CERA

S&P Global
Energy

Turkey

Market Structure

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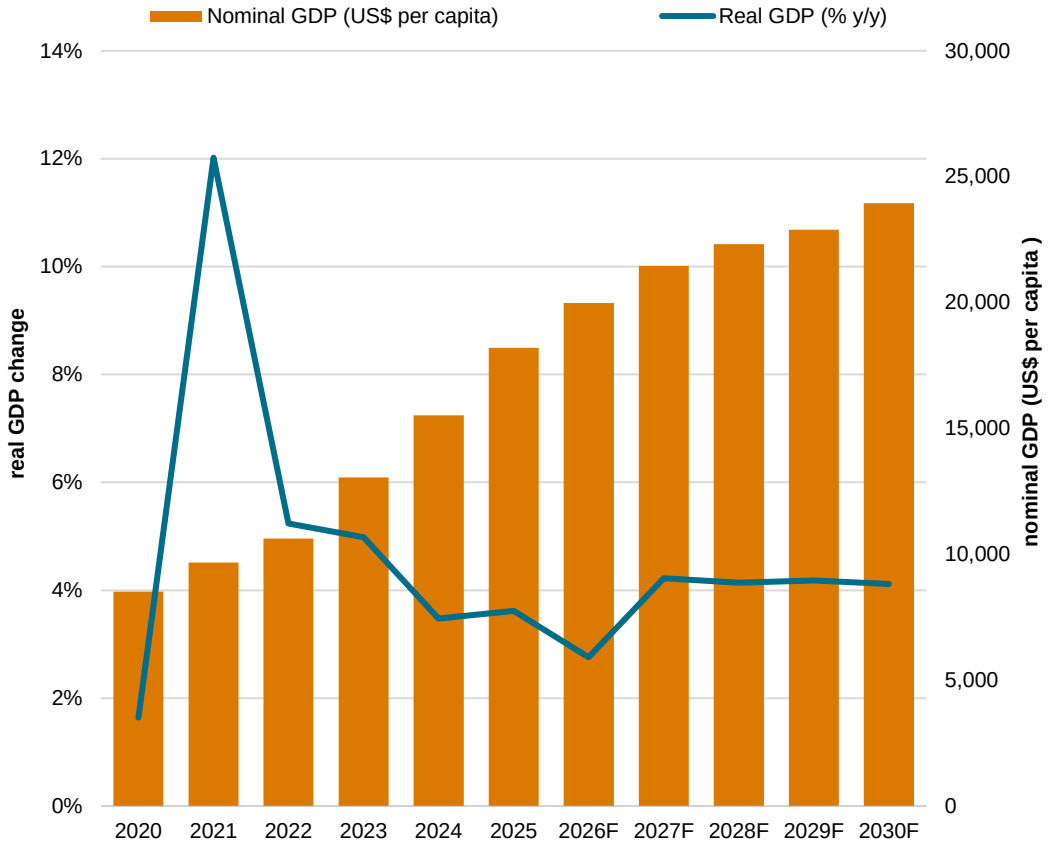
Economic overview

- The US/Israeli-Iranian conflict is expected to weaken domestic demand, as higher inflation tightens monetary policy and disrupts exports. As a result, GDP growth in 2026 is projected to fall below 3%, down from 3.4% in 2025.
- Inflation was expected to decline further in 2026; however, the lira remains vulnerable to depreciation due to ongoing political risks and normalization of exchange rate policies. The conflict in Iran may push inflation higher in the near to medium term.
- Persistent institutional weaknesses and external imbalances will limit Türkiye’s long-term GDP growth, though structural reforms and favorable demographics could support future acceleration, with GDP growth forecast to reach 4% by 2030.

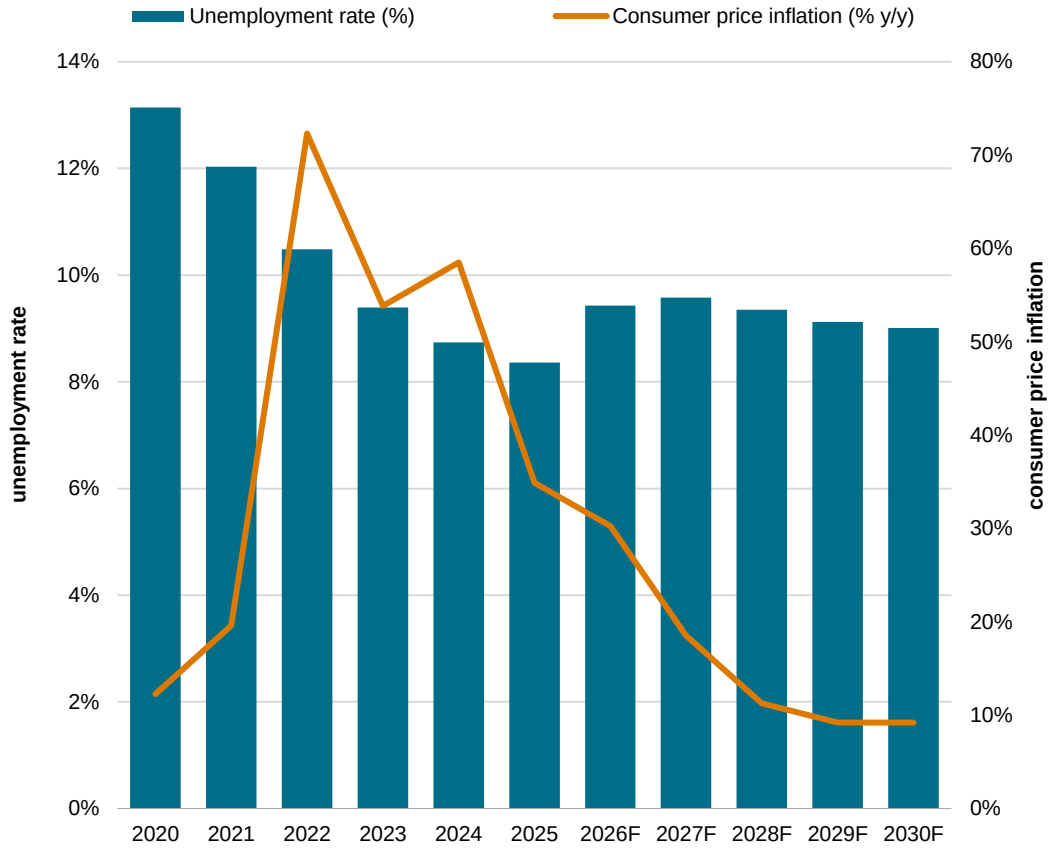
Economic overview

Despite stability since mid-2024, the Turkish lira remains vulnerable to periods of sharp depreciation

