

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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EEC-TURKEY ASSOCIATION

The Director-General has received the following communication from the Council of the European Communities and the Government of Turkey.

I have the honour to refer to our letter of 20 July 1971 communicating to you, for the information of the CONTRACTING PARTIES, the text of the Additional Protocol, signed at Brussels on 23 November 1970, relating to the Association between the European Economic Community and Turkey.

Pending the entry into force of this Additional Protocol and in order that the progressive formation of the customs union may continue without delay, the parties to the Association have taken all appropriate measures within the framework of an Interim Agreement which entered into force on 1 September 1971.

The text of this Interim Agreement is communicated to you herewith to supplement the information furnished to the contracting parties.

The annexes to the Interim Agreement are the same as those appended to the Additional Protocol and are therefore not reproduced in this document.

INTERIM AGREEMENT
BETWEEN THE EUROPEAN ECONOMIC COMMUNITY
AND TURKEY

(Signed at Brussels on 27 July 1971)

PREAMBLE

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part,

THE GOVERNMENT OF THE TURKISH REPUBLIC,

of the other part,

CONSIDERING that the Agreement creating an Association between the European Economic Community and Turkey, signed at Ankara on 12 September 1963, is in force since 1 December 1964;

CONSIDERING that the provisions relating to the conditions, modalities and rate of achievement of the transitional stage referred to in Article 4 of the Association Agreement were established in an Additional Protocol signed at Brussels on 23 November 1970;

CONSIDERING that pending the entry into force of that Protocol, it is appropriate to bring into effect as soon as possible, by means of an interim agreement, certain provisions of that Protocol concerning trade in goods,

HAVE DECIDED to conclude the present Agreement and to that end have designated as their plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

Mr. Aldo MORO,
President of the Council of the European Communities,
Minister of Foreign Affairs of the Italian Republic;

Mr. Franco Maria MALFATTI,
President of the Commission of the European Communities;

THE GOVERNMENT OF THE TURKISH REPUBLIC:

Mr. Osman OLCAY,
Minister of Foreign Affairs;

WHO, having exchanged their full powers found in good and due form,

HAVE AGREED on the following provisions:

ARTICLE 1

1. The provisions of this Agreement shall apply:
 - (a) to goods produced in the Community or in Turkey, including those manufactured wholly or partly from products coming from third countries which are given free pratique in the Community or in Turkey;
 - (b) to goods coming from third countries which are given free pratique in the Community or in Turkey.
2. Goods given free pratique in the Community or in Turkey shall be deemed to be products coming from third countries in respect of which the necessary import formalities have been completed and the appropriate customs duties or charges of equivalent effect have been levied in the Community or in Turkey, and which have not benefited by any total or partial drawback on such duties or charges.
3. Goods imported from third countries into the Community or in Turkey under special customs treatment by reason of their origin or their provenance may not be deemed to be in free pratique when they are re-exported to the other Contracting Party. However, the managing body may grant waivers from this rule in the conditions determined by it.
4. The provisions of paragraphs 1 and 2 shall apply only to goods exported by the Community or by Turkey as from 23 November 1970.

ARTICLE 2

1. The provisions of this Agreement shall apply likewise to goods obtained in the Community or in Turkey, for whose manufacture products have been used which come from third countries and were not given free pratique in either the Community or in Turkey. Admission of the said goods under these provisions shall, however, be subject in the exporting State to a compensatory levy charged at a rate equal to a percentage of the Common Customs Tariff duties applicable to the products from third countries used in their manufacture. The said percentage; which shall be fixed by the managing body, shall be based on the tariff reduction granted to the goods in the importing State. The managing body shall likewise determine the procedures for collecting the compensatory levy, taking into account the rules in force on the subject prior to 1 July 1968 in trade between the member States.
2. However, the compensatory levy shall not be charged upon the export to the Community or to Turkey of goods obtained in the conditions referred to in this Article so long as for the majority of goods imported into the other Contracting Party, the rate of the customs duty reduction does not exceed 20 per cent, taking into account the various rates of tariff reduction established under this Agreement.

ARTICLE 3

The managing body shall define the methods of administrative co-operation to be followed in implementing Articles 1 and 2, taking into account the methods decided on by the Community in respect of trade in goods between the member States.

ARTICLE 4

1. Any Contracting Party which considers that disparities resulting from the application to imports of either customs duties or quantitative restrictions, or any measures with equivalent effect, or of any other trade policy measure, threaten to divert trade or create economic difficulties on its territory, may bring the matter to the notice of the managing body which shall, if necessary, recommend suitable measures for avoiding any losses which may ensue.

2. If diversions of trade or economic difficulties arise and the Party concerned considers that they call for immediate action, it may itself take the necessary measures of protection and notify them without delay to the managing body which may decide whether they must be modified or abolished.

