinese consortium buys into Turkish port with USD 940 million investment," Invest in Türkiye (Investment Office of the Presidency), September 28, 2015, https://www.invest.gov.tr/en/news/news-from-turkey/pages/280915-cosco-pacific-buys-turkish-kumport.aspx; Republic of Türkiye Ministry of Foreign Affairs, "Türkiye–People's Republic of China Economic and Trade Relations," https://mfa.gov.tr/turkey_s-commercial-and-economic-relations-with-china.en.mfa.

18 "Alternate route: China invests in Europe cargo corridor that avoids Russia, Middle East," South China Morning Post, June 29, 2026, https://www.scmp.com/economy/china-economy/article/3358717/alternate-route-china-invests-europe-cargo-corridor-avoids-russia-middle-east; Vusal Guliyev, "Regional States Consolidate the Resilience of the Middle Corridor (Part 1)," Eurasia Daily Monitor, Jamestown Foundation, June 2, 2026, https://jamestown.org/regional-states-consolidate-the-resilience-of-the-middle-corridor-part-1/.

19 Seymur Mammadov, "COMMENT: Azerbaijan, Kazakhstan and China accelerate efforts to expand the Middle Corridor," bne IntelliNews, December 11, 2024, https://www.intellinews.com/comment-azerbaijan-kazakhstan-and-china-accelerate-efforts-to-expand-the-middle-corridor-357989/, citing Azerbaijan Railways; Times of Central Asia, citing Kazakhstan Temir Zholy, March 1, 2026.

mineral deals, and terminal capacity at Alat and Aktau all serve Beijing's objective of binding Central Asia to its economy. Türkiye receives the freight that survives the Caspian crossing. It does not receive the capital that decides whether the crossing gets easier.



This is a structural feature of how Beijing thinks about the corridor rather than an oversight. China's priority is cost and redundancy across all routes to Europe, not the success of any single one of them, and the Middle Corridor competes for Chinese cargo against a Northern Corridor that Beijing has never abandoned and a maritime route whose scale it dominates. The corridor also runs through terrain where Chinese and Turkish influence collide. Türkiye's instrument in Central Asia is the OTS, whose transport agenda overlaps almost exactly with the TITR; Beijing's instrument is the SCO+ bilateral finance. Both want the route to work. Neither wants the other to own it. For Ankara, that produces the awkward position of being the Western gateway for a corridor whose eastern investors would prefer it to remain a gateway and nothing more.

The South Caucasus adds a further complication. The August 2025 Armenia-Azerbaijan framework, with its American-managed transit route through Syunik, gave Washington a physical stake in the corridor's most contested segment.[20] For Türkiye, that is an asset, because it unlocks the Kars-Nakhchivan-Azerbaijan link and the Armenia normalization track. For Beijing, it is a reason for caution, since the route it is being asked to align with now runs through an American-administered corridor. Erdoğan's request in Bishkek was that China invest in a Turkish-led route whose critical link is guaranteed by the United States. However, it is not obvious why Beijing would.

The Development Road Project presents the mirror image of the Middle Corridor. Here, China is the ambivalent party and the Gulf is the committed one. Baghdad has said since 2024 that the road could be linked to the BRI, and Chinese commentators have framed it as a way to route maritime cargo from the Gulf overland to Europe through Türkiye. Beijing's actual investment in Iraq, some US$9 billion in 2024, has gone into refineries and energy rather than the Grand Faw Port-to-Ovaköy transport spine, whose financing rests on Iraqi budgets, Turkish construction firms, and Qatari and Emirati commitments.[21] Chinese participation in the Development Road would strengthen the corridor's cargo case considerably, because Chinese goods transhipped at Faw are the most plausible northbound volume. But it would also convert a Gulf-Türkiye-Iraq project into a BRI spur, with the political costs that carries in Washington and the dependency risks that Baghdad, Doha, and Abu Dhabi have each shown they would rather avoid. The Development Road's value to its Gulf backers lies partly in the fact that it is not Chinese.