Turkey economic growth and per capita GDP



Turkey unemployment and inflation

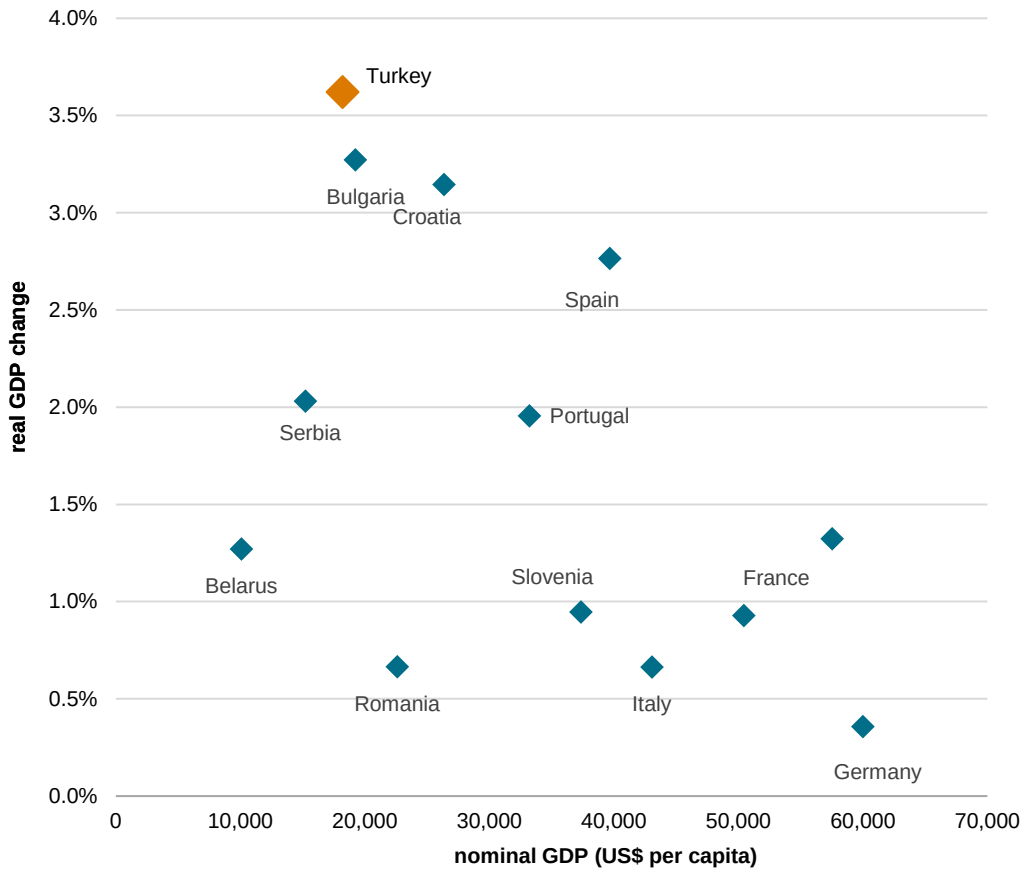


Data compiled March. 2026.
Sources: S&P Global Market Intelligence; S&P Global Energy.

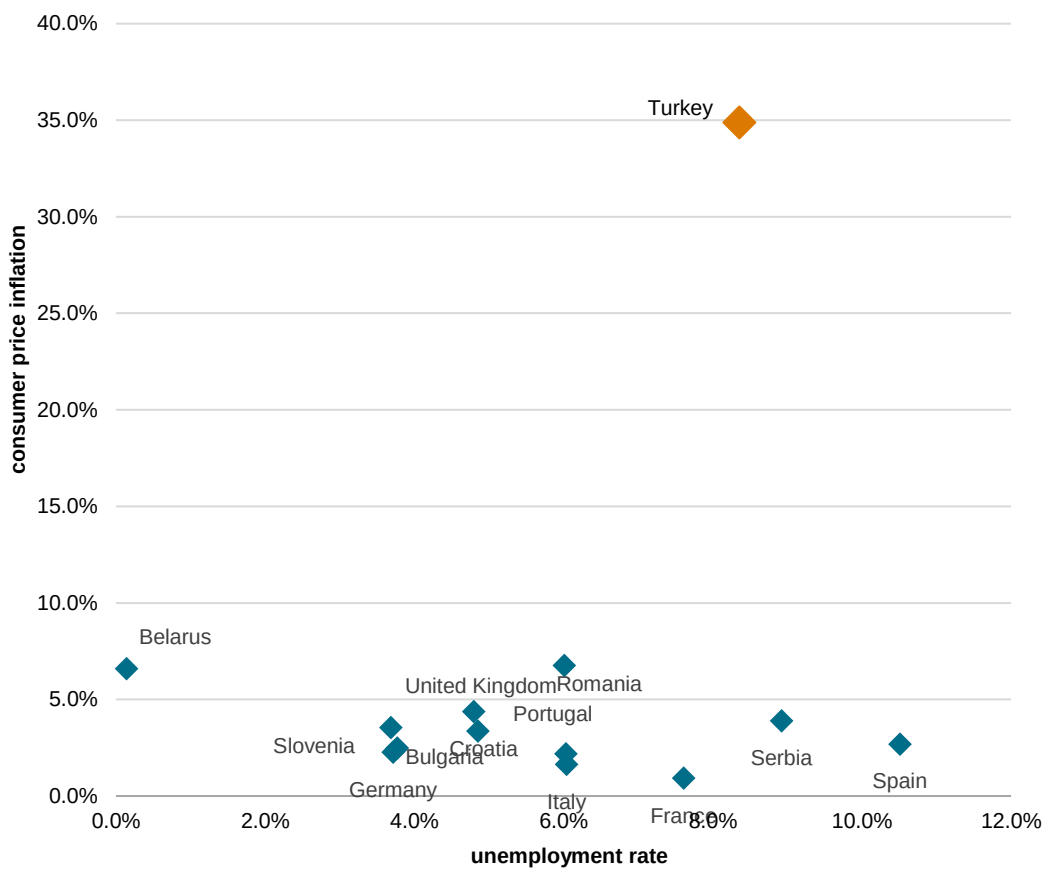
Economic overview

In 2025, GDP growth, labor market indicators, and inflation were well above the European average

Economic growth and per capita GDP: 2025



Unemployment and inflation: 2024



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S&P Global
Energy

Economic overview

Structural reforms could enable robust long-term growth supported by demographic and geopolitical factors

