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POLICY PAPER
NOVEMBER 2026

After the Midterms

What Changes for Türkiye's Defence Industry

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EXECUTIVE SUMMARY

The Democratic capture of both chambers of Congress in the November 3 midterm elections narrows President Trump's room for manoeuvre in his final two years, but it does not hand Congress control of foreign policy. The likely result is a more contested and less predictable policymaking process, with closer scrutiny of arms transfers, sanctions and spending.

For Türkiye, the defence file is where this matters most. The F-35 prohibition, the KAAN engine sale and CAATSA sanctions run on separate legal tracks, and treating them as a single political decision overstates the power of both the president and Congress. Ankara's most effective response is to address the S-400 question directly, broaden its engagement in Washington beyond the White House, and use the episode to reduce long-term dependence on single foreign suppliers.

> *Over the past seven years, Ankara has learned that a good relationship between leaders cannot override a statute.*

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1 The Midterm Verdict

The Democratic victories in the November 3 midterm elections have transformed the political landscape in Washington.[1] By winning control of both the House of Representatives and the Senate, Democrats have delivered a sharp rebuke to President Donald Trump and his administration. Trump had made the election a personal test of support, urging voters to back his leadership.[2] The result therefore carries a message about more than party control. It signals public frustration with the direction of the country, particularly the cost of living and the war with Iran. Fuel prices rose sharply after the conflict with Iran disrupted oil markets, adding to cost-of-living pressures that had already been building through tariffs and persistent inflation. Polls during the year found that many Americans blamed the president for higher petrol prices, and economic frustration remained the dominant concern going into the vote. For Türkiye, the same oil shock carries its own cost, through a higher energy import bill and renewed pressure on inflation.

The consequences will extend well beyond the United States. Allies and adversaries alike will reconsider what Trump can deliver during the final two years of his term. The new Congress will have greater power to investigate the administration, scrutinise spending and arms transfers, and shape legislation.[3] It can also make it more difficult for the president to secure funding or sustain policies that require congressional approval. Yet a Democratic majority does not give Congress control over every aspect of foreign policy. The president retains substantial executive authority, especially in diplomacy and military operations. The likely result is not an immediate reversal of US policy, but a more contested and less predictable process. Foreign governments may interpret the election as evidence that Trump's political room for manoeuvre has narrowed.[4] But they should not assume that Washington will change course uniformly or at once. The outgoing Congress will remain in place until the new Congress takes office on 3 January 2027. Even after that, the administration may continue to act under existing laws and executive powers. The degree of change will depend on how Democrats use their majorities, how Trump responds, and whether bipartisan agreement is possible on issues.

II Iran, Israel and the wider region

The war with Iran was among the issues shaping the election.[5] Its effects on fuel prices and the broader cost of living made foreign policy an immediate domestic concern. A Democratic-controlled Congress is likely to demand greater scrutiny of the administration's objectives, military spending and plans for the conflict. It may challenge requests for additional funding or press the administration to explain how it intends to prevent further escalation. This pressure could make a renewed US military campaign more politically costly. It may also increase the incentive for the Trump administration to pursue negotiations. Some Gulf governments reportedly believe that Trump's electoral defeat gives him a stronger reason to seek an agreement with Tehran.[6] For Iran, the result may appear to offer an opening. Iranian officials can present the vote as evidence that American voters have rejected the war. But the prospect of a deal is far from certain. Democrats may support renewed diplomacy while also demanding strict controls on Iran's nuclear programme and regional activities. Greater congressional scrutiny could therefore support negotiation, reinforce sanctions, or do both at once.

Congressional attention is also likely to turn to Israel's military operations in Iran, Gaza and Lebanon. Some Democrats have called for closer examination of US arms transfers and the conditions attached to military aid.[7] This could make support for Israel more politically contested, particularly if civilian harm and the duration of the conflicts remain prominent concerns. It would not, by itself, end the longstanding security relationship between the United States and Israel. Support for that relationship remains significant in Congress. The potential change is in how closely military assistance is reviewed and what conditions lawmakers may seek to impose.

The election may also affect Ukraine and European security.[8] Democrats could press the administration to explain its approach to Russia's war against Ukraine and propose renewed assistance. There is support for Ukraine among lawmakers from both parties, but a Democratic majority will not guarantee a rapid or uninterrupted flow of aid. Budget negotiations, the administration's position and the course of the war will all matter. European governments will be watching for signs that the United States remains a predictable security partner. If uncertainty grows, calls for greater European defence capacity and reduced reliance on Washington are likely to gain force. For Türkiye, which has a direct stake in Black Sea security, any change in the level or predictability of US support for Ukraine also affects its own regional position.

