

GENERAL AGREEMENT ON TARIFFS AND TRADE

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ASSOCIATION OF TURKEY WITH THE EUROPEAN ECONOMIC COMMUNITY

Statement by the Representative of Turkey at the Meeting of the Council on 22 and 23 January 1970 Concerning the Implementation of the Association Agreement during 1968

1. The year 1968 was the fourth year of application of the Agreement creating an association between the EEC and Turkey.

During that year the commercial provisions of the Agreement were applied by means of the utilization of the marketing facilities in the form of tariff quotas or tariff reductions in accordance with Articles 2 and 6 of the Provisional Protocol annexed to the Agreement.

2. The tariff quotas opened in favour of Turkish exports under Article 2 of the Provisional Protocol as regards the four main agricultural products of Turkey, namely tobacco, raisins, dried figs and hazel-nuts, were converted into Community quotas as from 1 January 1968 in the case of tobacco and as from 1 July 1968 in the case of the other three products, no change having occurred in the volume of trade since the beginning of 1967 (17,615 tons for tobacco, 38,570 tons for raisins, 18,900 tons for dried figs and 18,700 tons for hazel-nuts).

The extent to which these quotas were actually used during 1968 was 92.7 per cent for tobacco (as against 83.6 per cent in 1967), 81.2 per cent for raisins (76 per cent in 1967) and 95.3 per cent for dried figs (82.5 per cent in 1967). In the case of hazel-nuts the quota was fully utilized as in 1967.

The share of the EEC in the total exports of Turkey in 1968 was 19 per cent for tobacco (12 per cent in 1967), 42 per cent for raisins (41 per cent in 1967), 57 per cent for dried figs (the same as in 1967) and 63 per cent for hazel-nuts (64 per cent in 1967).

3. The CONTRACTING PARTIES to GATT were informed at their twenty-fifth session that in accordance with Article 6 of the Provisional Protocol Turkey had since 1 December 1967 enjoyed certain facilities for placing goods on the market of the Community in respect of a number of additional products representing approximately 5 per cent of the total exports of Turkey to the member States of the EEC.

These facilities consist of the opening of national tariff quotas at reduced or at nil duty rates for certain fish, crustaceans and molluscs (2,850 tons for certain varieties of fish falling under heading 03.01, 1,650 tons for crustaceans and molluscs), quality wines (6,000 hectolitres) and textile products falling under the headings 55.08 (75 tons), 55.09 (105 tons), 60.05 (30 tons) and 62.02 (30 tons).

As in the case of the quotas for tobacco and dried fruit, the national quotas opened for the textile products referred to above were converted into Community quotas as from 1 July 1968 following the achievement of the customs union between the EEC countries.

In addition the Community granted Turkey a reduction of 50 per cent of the common customs tariff for table grapes falling under heading 08.04 for the period from 18 June to 17 July and a further reduction, without quantitative restriction, of 20 per cent for Turkish exports of fresh citrus fruits. This latter reduction was increased to 40 per cent as from 1 September 1969, the arrangements permitting Turkey to maintain a certain level of prices remaining unchanged.

It should be noted that the tariff reductions in the case of Turkish exports of hand-made carpets have ceased to be of a preferential nature since 1 July 1968 when the EEC extended them to all the contracting parties as part of the implementing of the results of the Kennedy Round.

The year 1968 was the first year during which those facilities were applied. Consequently the results noted in 1968 are not sufficient to permit of a detailed evaluation of the trend of Turkish exports of these products.

Nevertheless it may be said in general that the actual utilization of the quotas in 1968, according to Turkish export figures, was 22 per cent for fish products, 100, 13 and 3 per cent respectively for the textile products falling under headings 55.09, 60.05 and 62.02 and 3 per cent for quality wines.

As regards citrus fruits, the exports in 1968 amounted to 14,623 tons as against 12,410 tons in 1967.

Finally, the total exports of table grapes from Turkey to the EEC, which enjoyed a reduction of 50 per cent in the common customs tariff from 18 June to 17 July, rose from 1,487 tons in 1967 to 1,517 tons in 1968.

4. On 1 December 1968 four years had elapsed since the Ankara Agreement entered into force. In accordance with Article 1 of the Provisional Protocol annexed to the Agreement the Association Council was entitled as from that date to consider whether, in the light of the economic situation of Turkey, it was possible for it to lay down, in the form of an additional Protocol, the conditions, processes and timing of the introduction of the transitional stage which would follow the present preparatory stage and would be intended ultimately to achieve a complete customs union between Turkey and the Community.

In accordance with the provisions of this Article the Association Council, at its session on 9 December 1968, adopted a resolution in which it agreed on the one hand to open immediately the above procedure for drawing up the additional Protocol concerning the transitional stage and on the other hand to open negotiations at the same time with a view to the establishment of a new financial Protocol since the present one expired on 30 November 1969.

It will thus be seen that the decision to begin negotiations for the transfer to the transitional stage was taken within the minimum time-limits laid down by the Agreement.

The negotiations thus begun within the Association Council continued actively during the whole of 1969 but have not yet been completed and will continue in 1970.

It should be clearly understood that the tariff concessions at present enjoyed by Turkey within the framework of the preparatory stage will remain in force until the additional Protocol to the Ankara Agreement comes into effect in accordance with the provisions of Article 1 of the Provisional Protocol.