Key economic indicators—Turkey

Historical and forecast

	Historical					Latest	Forecast				
Indicator	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026F**	**2027F**	**2028F**	**2029F**	**2030F**
Demography											
Population (million)	86.1	86.7	87.1	87.3	87.5	87.7	87.9	88.2	88.5	88.8	89.0
Population (% y/y)	+0.9%	+0.7%	+0.4%	+0.2%	+0.2%	+0.2%	+0.3%	+0.3%	+0.3%	+0.3%	+0.3%
Economic growth											
Real GDP (% y/y)	+1.6%	+12.0%	+5.2%	+5.0%	+3.5%	+3.6%	+2.8%	+4.2%	+4.1%	+4.2%	+4.1%
Industrial production (% y/y)	+2.2%	+16.5%	+5.0%	+1.6%	+0.4%	+2.6%	+3.3%	+3.3%	+3.1%	+2.9%	+2.4%
International trade											
Nominal trade balance (billion US$)	-37.9	-29.3	-89.6	-86.3	-56.0	-69.7	-78.7	-78.9	-71.0	-62.4	-56.4
Nominal trade balance (% of GDP)	-5.2%	-3.5%	-9.7%	-7.6%	-4.1%	-4.4%	-4.5%	-4.2%	-3.6%	-3.1%	-2.6%
Personal income											
Nominal GDP (billion US$)	732.8	838.9	924.7	1,138.9	1,358.0	1,595.7	1,756.7	1,892.7	1,974.6	2,031.4	2,132.3
Nominal GDP (US$ per capita)	8,511.6	9,677.4	10,622.1	13,050.3	15,524.2	18,198.4	19,979.1	21,459.1	22,316.8	22,887.7	23,951.2
Consumer sector											
Real retail sales (% y/y)	-	-	-	-	-	-	-	-	-	-	-
Unemployment rate (%)	13.1%	12.0%	10.5%	9.4%	8.7%	8.4%	9.4%	9.6%	9.4%	9.1%	9.0%
Consumer price inflation (% y/y)	+12.3%	+19.6%	+72.3%	+53.9%	+58.5%	+34.9%	+30.3%	+18.5%	+11.3%	+9.2%	+9.2%
Financial markets											
Exchange rate, US$ (average)	7.02	8.86	16.57	23.79	32.83	39.49	46.41	51.32	56.42	62.11	66.42
Exchange rate, US$ (year-end)	7.43	13.34	18.72	29.46	35.31	42.88	49.16	53.66	59.25	64.93	67.77

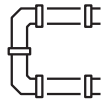
y/y = year on year.
Real = in constant prices. Nominal = in current prices.

Data compiled March. 2026.
Source: S&P Global Market Intelligence; S&P Global Energy.

Regulatory framework and policy overview

- Turkey aims to reduce its GHG emissions by 41% by 2030 compared to a Business-as-Usual scenario.
- Turkey aims to establish an ETS covering emission-intensive sectors and operating on a cap-and-trade basis, with a pilot scheme set to begin in 2026 after earlier delays.
- Turkey requires a minimum blending obligation of 1.5% for bioethanol and 0.5% for biodiesel in transport fuels.
- As an IEA member, Turkey is required to maintain emergency oil stocks equal to 90 days of net imports.
- Vehicles are subject to ÖTV, based on engine displacement and car price, as well as VAT, plus a semi-annual motor vehicle tax determined by engine size, age, value, and type.

Regulatory snapshot

	Is private competition allowed?	Are there non-statutory barriers to private competition?	Does the government have a dominant position?
REFINING 	**Yes.** However, the sector is predominantly owned by Tüpraş, which controls 75% of Turkish refineries, while SOCAR holds the remaining 25%.	**No.** However, private ownership of upstream oil rights is prohibited.	**No.** However, 25% of the refining sector is owned by the Azerbaijani state-owned operator SOCAR. Additionally, refining companies are required to maintain production capacity for tactical liquid fuels used by the Turkish Armed Forces.
IMPORTS 	**Yes.**	**No**. However, domestic crude oil trade is restricted to transactions between producers and refiners.	**No.**
MIDSTREAM LOGISTICS 	**Yes.** However, domestic crude oil trade is limited to exchanges between producers and refiners.	**No**.	**Yes.** Most non-refinery storage and the majority of the pipeline network are owned by BOTAŞ Petroleum Pipeline Corporation, a state-owned company. Additionally, BOTAŞ and TPOA own crude storage facilities used for transporting and storing Iraqi crude oil for export under an intergovernmental agreement; these facilities are not accessible to the market.
FUEL WHOLESALE 	**Yes.** When granting fuel distribution licenses, there are no restrictions on quantities, the number of vendors, or storage capacity.	**No.**	**No.** However, the production and delivery of liquid fuels and other products essential to national security take precedence.
RETAIL 	**Yes.** The fuel retail market is dominated by public companies such as Petrol Ofisi (Vitol), Opet, Shell Turcas, Güzel Enerji, and Zeren Group.	**No**.	**No.**

Data compiled Jan. 2026.
Source: S&P Global Energy.

Fuel subsidies and/or price intervention

A sliding scale taxation mechanism designed to mitigate price hikes was discontinued in 2022

- In 2018, a sliding scale taxation mechanism was introduced to mitigate the impact of rising crude prices or currency depreciation on inflation and consumer purchasing power. Under this system, increases in fuel prices were offset by reductions in the lump-sum Special Consumption Tax (ÖTV), which was inversely linked to the ex-refinery price. This mechanism was discontinued in 2022.
- Turkey did not introduce exceptional measures to reduce fuel prices during the inflationary period in 2022 and 2023. Instead, the excise duty (ÖTV) on gasoline and diesel increased significantly, driven by the discontinuation of the sliding scale taxation mechanism in 2022 and the need to fund a growing budget deficit, especially after the 2023 earthquake and government elections. Additionally, the VAT rate on motor fuels rose from 18% to 20% in July 2022.
- As of end-March 2026, Turkey had not implemented any extraordinary measures to address fuel price inflation resulting from the conflict in Iran and the effective closure of the Strait of Hormuz.

Source: S&P Global Energy.

Retail fuel specifications

Fuel specifications in Turkey align with European Union standards

Parameter	Unit	2021	2022	2023	2024	2025	2026	2027	2028	2029
Gasoline octane	RON, minimum	95	95	95	95	95	95	95	95	95
Gasoline sulfur	ppm, maximum	10	10	10	10	10	10	10	10	10
Diesel cetane	CN, minimum	51	51	51	51	51	51	51	51	51
Diesel sulfur	ppm, maximum	10	10	10	10	10	10	10	10	10
Marine sulfur	%, maximum	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Data compiled Jan. 2026.
Note: Marine fuel regulations changed as of May 2025
Source: S&P Global Energy.

