

Turkey's Defense Export Pivot

From \$2.3B to \$10B in Five Years

Defense industry · European procurement · Corridor implications

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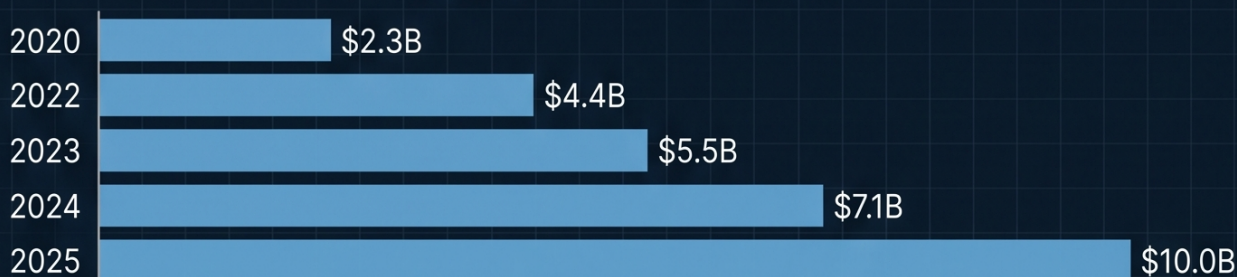
Turkey's Defense Export Pivot

\$10.05B

Defense & aviation exports, 2025 (SSB / Haluk Görgün)

New contracts: \$17.8B (+78% YoY)

FIVE-YEAR TRAJECTORY



56% to EU, NATO, and US buyers

INSIDE EUROPE

€857M	Romania — 1,059 COBRA II vehicles (OTOKAR)
30 aircraft	Spain — Hürjet trainers (TUSAS)
Acquisition	Italy — Piaggio Aerospace, acquired by Baykar, June 2025
Joint Venture	Italy — LBA Systems, Baykar × Leonardo, Paris Air Show 2025

STRUCTURAL SHIFT

+103%

Turkish arms exports, 2020–24 vs 2015–19 (SIPRI)

+155%

European arms imports, same periods (SIPRI)

Defense is now a \$10B corridor between Turkey and Europe.

I. Situation

Turkey's defense and aviation exports reached \$10.05 billion in 2025 — \$9.87 billion in goods and \$184 million in services — according to SSB head Haluk Görgün. In 2020, the equivalent figure was \$2.3 billion. That is a more than fourfold increase in five years.

New contracts signed in 2025 totaled \$17.8 billion, representing 78% growth over the \$10 billion in new orders recorded in 2024. Of total 2025 exports, 56% — approximately \$5.6 billion — went to EU, NATO, and US buyers. The customer categories overlap (the US is a NATO member; several EU states are NATO members), but the direction is clear: the majority of Turkey's defense output now flows to allied Western buyers.

SIPRI's five-year comparison confirms the structural nature of the shift. Turkish arms exports rose 103% between 2015–2019 and 2020–2024, measured by SIPRI's Trend Indicator Values (TIV) — a volume-based metric, not dollar revenue. Turkey moved from 1.7% of global arms transfers to 11th place worldwide.

The demand side matters equally. European arms imports rose 155% over the same five-year comparison. A continent that had underinvested in defense for decades began buying at scale — and Turkish industry was positioned to supply.

Turkey remains an importer in key categories: SIPRI ranks it 22nd globally as a buyer in 2020–2024. The story is not a clean switch from buyer to seller. It is the emergence of a dual role — still procuring high-end platforms (F-16 upgrades, air defense systems) while simultaneously becoming a serious exporter of land vehicles, naval platforms, and unmanned systems.

2. The European Footprint

The export figures tell a volume story. The individual contracts tell a capability story. Turkey is not selling a single product category to Europe — it is supplying armored vehicles, jet trainers, naval vessels, and unmanned systems to multiple NATO members simultaneously.

€857M Romania — 1,059 COBRA II 4×4 armored vehicles (OTOKAR, signed Nov 2024)

30 aircraft Spain — Hürjet jet trainers (TUSAS, signed agreement Dec 2025)

2 ships Portugal — Auxiliary Oiler Replenisher & Logistics Ships (STM, Dec 2024)

Acquisition Italy — Piaggio Aerospace acquired by Baykar (completed June 2025)

Joint Venture Italy — LBA Systems, Baykar × Leonardo (Paris Air Show, June 2025)

The Romania deal is the largest single European land-vehicle contract awarded to a Turkish manufacturer. OTOCAR will deliver 1,059 COBRA II vehicles under a multiannual contract, with a significant share produced locally in Romania.

Spain's selection of the Hürjet marks Turkey's entry into the European jet trainer market. The initial MOU in December 2024 referenced 24 aircraft; the signed agreement in December 2025 specified 30 — an expansion during the contracting phase.

Poland fields Bayraktar TB2 drones. Croatia has expressed interest in Turkish UAVs for border security. The customer list continues to expand across NATO's eastern and southern flanks.

3. The Companies

Five Turkish defense companies crossed a combined \$10.1 billion in revenue in SIPRI's 2024 ranking. The industry is no longer a handful of state enterprises — it is a diversified ecosystem of companies with distinct specializations and increasingly independent export operations.

ASELSAN

\$3.47 billion in revenue (SIPRI #47 globally). Revenue grew 24%, driven by a 65% surge in exports. Turkey's largest defense electronics company — radars, electro-optics, communications, weapon systems.

Baykar

\$1.8 billion in export sales in 2024, with 95% of revenue from exports. Operates in 35+ countries. The world's leading drone exporter by unit count. Products range from the tactical TB2 to the strategic Akinci UCAV.