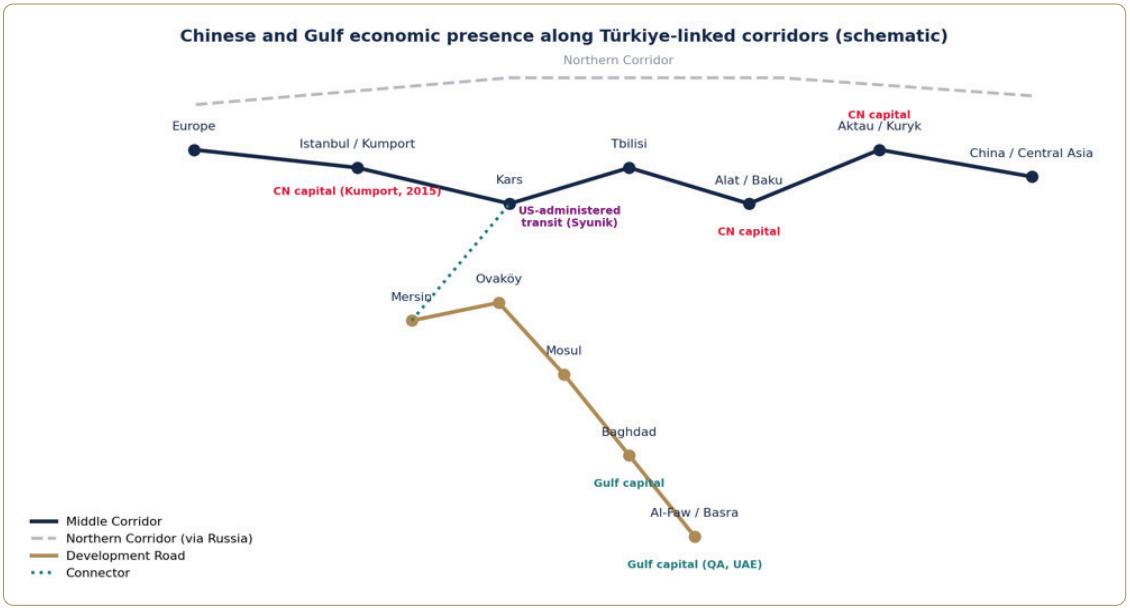
Taken together, the three corridors show a consistent Chinese posture. Beijing invests where investment buys influence over resource producers and transit states it can shape, funds the Caspian and Central Asian nodes it needs, and leaves the Anatolian end of the map to Turkish, Gulf, and European money. Türkiye's connectivity strategy, therefore, depends on

20 Joint Declaration between the Republic of Armenia and the Republic of Azerbaijan, Washington, August 8, 2025.

21 Ranj Alaaldin, "Iraq's Development Road Project: A Path to Prosperity or Instability?" Issue Brief, Middle East Council on Global Affairs, October 31, 2024, https://mecouncil.org/publication/iraqs-development-road-project-a-path-to-prosperity-or-instability/.

Chinese cargo but not on Chinese capital, which is a more comfortable position than the reverse but a less powerful one than Ankara's rhetoric implies. The corridor Türkiye can most plausibly shape is the one running north from Faw, and its partners on that route sit in the Gulf rather than in Beijing.

Figure 3: Economic presence of China and the Gulf along Türkiye-linked corridors (schematic)



Source: Author schematic based on TITR Association, TRACECA, South China Morning Post (29 June 2026) and official Gulf and Iraqi statements. Not to scale. Capital markers indicate reported presence, not relative scale. Author-generated figure.

Table 3: Convergence and divergence of Chinese and Turkish corridor interests

Dimension	Middle Corridor	Development Road	Northern Corridor
Chinese cargo relevance	High	Medium, potential	High
*Chinese capital committed	Medium (Caspian nodes	Low	High
Turkish role	Western gateway	Northern terminus and co-owner	None
*Gulf capital committed	Low	High	None
Political friction for Beijing	US transit segment; Turkish states rivalry	US and Gulf sensitivities	Sanctions exposure
Interest alignment (author assessment)	Partial	Weak	None

Source: Author assessment based on TITR, TRACECA and reported investment data. *Relative scale judged from reported project values (SCMP, June 2026; Sanchez & Co. BRI report, August 2025); no consolidated official figure exists.

Takeaway: China needs the corridors' eastern half; Türkiye needs their western half; neither is financing the other's end.



Scenarios to 2030 and implications for the Gulf

The next four years will be shaped less by what Ankara says in summit halls than by four decisions taken elsewhere: 1) Whether India relents on Turkish membership in the bodies it gatekeeps, 2) whether Chinese manufacturers decide Türkiye is worth building in, 3) whether the EU reopens customs union modernization, which is the single lever that would strengthen Türkiye's hand against China, and 4) whether the Middle Corridor reaches the volumes that turn Chinese interest from rhetorical to financial. Three scenarios capture the plausible range.

The first scenario brings deeper alignment. Ankara accepts BRICS partner status, moves from dialogue partner to observer in the SCO, and secures at least one operating Chinese vehicle plant, probably through Chery's partnership model rather than BYD's direct investment. Yuan settlement for a share of the bilateral trade follows, and Türkiye becomes the first NATO member with a formal institutional foothold in both Sino-Russian frameworks. The conditions for this are a continued freeze in EU relations, sustained American pressure that Ankara chooses to answer with defiance rather than accommodation, and Chinese industrial overcapacity severe enough that manufacturers accept Turkish political risk for customs union access. It requires India to stop objecting, which is the weakest link. This is a minority outcome, perhaps one in five.