Key policies affecting downstream sector

Turkey aims to establish an ETS, with the pilot phase set to begin in 2026 after previous delays

- **Environmental Policy:**
  - Turkey aims to reduce its greenhouse gas (GHG) emissions by 41% by 2030 compared to a Business-as-Usual scenario. In its updated NDC published in November 2025, Turkey set a 2035 target to limit emissions to around 643 million tones CO_2-equivalent. The country plans to peak emissions by 2038 at the latest and achieve net zero by 2053.
  - Turkey plans to launch an Emission Trading System (ETS) covering emission-intensive sectors and operating on a cap-and-trade basis to limit emissions. After delays, the pilot phase will start in 2026, with full implementation running from 2028 to 2035. Modeled after the EU ETS, the system aims to promote renewables, reduce coal and oil use, and encourage cleaner production.
- **Vehicle Taxation:** Turkey imposes two main taxes on vehicles: a Special Consumption Tax (ÖTV), similar to a registration tax, and a Value-Added Tax. ÖTV rates are determined by engine size and car price, not CO_2 emissions. Motor vehicle tax is collected twice a year, with amounts varying by engine size, age, value, and type, and the revenue supports road maintenance and infrastructure. Electric vehicles benefit from adjusted tax rates based on their power and value.
- **Stockholding Policy:** In line with IEA requirements, Turkey must maintain emergency oil stocks equal to 90 days of net imports from the previous year.
  - Strategic stocks comprise inventories that refining and distribution companies must hold, including at least 20 times the average daily supply from the previous year, along with additional stocks held by refiners to meet the 90-day import requirement.
  - At least 50% of the stocks held by refining and fuel distribution companies must be gasoline, diesel, and jet fuel, while LPG distribution companies are required to hold at least 50% LPG, with the remainder as gasoline.
- **Biofuels mandate:**
  - **Bioethanol:** Fuel distributors in Turkey are required to blend at least 1.5% ethanol, produced from domestic agricultural products, into all gasoline sourced from refineries or imports each calendar year.
  - **Biodiesel:** Fuel distributors in Turkey must blend at least 0.5% biodiesel, produced from domestic agricultural products and/or waste vegetable oils, into all diesel imported or supplied from refineries each calendar year. Biodiesel made from waste vegetable oils is double counted toward the blending obligation.

Source: S&P Global Energy.

Vehicle fleet

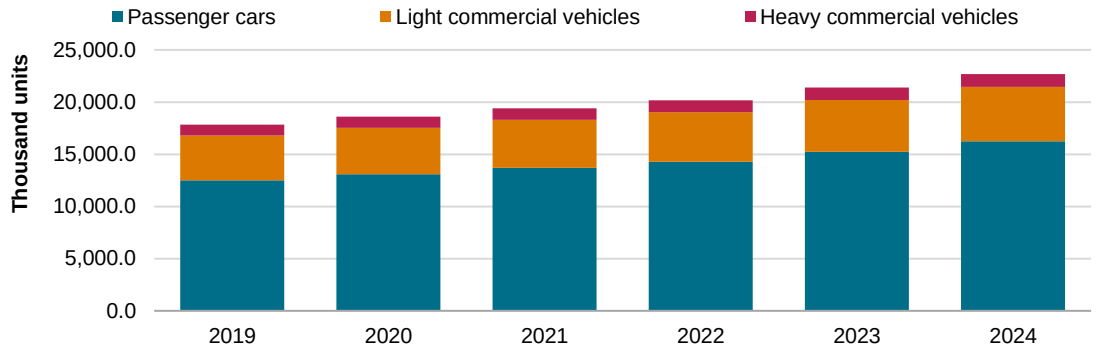
- As of 2024, Turkey’s total vehicle fleet stood at 22.7 million units.
- The vehicle fleet grew in 2024, as increased alternative vehicle registrations offset declines in conventional models.
- EV penetration remains limited in Turkey, with few policies currently in place to encourage the adoption of BEVs and PHEVs in the passenger fleet.
- However, the government’s goal to develop a substantial domestic EV production industry is expected to boost EV penetration rates in the future.

Vehicle fleet

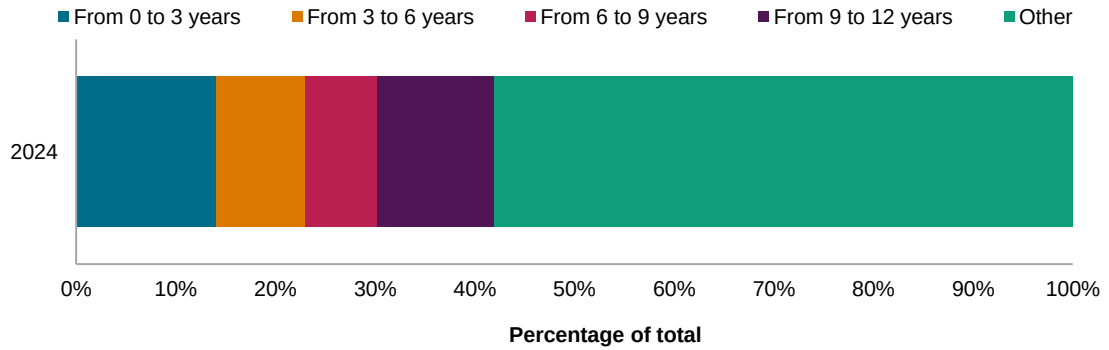
Gasoline registrations fell in 2024 for the first time since 2018, reflecting stronger EV penetration

- In 2024, Turkey's total vehicle fleet – including passenger cars, light commercial vehicles, and heavy commercial vehicles – reached 22.7 million units, of which 16.2 million were passenger vehicles.
- Registrations contracted sharply between 2017 and 2022 due to weak economic growth, high inflation, and lira depreciation, which eroded consumer purchasing power and prompted many to delay purchases or choose second-hand vehicles. However, registrations have since recovered.
- In 2024, the vehicle fleet increased 6% y/y, as growth in alternative vehicle registrations offset a contraction in conventional models. This rise was driven by improved economic conditions and easing inflationary pressures. The passenger fleet saw similar trends, growing nearly 7% y/y due to a surge in new registrations of alternative vehicles.
  - For the first time since the recovery in sales, gasoline vehicle registrations contracted y/y, driven by the increased adoption of hybrids and fully electric alternatives.
- With the lowest vehicle ownership rate per 100 inhabitants in Europe, Turkey is expected to see continued expansion of its vehicle fleet in the years ahead.
- Turkey has a notably older vehicle fleet, with over half of vehicles more than 12 years old, largely due to higher second-hand purchases and a low average scrappage rate of 1% from 2019 to 2024.

Vehicle fleet structure by vehicle type—Turkey



Fleet of cars, LCVs, and HCVs (total) by age category—Turkey



Data compiled Nov. 2025.
Source: S&P Global Energy.

