

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## SCHEDULE XXXVII - TURKEY

### Proposed Tariff Reform

#### Statement by the Representative of Turkey at the Meeting of the Council on 21 September 1960

My Government has requested the placing, for consideration, on the provisional agenda of the seventeenth session of the CONTRACTING PARTIES, of the question of the tariff reform which Turkey is in the course of preparing. My Government also desires, for the information of the CONTRACTING PARTIES, that this question should appear too on the agenda of the present session of the Council. Consequently, at the present stage, my delegation will merely explain the purpose and the main features of the tariff reform which is being prepared in Turkey.

In its economic recovery and stabilization programme initiated on 4 August 1958, the Turkish Government has given expression to its determination to stabilize the national economy and to liberalize its trade policy insofar as possible. The adoption of such a policy, on a multilateral basis, entailed, inter alia, the preparation of a new customs tariff corresponding to the economic conditions existing in the country.

After bringing the stabilization programme into effect, the Turkish Government did not fail to take all suitable steps to orientate its trade policy in the direction of a progressive liberalism, and its efforts have been often crowned with success. Thanks to the application of the system of global quotas, automatic allocations and liberalization, which have been successively put into practice, the total value of imports in 1959 reached a figure of \$442 million, which represents an increase of \$127 million as compared with the imports in the year 1958. Similarly, in the first six months of 1960, there was an increase of \$31 million as compared with the same period in 1959, for which the figure was about \$201 million.

Like the imports, exports too showed a progressive increase. They reached the figure of \$355 million - a figure which constitutes a record since 1953 - whereas the export figures for 1958 were only \$247 million. During the first six months of 1960, the progressive increase has continued.

The measures applied in the field of trade policy have had the general effect of orientating trade towards the free currency zones, particularly the dollar zone and the ERM.

Parallel with this development, economic life within the country has been made sounder and more stable. Efforts are being made at the present time to maintain stability and achieve it on a wider basis.

I need not dwell on the important part played by customs tariffs in the stabilization of the national economy. Now, the Turkish customs tariff at present in force is far from fulfilling, in the situation which I have just briefly described to the Council, its functions, which are both fiscal and economic.

That fact has led my Government, since the adoption of the stabilization programme, to envisage a revision of the customs tariff which, as the CONTRACTING PARTIES are aware, was already substantially improved in 1954.

At this point of my statement, Mr. Chairman, I shall, if I may, give the Council some facts and details about the characteristic features of the present Turkish tariff. The latter, as regards the level of customs duties, is based in the main on the former Turkish tariff of 1929. Although brought into force in 1954, on the basis of the Brussels Nomenclature, that tariff again applied, in the case of the great majority of the tariff items and sub-items, the tariff duties of 1929. The operation affecting duties at the time of the 1954 reform remained mainly limited to the conversion of specific duties into ad valorem duties. As our tariff still retains at the present time the level of duties in force in 1929, it is far from meeting the requirements of the national economy. As for the list of the concessions which, as the CONTRACTING PARTIES are aware, covers approximately 43 per cent of the tariff items and sub-items, it too is based on the 1929 tariffs. At the Torquay Conference, Turkey negotiated in accordance with that tariff. The transposition operation carried out in 1954 was restricted in principle to the conversion of the bound rates into ad valorem rates, in accordance with the values of the year of reference, namely 1948. That operation also had the effect of further reducing in several cases the levels of the bound duties.

Furthermore, Turkey, by virtue of its international obligations, is bound to adopt the revised Brussels Nomenclature of 1955.

The possible association of Turkey with the European Economic Community also implies certain tariff modifications.

As will be seen from these explanations and from a study of documents L/1628 and L/1284, the general revision of the Turkish customs tariffs is essential, and the operation is now being carried out.

That reform will inevitably result in the modification of certain concessions granted to Turkey pursuant to the General Agreement in respect of which the Turkish Government will be prepared to engage in due course in renegotiations with the CONTRACTING PARTIES.

As the Turkish Government considers it necessary to apply the new tariff reform as rapidly as possible, we are going to request the CONTRACTING PARTIES, at their seventeenth session, to grant us, in conformity with paragraph 5 of Article XXV, a waiver from Article II of the General Agreement, to enable us to proceed with a speedier application of the new tariff.

We consider that the renegotiations in respect of Article XXVIII will not have been completed by the date of entry into force of the tariff which is being prepared, which makes a waiver for a limited period necessary.

I should like to add the assurance to members of the Council, on behalf of my Government, that the interests of the CONTRACTING PARTIES will not be affected by the bringing into force of the new tariff and neither the volume nor the composition of imports will be changed.

My delegation is convinced that the CONTRACTING PARTIES will be so good as to consider at their next session this problem which I am submitting to the Council for information in a spirit of understanding and with the goodwill which they have always shown in such circumstances.