The second scenario is continued hedging, and it is the baseline. Türkiye keeps its multilateral options open without exercising them, announces further Chinese investments that are realized slowly or not at all, uses the Middle Corridor and the Development Road as diplomatic assets more than commercial ones, and calibrates each move against the state of its Western relationships at the time. Trade with China keeps growing in one direction, the deficit passes US$50 billion, and the political relationship stays warm and shallow. Nothing in the record since 2022 suggests the government finds this position uncomfortable. It is the most likely path by a wide margin.

The third is a pull-back toward the West. The trigger would be a concrete European or American offer, most plausibly a customs union modernization mandate or restored defense procurement access, that makes the cost of the Eastern hedge visible. Washington's stated intention to penalize states aligning with BRICS gives this scenario more force than it had two years ago, and Ankara has never chosen Beijing over a tangible Western concession when one was on the table. Under this path, the SCO rhetoric fades, the BRICS offer lapses, and Chinese investment reverts to the market-access model it has followed since 2015. This outcome would have a one-in-four chance.



For Gulf investors, the three paths carry different exposures, and Table 4 below sets them out. Three scenarios cut across all of them. First, the Development Road is the Gulf's most direct stake in Türkiye's connectivity strategy, and it is the corridor least dependent on Chinese decisions, which makes it the safest place for Gulf capital under every scenario, subject to the Iraqi risks. Second, Chinese participation in Turkish industrial projects should be viewed as contingent until production begins, because the announcement-to-execution gap of the past two years has been wide enough to have moved markets. Third, the UAE's own BRICS membership places it inside the bodies Ankara is trying to enter, which gives Abu Dhabi a direct view of how Türkiye's application is handled and of the terms on which Chinese financing might reach Turkish corridor projects. Whether that financing materializes matters for the Development Road's partner mix, since Chinese and Gulf capital have so far behaved as substitutes rather than complements along Türkiye's routes.

Indicators to watch in the coming months are concrete. The New Delhi BRICS summit on 12–13 September provides clues as to whether India's chairmanship is used to formalize an expansion framework that could eventually accommodate Türkiye or to close the door. A decision by BYD on a second European site outside Hungary, or a Chery contract-manufacturing announcement, will show whether the customs union argument still carries weight in Chinese boardrooms. Full-year 2026 TITR volumes will show whether the corridor has recovered from the 2025 dip. Meanwhile, any movement on the extradition treaty in the Turkish parliament or a potential visit by President Erdoğan to Beijing would signal that Ankara has decided to pay a political price for a relationship it has so far kept costless.

Table 4: Scenarios to 2030 and Gulf investor exposure (author assessment)

Dimension	Deeper alignment	Continued hedging (base-line)	Western pull-back
Chinese auto plant realized	Yes, via partnership	Unlikely before 2028	No
Middle Corridor Chinese capital	Rises modestly	Flat, Caspian-focused	Flat
Development Road relevance to China	Rises	Low	Low
Türkiye–China trade deficit **2030	+$60bn	60bn–$55	55bn–$50
Gulf capital: Development Road	Competes with Chinese money	Primary financier	Primary financier
Gulf capital: Turkish industrial assets	Higher China-linked risk	Moderate; verify Chinese participation	Lower; Western co-investment likelier
Development Road partner mix	Chinese entry likely	Gulf–Türkiye–Iraq	Gulf–Türkiye–Iraq

Source: Author assessment. *Likelihoods are the author's judgment and not derived from a model. **Trade projections extrapolate 2020–2025 TÜİK trends and are indicative only.

Takeaway: Chinese and Gulf capital have been substitutes, not complements, along Türkiye's corridors.

Conclusion



Türkiye's China policy is a hedge, and it has been a consistent one. Ankara has sought Chinese institutional cover it does not need, Chinese investment it has not received, and Chinese cargo it cannot control, while maintaining the Western memberships that make all three easier to withhold. The result is a relationship in which Türkiye is, to Beijing, a valuable market, a useful dialogue partner, and a convenient terminus, but not a strategic partner in any sense that involves capital or commitment. Neither the Bishkek SCO summit nor the New Delhi BRICS summit could change this.

What would change it is Türkiye becoming a necessary partner to China rather than merely a useful conduit, and the only route to that runs through the corridors. A Middle Corridor carrying enough Chinese freight that Beijing needs Anatolian throughput, or a Development Road delivering Gulf cargo to Europe at scale, would give Ankara the leverage its summit language claims it already has. Neither exists yet, however. Until one does, the relationship will continue to generate more headlines than factories, and the Gulf, which finances the corridor Türkiye can actually shape, will remain the partner whose choices matter more.

انضم إلينا
JOIN US

TRENDS GROUP
مجموعة تـــرينـــدز