Vehicle fleet

Cars, LCVs, and HCVs by fuel type— Turkey

Thousand units

						Latest	Split	Change	Growth	Change	Growth	CAGR	Average
Fuel type	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2024**	**2023–24**	**2023–24**	**2019–24**	**2019–24**	**2019–24**	**2019–24**
Fleet													
Cars, LCVs, and HCVs	**17,851.2**	**18,603.2**	**19,401.3**	**20,161.7**	**21,381.5**	**22,669.4**	**100.0%**	**+1,287.8**	**+6.0%**	**+4,818.2**	**+27.0%**	**+4.9%**	**20,011.4**
Conventional	13,035.7	13,613.9	14,235.2	14,856.7	15,831.0	16,765.2	74.0%	+934.1	+5.9%	+3,729.5	+28.6%	+5.2%	14,722.9
Gasoline	3,122.7	3,303.4	3,600.3	3,924.6	4,482.1	5,039.6	22.2%	+557.6	+12.4%	+1,917.0	+61.4%	+10.0%	3,912.1
Diesel	9,913.0	10,310.5	10,634.9	10,932.1	11,349.0	11,725.5	51.7%	+376.5	+3.3%	+1,812.5	+18.3%	+3.4%	10,810.8
Alternative	4,762.6	4,936.7	5,113.8	5,252.8	5,497.7	5,849.1	25.8%	+351.3	+6.4%	+1,086.5	+22.8%	+4.2%	5,235.5
LPG	4,745.8	4,900.6	5,024.1	5,110.8	5,210.9	5,302.8	23.4%	+91.9	+1.8%	+557.1	+11.7%	+2.2%	5,049.2
Natural gas	3.3	3.2	3.6	4.0	4.0	0.0	0.0%	-4.0	-100.0%	-3.3	-100.0%	-80.2%	3.0
Electric and hybrid	13.5	32.9	86.1	138.0	282.9	546.2	2.4%	+263.4	+93.1%	+532.7	+3932.8%	+109.5%	183.3
Full electric	1.1	2.7	6.2	14.6	80.6	182.6	0.8%	+102.0	+126.6%	+181.5	+16607.5%	+178.3%	48.0
PHEV	0.5	0.7	2.0	2.7	7.6	28.9	0.1%	+21.3	+278.6%	+28.4	+5728.2%	+125.5%	7.1
HEV	12.0	29.5	78.0	120.8	194.6	334.7	1.5%	+140.1	+72.0%	+322.8	+2699.6%	+94.7%	128.3
Hydrogen and fuel cell	-	0.0	0.0	0.0	0.0	0.0	0.0%	-0.0	-33.3%	+0.0	-	-	0.0
Other alternative	-	-	-	-	0.0	0.0	0.0%	-	-	+0.0	-	-	0.0
Other	52.9	52.7	52.3	52.2	52.8	55.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
New registrations													
Cars, LCVs, and HCVs	**775.5**	**827.1**	**781.9**	**1,240.0**	**1,312.4**	**984.9**	**100.0%**	**-327.5**	**-25.0%**	**+209.4**	**+27.0%**	**+4.9%**	**987.0**
Conventional	716.5	731.2	714.4	1,068.2	1,014.7	638.2	64.8%	-376.5	-37.1%	-78.4	-10.9%	-2.3%	813.9
Gasoline	301.1	385.0	399.7	639.7	621.4	356.8	36.2%	-264.5	-42.6%	+55.7	+18.5%	+3.5%	450.6
Diesel	415.4	346.2	314.7	428.6	393.3	281.3	28.6%	-112.0	-28.5%	-134.1	-32.3%	-7.5%	363.3
Alternative	58.9	95.8	67.1	165.4	291.6	343.6	34.9%	+52.0	+17.8%	+284.7	+483.3%	+42.3%	170.4
Other	0.0	0.1	0.4	6.4	6.2	3.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note: Fleet breakdown by fuel type may not fully reflect vehicle conversion from one fuel type to another. Passenger cars carry no more than 8 passengers, LCVs - over 8 passengers or a load of under 3.5 tons, HCVs - a load of over 3.5 tons.
Data compiled Nov. 2025.
Source: S&P Global Energy.

Vehicle fleet

Vehicle fleet breakdown by registration type— Turkey

Thousand units

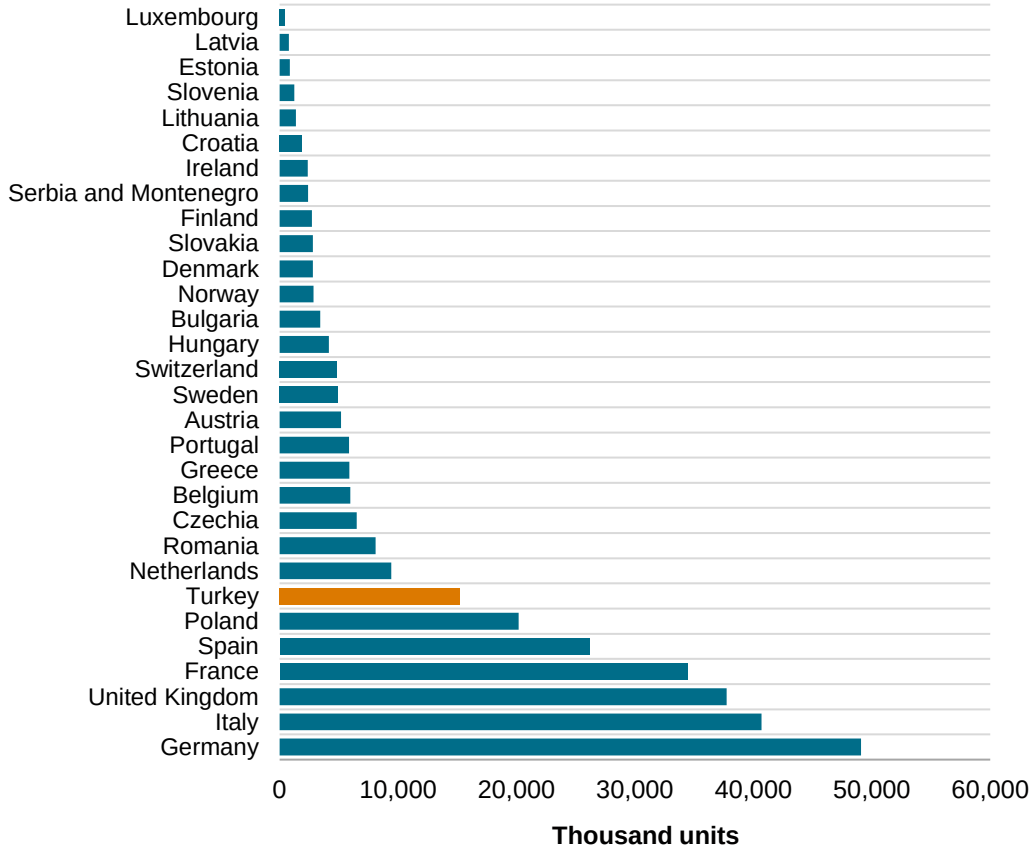
						Latest	Split	Change	Growth	Change	Growth	CAGR	Average
Vehicle type/Fuel type	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2024**	**2023–24**	**2023–24**	**2019–24**	**2019–24**	**2019–24**	**2019–24**
Cars, LCVs, and HCVs	**17,851.2**	**18,603.2**	**19,401.3**	**20,161.7**	**21,381.5**	**22,669.4**	**100.0%**	**+1,287.8**	**+6.0%**	**+4,818.2**	**+27.0%**	**+4.9%**	**20,011**
Gasoline	3,122.7	3,303.4	3,600.3	3,924.6	4,482.1	5,039.6	22.2%	+557.6	+12.4%	+1,917.0	+61.4%	+10.0%	3,912.1
Diesel	9,913.0	10,310.5	10,634.9	10,932.1	11,349.0	11,725.5	51.7%	+376.5	+3.3%	+1,812.5	+18.3%	+3.4%	10,810.8
Alternative	4,762.6	4,936.7	5,113.8	5,252.8	5,497.7	5,849.1	25.8%	+351.3	+6.4%	+1,086.5	+22.8%	+4.2%	5,235.5
Other	52.9	52.7	52.3	52.2	52.8	55.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Passenger cars	**12,503.0**	**13,099.0**	**13,706.1**	**14,269.4**	**15,221.1**	**16,229.7**	**100.0%**	**+1,008.6**	**+6.6%**	**+3,726.7**	**+29.8%**	**+5.4%**	**14,171**
Gasoline	3,020.3	3,202.6	3,498.1	3,822.4	4,374.3	4,924.7	30.3%	+550.4	+12.6%	+1,904.4	+63.1%	+10.3%	3,807.1
Diesel	4,770.8	5,017.0	5,162.5	5,267.2	5,432.8	5,548.8	34.2%	+116.0	+2.1%	+778.0	+16.3%	+3.1%	5,199.9
Alternative	4,675.0	4,842.6	5,008.9	5,143.1	5,376.6	5,716.7	35.2%	+340.1	+6.3%	+1,041.7	+22.3%	+4.1%	5,127.2
Other	37.0	36.8	36.6	36.7	37.4	39.5	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Light commercial vehicles	**4,290.3**	**4,432.1**	**4,600.0**	**4,764.8**	**4,989.9**	**5,225.9**	**100.0%**	**+236.0**	**+4.7%**	**+935.6**	**+21.8%**	**+4.0%**	**4,717**
Gasoline	94.3	92.6	94.3	94.3	99.9	107.2	2.1%	+7.3	+7.3%	+12.9	+13.7%	+2.6%	97.1
Diesel	4,102.5	4,239.5	4,395.5	4,555.9	4,764.2	4,981.5	95.3%	+217.4	+4.6%	+879.0	+21.4%	+4.0%	4,506.5
Alternative	84.2	90.8	101.2	105.6	116.9	128.0	2.4%	+11.1	+9.5%	+43.8	+52.0%	+8.7%	104.5
Other	9.3	9.2	9.1	9.0	8.9	9.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Heavy commercial vehicles	**1,057.8**	**1,072.1**	**1,095.2**	**1,127.6**	**1,170.5**	**1,213.7**	**100.0%**	**+43.2**	**+3.7%**	**+155.9**	**+14.7%**	**+2.8%**	**1,123**
Gasoline	8.1	8.1	8.0	7.9	7.9	7.8	0.6%	-0.0	-0.6%	-0.3	-3.8%	-0.8%	8.0
Diesel	1,039.7	1,054.0	1,076.9	1,109.0	1,152.0	1,195.2	98.5%	+43.2	+3.7%	+155.5	+15.0%	+2.8%	1,104.5
Alternative	3.4	3.3	3.7	4.1	4.2	4.3	0.4%	+0.1	+2.1%	+0.9	+26.8%	+4.9%	3.8
Other	6.7	6.6	6.6	6.5	6.5	6.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note: Fleet breakdown by fuel type may not fully reflect vehicle conversion from one fuel type to another. Passenger cars carry no more than 8 passengers, LCVs - over 8 passengers or a load of under 3.5 tons, HCVs - a load of over 3.5 tons.
Data compiled Nov. 2025.
Source: S&P Global Energy.