Trade partners will face a similar period of uncertainty. Trump's tariffs and trade policy may draw stronger congressional scrutiny, especially if they raise costs for American consumers or provoke retaliation against US exporters. Congress may challenge parts of the administration's approach, but the election does not automatically remove the president's powers in trade policy. Competition with China, restrictions on advanced technologies and efforts to protect US industries are also likely to retain bipartisan support. For allies, the central question will be whether Washington's trade measures become more limited or simply more contested at home. For Türkiye, the most direct exposure is through US tariffs on steel and aluminium, where any congressional pressure on the administration's approach would matter for Turkish exporters.

III Personal diplomacy and its limits

Relations between Türkiye and the United States deteriorated sharply during Trump's first term over Türkiye's purchase of the Russian S-400 system, which led to Türkiye's removal from the F-35 programme in 2019 and to CAATSA sanctions in December 2020.[9] They remained strained during the Biden years over US policy in Syria and wider disagreements over defence cooperation. Trump's return to office, along with his personal relationship with President Recep Tayyip Erdoğan, revived hopes in Ankara for a broader improvement. Trump's decision to attend the NATO summit in Ankara, which he said he made from respect for Erdoğan, became a visible example of that personal diplomacy. The first Trump term had already shown, however, that a close personal relationship did not prevent the S-400 fallout. Such ties can matter. They can keep channels open, give leaders a direct way to manage disputes and help create political space for officials to pursue agreements. But personal rapport does not replace legislation or resolve security concerns on its own. The future of Türkiye's relationship with Washington will depend not only on the White House but also on Congress, the State Department, the Pentagon and the legal framework governing defence transfers. With Democrats controlling both chambers, Türkiye-related decisions may face more questioning. Lawmakers could scrutinise arms sales, the S-400 issue, Türkiye's relationship with Russia and its role within NATO. Political advocacy connected to Israel and Greece may also shape congressional debate. But it would be misleading to explain the future of the relationship solely through lobbying. In the F-35 case, the central obstacle is the legal and security concern that Türkiye's possession of the Russian S-400 system could compromise the aircraft's technology.

The consequences for Ankara extend beyond fighter aircraft.[10] US policy on Syria, counterterrorism, the Eastern Mediterranean and NATO coordination will continue to affect bilateral relations. Economic and financial ties are also exposed to political friction through sanctions, regulatory requirements and business decisions. A chill in relations could reduce companies' willingness to invest in joint defence projects or transfer technology. It could also make long-term planning more difficult for firms on both sides.

IV F-35, KAAN and CAATSA are separate issues

The F-35 programme remains constrained by US law. The transfer of aircraft to Türkiye is prohibited unless the US executive branch certifies that Türkiye no longer possesses the S-400 system, provides credible assurances that it will not reacquire it and meets other security conditions established by Congress. In July 2026, the State Department reportedly told Congress that Türkiye had not yet met those conditions.[11] A Democratic majority does not automatically make Türkiye's return to the F-35 programme impossible. It does, however, make it more difficult for the administration to change course without a detailed explanation and evidence that the legal requirements have been met. Democrats may call for hearings, demand further assessments or seek to preserve or strengthen existing restrictions. The more practical lever is informal. Before a major arms sale is formally notified, it passes through a review by the leaders of the Senate Foreign Relations and House Foreign Affairs committees, who can delay a case without a public vote. With Democrats now chairing those committees, that review becomes more demanding. Formally blocking a sale, by contrast, requires a joint resolution that the president can veto. Even if Trump personally supports a sale, the administration will still need to address the law and the security concerns underlying it. The KAAN engine issue is at a different stage. Before the midterm elections, the US administration had notified Congress of a possible sale of approximately 80 F110 engines for KAAN.[12] Congress did not block the notification during the review period, allowing the process to continue to commercial and technical negotiations. The election therefore did not undo that earlier step.

However, an export notification is not the same as a completed purchase, delivery schedule or guarantee of long-term technical support. The timing and terms of any future deliveries will depend on negotiations and the necessary export arrangements. Additional engines,

maintenance, spare parts and technology support may also require separate decisions. A new Congress could scrutinise those future steps more closely, even though the earlier notification process has already advanced.