TUSAS (TAI)

Turkey's aerospace national champion. Manufactures the Hürjet trainer, the KAAN fifth-generation fighter (in development), and the Anka UAV family. The Spain Hürjet deal represents its first European platform sale.

OTOKAR

Armored vehicle manufacturer. Exports to 40+ countries. The Romania COBRA II contract is its flagship European deal. Also produces the Tulpar IFV and various special-purpose vehicles.

STM

Naval platforms and cybersecurity. Corvettes exported to three countries. The Portugal replenishment ship contract extends its European naval footprint. Also active in submarine modernization (Pakistan program).

Across the sector, SSB data for 2024 show exports of over 4,500 land vehicles to 40 countries, approximately 140 naval platforms to more than 10 countries, and UAVs to more than 50 countries.

4. The Piaggio Model

The most consequential development in Turkey's European defense presence is not an export contract. It is an acquisition.

On December 27, 2024, Italy's Ministry of Enterprises and Made in Italy selected Baykar as the buyer for Piaggio Aerospace — a 140-year-old Italian aviation company (founded 1884) with production facilities in Villanova d'Albenga and Genoa. The transaction closed on June 30, 2025, following Golden Power approval from the Italian Prime Minister's Office.

Under Baykar's ownership, Piaggio's facilities are slated to produce Baykar's Akinci and TB2 unmanned combat aerial vehicles alongside the P.180 Avanti EVO business aircraft. Baykar has committed to maintaining current employment levels at both Italian sites and expanding the workforce in line with increased production.

Two weeks before the Piaggio closing, Baykar and Leonardo — Italy's largest defense company — announced the creation of LBA Systems at the Paris Air Show on June 16, 2025. An earlier MOU had been signed in Rome in March 2025. The joint venture's official scope covers design, development, production, and maintenance of unmanned aerial systems. Leonardo contributes electronic systems, payloads, manned-unmanned teaming, and swarming capabilities.

The pattern is significant: Baykar is not simply exporting finished products to Europe. It is manufacturing inside the customer's market, joint-venturing with national champions, and acquiring established European companies. This is the playbook of a company building permanent industrial presence, not managing an export pipeline.

5. Commercial Implications Beyond Defense

Defense exports create commercial linkages that extend well beyond the procurement contract itself. Offset agreements and technology-transfer requirements pull Turkish Tier 2 and Tier 3 suppliers into European defense supply chains. A COBRA II contract in Romania does not end with the delivery of 1,059 vehicles — it creates an ongoing parts, maintenance, and upgrade relationship.

Dual-use technology spillovers are equally significant. The sensor systems, communications equipment, and autonomous navigation capabilities developed for military platforms feed into commercial aerospace, automotive sensing, and industrial automation. Turkey's growing defense-industrial base creates a parallel civilian technology ecosystem.

The 'Made in Europe' angle deserves attention. Baykar now manufactures in Italy. If Piaggio-produced components enter European defense or civilian supply chains, they qualify as EU-origin under most frameworks. Turkey's defense manufacturing presence inside Europe strengthens its broader claim to EU-origin treatment in adjacent sectors — a commercially significant precedent given the ongoing 'Made in Europe' policy discussions around the EU's Industrial Accelerator Act.

6. What This Means for the Corridor

Defense exports are now Turkey's fastest-growing commercial corridor with Europe. The sector grew from \$2.3 billion to \$10 billion in five years — a pace unmatched by automotive, textiles, or agriculture.

The relationship has shifted from transactional to structural. Joint ventures, acquisitions, and co-production agreements create permanent industrial linkages that are harder to reverse than export contracts. When Baykar owns a factory in Liguria and co-develops platforms with Leonardo, the Turkey-Europe defense relationship has moved beyond procurement cycles.

For companies assessing Turkey-Europe exposure — whether as investors, supply chain planners, or market-entry strategists — defense is no longer a niche sector to be filed under 'geopolitics.' It is a \$10 billion trade channel with structural growth drivers, deepening institutional integration, and commercial spillover effects into adjacent industries.

The question is not whether Turkey's defense sector will continue to grow in Europe. It is whether your business model accounts for the industrial relationships it is creating.

Sources

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- [3] Defense News, 4 Feb 2025. Turkey defense exports \$7.1B in 2024.
- [4] SIPRI Fact Sheet, 'Trends in International Arms Transfers, 2024,' March 2025. Turkish exports +103% (2020–24 vs 2015–19); European imports +155%; Turkey 11th exporter, 22nd importer.
- [5] SIPRI Top 100 Arms-Producing Companies, Dec 2024. Top 5 Turkish companies combined \$10.1B; ASELSAN \$3.47B (#47 globally).
- [6] Otokar official release. Romania COBRA II: €857M, 1,059 vehicles, signed 27 Nov 2024.
- [7] Anadolu Agency, 29 Dec 2025. Spain Hürjet: 30 aircraft, signed agreement.
- [8] STM official release / Anadolu Agency. Portugal: two replenishment ships, contracted 17 Dec 2024, first steel cut Nov 2025.
- [9] Piaggio Aerospace press release, 30 June 2025. Baykar acquisition completed; Golden Power approval.
- [10] Leonardo official release, June 2025. LBA Systems JV announced at Paris Air Show, 16 June 2025; MOU signed March 2025.
- [11] DefenceWeb / SSB. Baykar: \$1.8B export sales, 95% export ratio, 35+ countries.
- [12] SSB 2024 Evaluation / Defence Turkey Magazine. 4,500+ land vehicles to 40 countries; ~140 naval platforms to 10+ countries; UAVs to 50+ countries.

All source tier classifications follow Kickoff Consulting's standard methodology (T1: primary/official, T2: secondary/attributed, T3: inferred/estimated). SIPRI data uses Trend Indicator Values (TIV), a volume-based metric — not dollar revenue. See methodology notes in individual source publications.