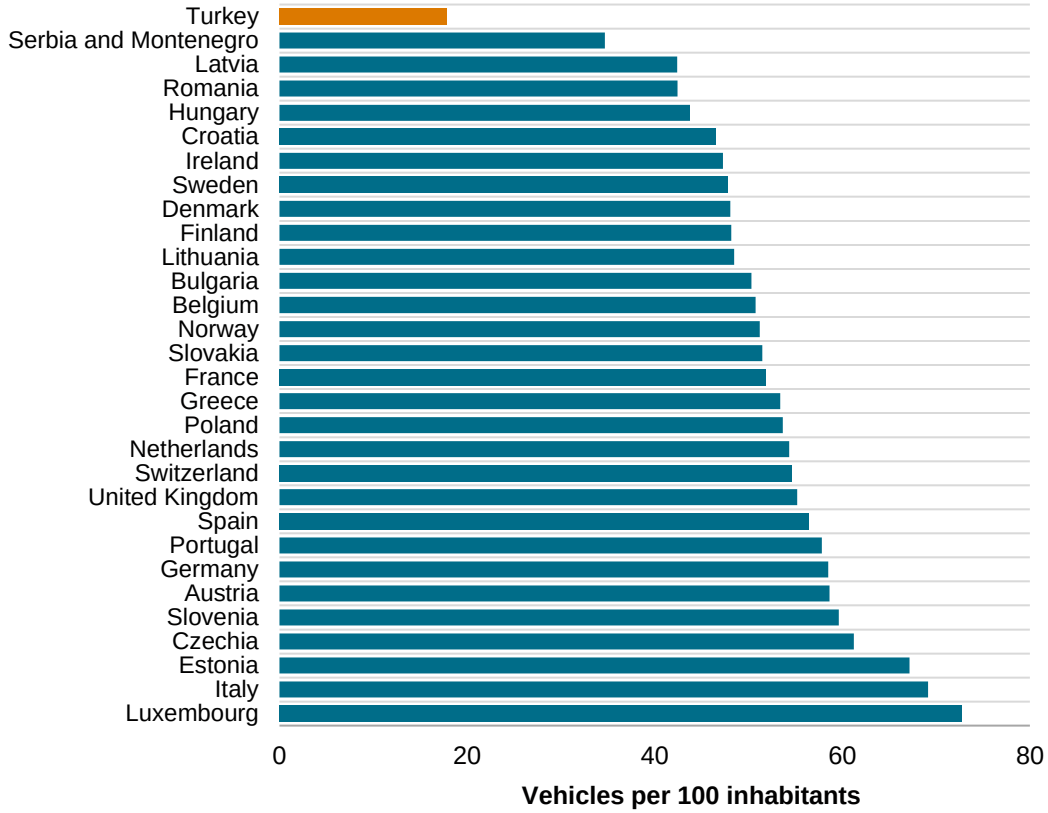
Vehicle fleet

Turkey has the lowest vehicle ownership rate in Europe, with only 18 vehicles per 100 inhabitants