CAATSA sanctions are another distinct matter.[13] The administration has some authority to waive or remove sanctions, but it must operate within the relevant law and its reporting requirements. Congress can influence that process through oversight and legislation. A presidential statement in support of sanctions relief does not itself end the restrictions. The administration would still need to take the required legal steps, and a Democratic-controlled Congress may demand that any relief be tied to clear conditions. Keeping these three issues separate is essential. The legal barrier to an F-35 transfer is not identical to the process for removing CAATSA sanctions. The KAAN engine notification has already passed a significant congressional review stage, but that does not settle every question about contracts, delivery or future support. Treating all three as a single political decision risks overstating both the power of the president and the power of Congress.

V A costly constraint and an industrial opportunity

Continued reliance on foreign engines and other advanced components carries real risks for Türkiye. If deliveries are delayed or export conditions change, the KAAN testing and production schedules could be affected. Uncertainty over support and spare parts can complicate planning even when a sale has been approved. A continued exclusion from the F-35 programme could also create operational and interoperability challenges for Türkiye's air force. The cost of this dependence is already visible. Türkiye paid around $1.4 billion into the F-35 programme before its removal in 2019 and has received no aircraft. Turkish firms, which had been producing more than 900 parts for the aircraft, also lost a projected share of production work that officials have put at $9–12 billion over the programme's life. To fill the gap, Ankara scaled down its F-16 package with Washington and turned to the Eurofighter Typhoon: 20 new aircraft from the United Kingdom in a deal of around £5.4 billion (about $10.7 billion including weapons and support), with further second-hand aircraft from Qatar and Oman bringing the planned total to 44. Package prices of this kind are not directly comparable with unit prices, but the broad picture is clear: Türkiye has paid more, and waited longer, for a less capable interim solution. The underlying lesson concerns concentration rather than the United States as such. When critical inputs come from a single supplier whose sales are subject to export licences, legislative

conditions and sanctions, the buyer carries a political risk premium on top of the price. Aircraft engines are a particularly clear case, because they are among the hardest components to substitute at short notice.

At the same time, these constraints strengthen the case for diversifying Türkiye's defence-industrial base. Ankara can invest in domestic engine development and expand local expertise in materials, avionics, radar, software and maintenance. This, too, has a cost. An indigenous engine programme requires sustained public funding over a decade or more, test infrastructure and scarce engineering talent, with no guarantee of success at the first attempt. At a time of fiscal consolidation and disinflation, those resources compete with other priorities. The choice is therefore not between a costly dependence and a free alternative, but between two different kinds of cost. It can seek joint development and production arrangements with a wider range of partners, reducing exposure to a single supplier or political decision. Building domestic capacity in repair, servicing and component production would also help Türkiye manage supply disruptions. Diversification, however, should not be mistaken for a quick substitute. Developing a high-performance aircraft engine requires long-term investment, testing and technical expertise. Alternative suppliers may not offer the same performance, production scale or integration with the aircraft. Domestic production can strengthen Türkiye's independence over time, but it cannot be assumed to replace US-origin components in the near term. The immediate challenge is to manage the existing dependence while steadily building credible alternatives.

VI A more demanding diplomatic environment

The Democratic victory does not mean that defence cooperation between Türkiye and the United States has ended. Diplomatic channels remain open, and both countries retain shared interests in NATO, Black Sea security, regional diplomacy and defence cooperation. The result does mean that Ankara will need to engage with a wider range of political actors in Washington. A relationship built mainly around direct contact between the two presidents is vulnerable to changes in Congress and domestic politics. Türkiye's most effective approach will be to address the S-400 question directly, offer verifiable assurances where possible and frame its defence proposals in terms of shared NATO security. It will also need sustained engagement with Congress, the national security bureaucracy and both political parties. Washington, for its part, should recognise that Türkiye's regional role and NATO membership create interests that cannot be managed through sanctions and arms restrictions alone.

The election creates both risks and openings. It may slow progress on F-35 access and sanctions relief, while increasing scrutiny of future defence transfers. But it does not close every diplomatic route, and it does not reverse the progress already made on the KAAN engine notification. For Ankara, the central task is to keep negotiations alive while reducing long-term dependence on external suppliers. Trump's relationship with Erdoğan may help maintain access to the White House. It cannot, by itself, overcome the legal, institutional and political constraints that now shape the relationship. Over the past seven years, Ankara has learned that a good relationship between leaders cannot override a statute. The midterms make that lesson harder to ignore. The question now is whether Türkiye treats it as a constraint to be managed or as an incentive to build.

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