

GENERAL AGREEMENT ON TARIFFS AND TRADE

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SCHEDULE XXXVII - TURKEY

Proposed Tariff Reform

The following communication, dated 12 September 1960, has been received from the Turkish Government:

"With reference to my letter of 31 August 1960 concerning the request for a waiver by the Turkish Government, which has been included in the agenda of the Council of Representatives of the CONTRACTING PARTIES, I have the honour to inform you of the following:

"The Turkish Government has already notified the CONTRACTING PARTIES (L/1268) of its intention to request a waiver, in the near future, in connexion with the new customs tariff which is being prepared.

"Turkey has felt it necessary to review its customs tariff for technical and economic reasons.

"1. Technical Justifications

a) At the 1950/51 Tariff Conference, held in Torquay, Turkey granted concessions on the basis of its then existing specific customs tariff, which dated back to 1929. The text, wording and classification of the specific tariff were completely different from those of the ad valorem tariff, which conforms with the 1950 Brussels nomenclature and was introduced in 1952. This situation has resulted in many difficulties in the implementation of the concessions and differences have arisen between our customs administration and tax payers.

b) Turkey participated in the Torquay conference on the basis of its 1929 tariff. In the process of adjustment which took place in 1954-55, the incidence of the bound rates which were based on the old tariff was maintained, and in a number of cases duty reductions were introduced.

c) The existing Turkish customs tariff, which conforms to the 1950 nomenclature, must be adapted to the 1955 nomenclature as Turkey has undertaken the obligations resulting from the 1955 nomenclature which was adopted on

1 July 1955. This would of necessity involve certain adjustments in the bound items.

2. Economic Justifications

a) The old tariff, which had been drawn up in conformity with the economic situation existing in 1929, was used as a basis for the 1954 transposition (conversion of the specific tariff into an ad valorem tariff) and the incidence of the former tariff was maintained. The existing Turkish customs tariff does not therefore fulfil its economic or fiscal role.

b) The existing tariff does not provide the adequate margins of protection needed by sound developing industries or new industries to be established. The existing tariff, therefore, falls far short of the requirements of our developing economy.

c) Within the framework of its stabilization programme and in conformity with its international commitments the Turkish Government is gradually liberalizing trade. In these circumstances, it is necessary to establish a new tariff which can fulfil its protective role.

d) The possible association of Turkey with the EEC involves certain tariff modifications.

"For the above-mentioned reasons, the Turkish Government is requesting a waiver from Articles II and XXVIII of the General Agreement on Tariffs and Trade, under Article XXV, paragraph 5, and reserves the right to participate, in due time, in the various rounds of negotiations of the 1960/61 Tariff Conference."