Fleet of passenger cars—Europe



Equipment rate of passenger cars—Europe

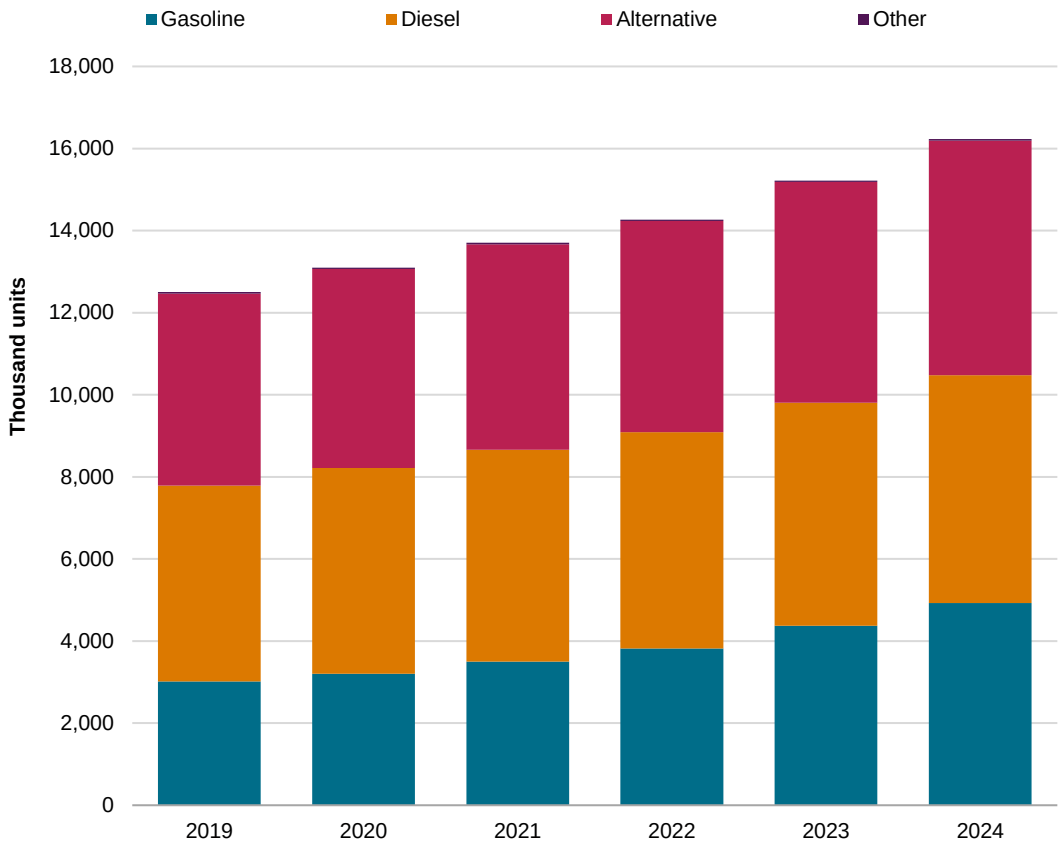


Data compiled Nov. 2025.
Source: S&P Global Energy.

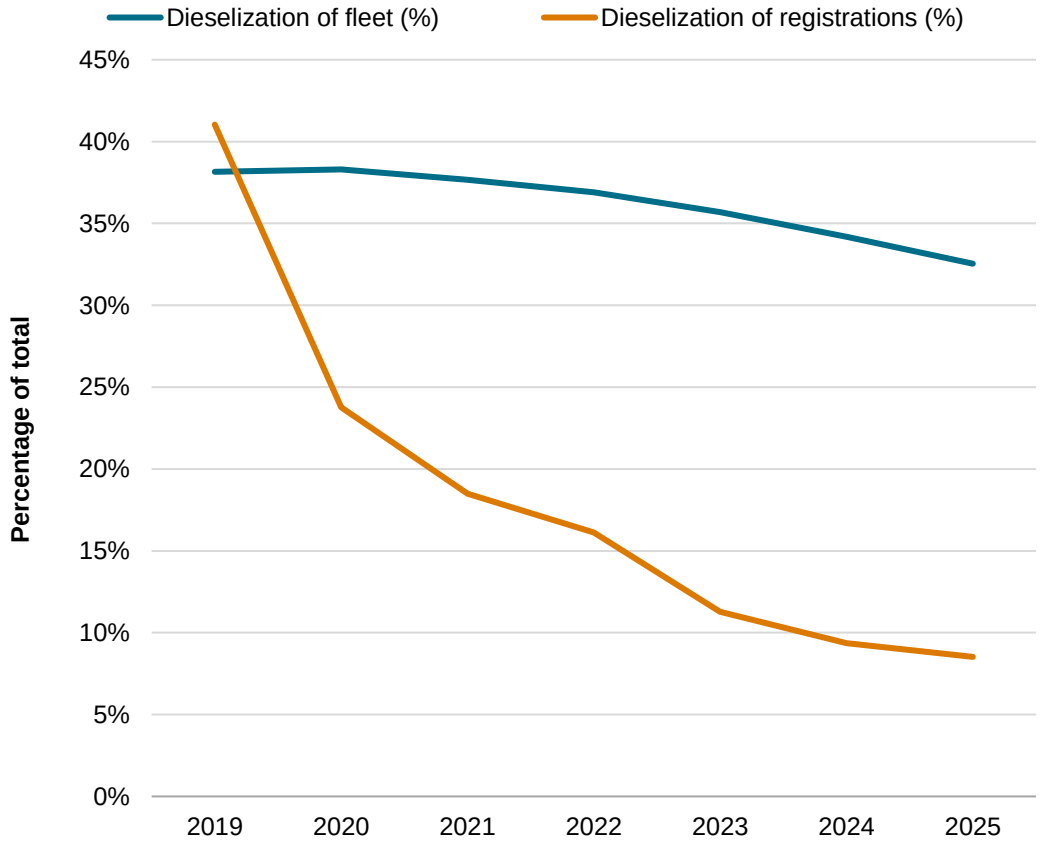
Vehicle fleet—Passenger cars

Turkey resisted de-dieselization trends longer than the rest of Europe but has still seen significant changes

Fleet of passenger cars by fuel type—Turkey



Dieselization of passenger cars—Turkey



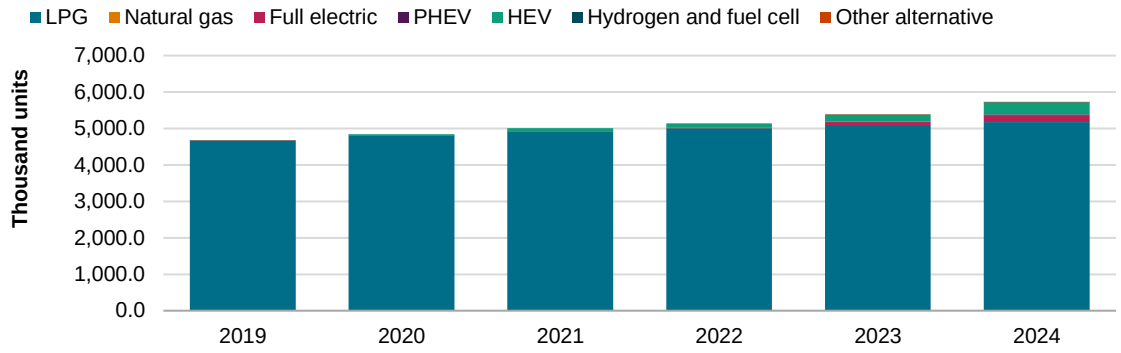
Data compiled Jan. 2026.
Source: S&P Global Energy

