

Comments on UAE-Turkey CEPA in Zawya, 30 May 2023

Aathira Prasad's comments (posted below) on the prospects for UAE-Turkey CEPA in the backdrop of President Erdogan's election victory, appeared in the article titled "[With Erdogan's win, UAE looks to strengthen trade relations with Turkey](#)" on Zawya dated 30th May 2023.

"Erdogan's victory will ensure continuity in planned economic and trade cooperation," said Aathira Prasad, Director, Macroeconomics, at the Dubai-based consultancy Nasser Saidi & Associates.

"For the UAE, the CEPA with Turkey will support its diversification efforts – both in terms of expanding into new emerging markets (i.e. trade partners) and an increased focus on the non-oil sector," Prasad told Zawya.

"The UAE is likely to push for greater cooperation on newer, up-and-coming avenues such as clean energy and adoption of digital technologies, including AgriTech, alongside the usual suspects of real estate and construction," Prasad added.

"There has to be a concerted effort from Turkey's part to convince foreign investors: the lira has already dipped to a record low of 20 to the dollar and the central bank's net foreign reserves are already in negative territory (first time since 2002). Unless the central bank raises interest rates, the currency will likely fall further – an unsustainable option for the medium-term and a worrisome prospect for investors," said Prasad.