

In this week's *Türkiye in Focus*;

- Emine Ülker Tarhan's return to the CHP has raised questions about the party's direction.
- Researcher Şeymanur Yönt analysed how the war launched by Israel and the United States against Iran has impacted Türkiye's economy.
- Following the US/Israel war on Iran, Ankara is conducting an active diplomatic campaign to de-escalate regional tensions and establish a ground for a peaceful resolution.

CHP Reorients: Return of Old Guard Raises New Questions



(Raşit Aydoğan - Anadolu Agency)

The recent reintegration of prominent former members into the Republican People's Party (CHP) has sparked a nuanced debate regarding the party's future ideological direction. The return of Emine Ülker Tarhan, whose membership badge was personally pinned by Chairman Özgür Özel during a recent parliamentary meeting, marks a significant symbolic moment. Tarhan, a figure synonymous with "hard-line" secularist views, had famously distanced herself from the party during Kemal Kılıçdaroğlu's tenure, citing disagreements with the party's reconciliation strategy toward conservative voters. Her return, alongside Muharrem İnce's homecoming in June 2025, suggests a consolidation of the party's traditionalist base.

This trend reflects a potential pivot away from the broad-tented, "reconciliation-focused" outreach that defined the previous leadership's era. Both Tarhan and İnce represent a wing of the party that has historically prioritised a stricter interpretation of secularism and a more nationalist, traditionalist stance, often at the expense of courting conservative or Kurdish voting blocs. By welcoming back these figures, the current leadership appears to be prioritising internal cohesion and a more assertive, traditional opposition identity. However, this strategic shift raises questions about whether the party can maintain the delicate balance required to appeal to a diverse electorate.

The primary challenge for the CHP moving forward lies in managing the friction between this reinvigorated "hard-line" rhetoric and the progress made with urbanised conservative voters over the last few years. While a sharper tone of opposition may satisfy a core segment of the party's grassroots, it risks alienating moderate groups who had begun to view the CHP as a viable alternative. As criticisms regarding Tarhan's return begin to surface, the party leadership faces the difficult task of ensuring that this homecoming strengthens their opposition front without dismantling the inclusive bridges built over the past decade.

Türkiye's Economic Position Amid Rising Geopolitical Tensions

Researcher Şeymanur Yönt explores the economic reverberations of the Israel-U.S. war on Iran—and their implications for Türkiye.

As US-Israeli war on Iran approaches its first month, its impact extends far beyond the borders of the belligerents, spreading across the region and the global economy. The escalation has already driven oil prices higher, which is expected to translate into higher fuel costs worldwide. Beyond crude oil, related commodities such as natural gas, fertilisers, aluminium, and helium are also experiencing price pressures, while shipping and logistics costs have risen sharply, in some cases by 10–600%, affecting industries from textiles to machinery. Globally, geopolitical tensions of this scale often trigger risk aversion among investors, slowing capital flows into emerging markets and contributing to potential economic stagnation in Europe and other major markets. Analysts warn that persistent disruptions could slow global trade, dampen economic growth, and exacerbate inflationary pressures, creating a challenging environment for interconnected economies like Türkiye's.

Caught in the crosscurrents of these regional dynamics, Türkiye faces an array of economic repercussions. Rising oil and energy costs fuel inflation by increasing transportation and production expenses, widening the current account deficit through higher import bills, and lifting public and private borrowing costs due to elevated financial market risks. Tourism, an important revenue stream, could potentially decline as heightened risk perceptions deter European and Russian travellers, reducing inflows. Disruptions in supply chains for sectors such as textiles, automotive components, white goods, and fertilisers lead to delayed deliveries and increased operational costs.



(Ali Balıkcı - Anadolu Agency)

Yet, this crisis also carries opportunities. Türkiye's strategic position as an energy and trade corridor could enhance its role as a supply and logistics hub—particularly for time-sensitive goods, liquefied natural gas, and renewable energy initiatives. At the same time, its expanding defence industry and active diplomatic engagement may open new export markets. Regional crises often sharpen the visibility of such sectors, and the current US-Israel war on Iran has placed Türkiye's defence industry back at the centre of the national agenda. Over the past decade, the sector has evolved into a genuine and widely recognized success story—now a global leader in drone production.

While immediate economic pressures are likely to dominate, Türkiye can use these structural advantages to build long-term resilience and enhance its regional influence.

Ankara's is a Strong Voice for De-escalation Amid the US-Israel War on Iran



(Ahmet İzgi - Anadolu Agency)

In the wake of the US-Israel aggression on Iran, Türkiye has emerged as a pivotal diplomatic actor, emphasising regional stability and neighbourly ties. President Recep Tayyip

Erdoğan's statements reflect a strategic determination to shield the country from the expanding "ring of fire" while actively working to de-escalate the conflict. Supported by a security doctrine centred on resilience and self-sufficiency, especially in defence and energy, Ankara seeks to use its diplomatic weight to halt the further spillover of a conflict that has already caused significant loss of life and regional disruption.

This commitment to dialogue is shown by high-level coordination with powers such as China, Iran, and Pakistan. Foreign Minister Hakan Fidan's talks highlight efforts to build consensus for renewed negotiations. China's endorsement of Türkiye's "constructive role" reinforces Ankara's influence in peace efforts. As the crisis affects global markets, Türkiye's diplomatic strategy focuses on fostering peace talks and prioritising diplomacy to address the conflict.

Highlights

- Türkiye and Britain signed a major agreement covering training and support for Turkish personnel as part of their previously concluded Typhoon fighter jet deal, supporting Türkiye's transition to operating the aircraft.
- As the investigation into drug-related activities widens, figures from the business sector, along with prominent names in football and media, have been brought into the probe this week.
- A Turkish-operated, foreign-flagged tanker was attacked in the Black Sea, reportedly by an unmanned maritime vehicle, according to initial assessments. The investigation is ongoing.

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