Vehicle fleet—Alternatives

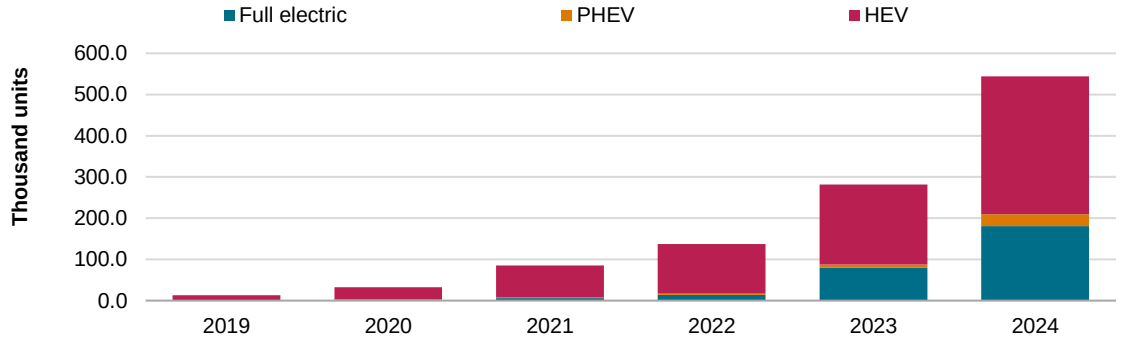
EVs make up a small portion of the fleet, but domestic production is expected to boost penetration rates

- Alternative vehicles represent 35% of the passenger fleet, largely due to the LPG fleet outnumbering gasoline-powered passenger vehicles.
- EV penetration remains limited, with BEVs making up 1% of the passenger fleet in 2024, and HEVs and PHEVs accounting for 2% and 0.2%, respectively. However, data from 2024 and initial data for 2025 indicates EV penetration is starting to increase with around 375,000 BEVs as of 2025.
- There are currently few policies in Turkey to promote EV penetration, and no national purchase subsidies for BEVs. However, some municipal and brand-specific incentives exist, especially for domestic models like TOGG. EV owners benefit from reduced ÖTV and lower Motor Vehicle Tax (MTV), with BEVs receiving up to 75% tax reductions compared to internal combustion engine vehicles. Additionally, PHEVs and HEVs that meet specific powertrain criteria are eligible for VAT reductions of 45% or 90%, depending on electric motor power and engine displacement.
- Turkey has ambitious plans to expand its domestic EV production capabilities.
  - The government aims to position Turkey as a production hub for EVs and battery technology in Europe, with the state-owned company Togg targeting production of one million units by 2030.
  - A successful domestic industry could make EVs more affordable than imports from Europe or China, boosting local demand for alternative vehicles. However, protective tariffs may slow EV penetration in the short term.

Fleet of alternative passenger cars by fuel type—Turkey



Fleet of electric passenger cars—Turkey



Data compiled Nov. 2025.
Source: S&P Global Energy.

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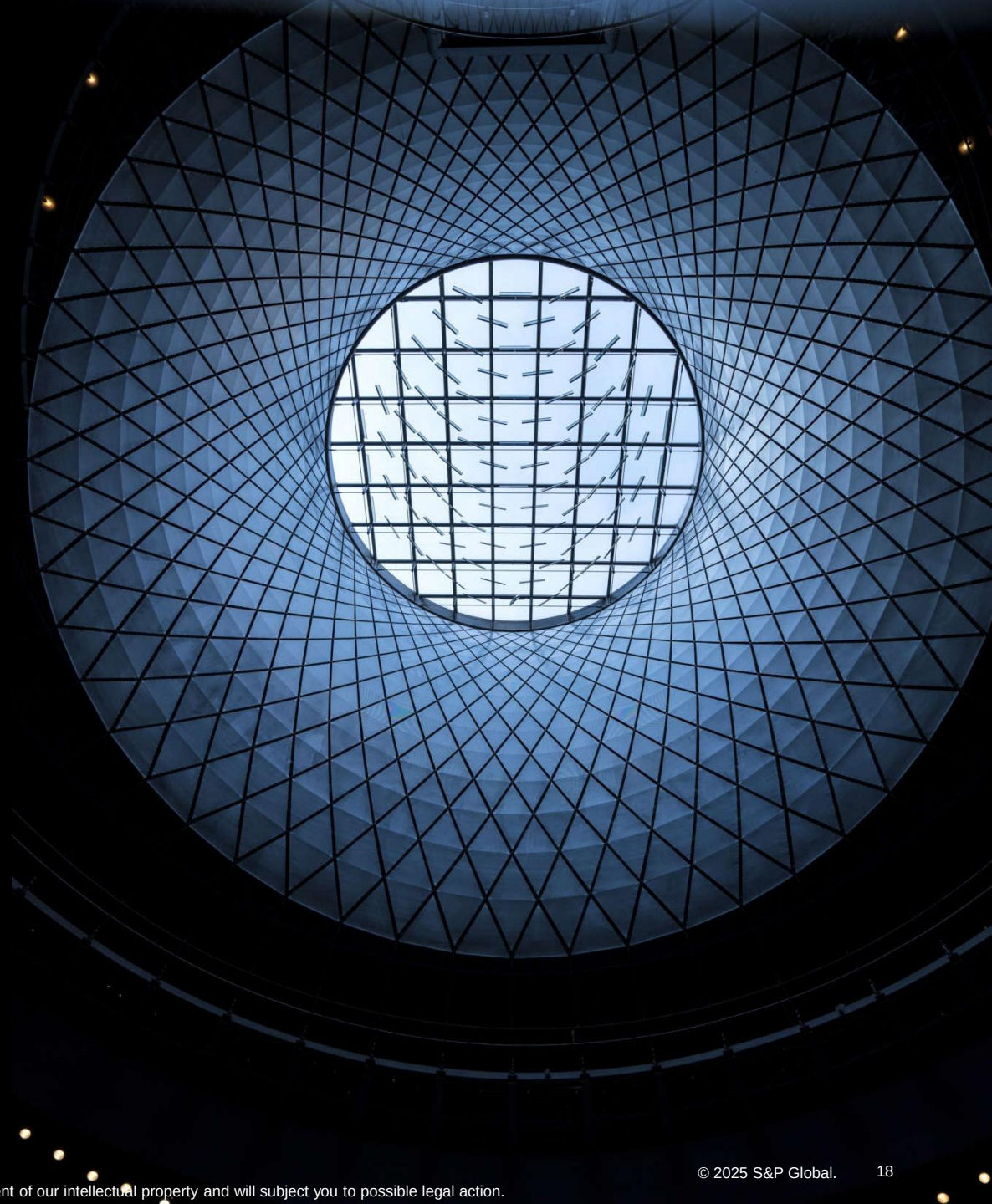

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