3. Priority of choice should be given to measures which cause the least disturbance in the operation of this Agreement and in particular in the normal development of trade.

ARTICLE 5

1. The Contracting Parties shall refrain from introducing as between themselves new customs duties or charges with equivalent effect on imports and exports and from raising such duties as they apply in their trade relations with one another as from the date of entry into force of this Agreement.

2. Nevertheless, the managing body may authorize the Contracting Parties to introduce new customs duties or charges with equivalent effect on exports if necessary for the attainment of the objectives of the Association.

ARTICLE 6

As from the entry into force of this Agreement, the Community shall abolish the customs duties and charges with equivalent effect applicable to imports from Turkey.

ARTICLE 7

1. The customs duties and charges with equivalent effect applied by Turkey to imports from the Community shall be reduced by 10 per cent as from the entry into force of this Agreement.

2. In derogation of paragraph 1, upon the entry into force of this Agreement, Turkey shall make effective a reduction of 5 per cent in respect of the products listed in Annex 3.

3. In the case of each product, the basic duty on which the reduction is to be made by Turkey shall be the duty effectively applied towards the Community on 23 November 1970.

ARTICLE 8

Irrespective of the provisions of Articles 6 and 7, the Contracting Parties may suspend, wholly or in part, the levying of the duties applied to products imported from the other Party, the latter to be duly informed thereof, in particular - so far as Turkey is concerned - with a view to facilitating imports of certain products needed for promoting its economic development.

ARTICLE 9

The provisions of Article 5, paragraph 1 and of Articles 6 to 8 inclusive shall apply to customs duties of a fiscal nature.

ARTICLE 10

1. The Contracting Parties shall refrain from introducing as between themselves new quantitative restrictions and measures with equivalent effect on imports.

2. Nevertheless, so far as Turkey is concerned, this obligation shall apply only to 35 per cent of its private imports from the Community in 1967.

3. The list of products liberalized for import from the Community into Turkey shall be that notified to the Community at the time of signature of the Additional Protocol. The list shall be bound vis-à-vis the Community.

4. Turkey may reintroduce quantitative restrictions on imports of liberalized products that are not bound under this Article, on condition that it opens quotas vis-à-vis the Community equal to at least 75 per cent of the average imports from the Community during the three most recent years.

ARTICLE 11

The Contracting Parties shall, in their trade with one another, refrain from making more restrictive the quantitative import restrictions and measures with equivalent effect existing on the date of entry into force of this Agreement, without prejudice to the provisions of Article 10, paragraph 4.

ARTICLE 12

Upon the entry into force of this Agreement, the Community shall eliminate all quantitative restrictions on imports from Turkey. This liberalization shall be bound vis-à-vis Turkey.

ARTICLE 13

Upon the entry into force of this Agreement, Turkey shall reduce the deposits which importers are required to lodge in respect of imports of goods from the Community, in accordance with the rates of reduction provided for in Article 7, paragraphs 1 and 2.

In addition the deposits in an amount exceeding 140 per cent of the customs value of goods imported from the Community, in respect of parts and accessories for motor vehicles falling within heading No. 87.06 of the Turkish customs tariff, and in an amount exceeding 120 per cent of that same value in respect of other products, shall be reduced to the levels indicated above as from the entry into force of this Agreement.

ARTICLE 14

1. The Contracting Parties shall refrain from introducing as between themselves new quantitative restrictions and measures with equivalent effect on exports, and from making more restrictive any existing on the date of entry into force of this Agreement.

2. In derogation of the foregoing paragraph the Community and Turkey, after consultation in the managing body, may introduce restrictions on exports of basic products, to the extent necessary to encourage the development of certain activities of their economy or to cope with any shortage of such products.

In such case the Party concerned shall open in favour of the other Party a quota which shall take account, on the one hand, of average exports for the three most recent years for which statistics are available, and on the other hand of the normal development of trade resulting from the progressive attainment of the customs union.

ARTICLE 15

The provisions of Articles 10 to 14 inclusive shall not prevent prohibitions or restrictions being imposed on imports, exports or transit on the grounds of public morality, public order, public security, protection of human or animal life or health, the preservation of plant life, the protection of national treasures of artistic, historical or archaeological value or the protection of industrial and commercial property. Such prohibitions or restrictions shall not, however, constitute either a means of arbitrary discrimination or a disguised restriction on trade between the Contracting Parties.

ARTICLE 16

1. The Contracting Parties shall refrain, in respect of State monopolies of a commercial character, from introducing any new measure limiting the scope of the articles concerning the elimination of customs duties and quantitative restrictions between them.
2. The provisions of paragraph 1 shall apply to any organization by means of which a member State or Turkey shall, de jure or de facto, either directly or indirectly, control, direct or appreciably influence imports or exports as between the Community and Turkey. These provisions shall also apply to monopolies assigned by the State.

ARTICLE 17

The treatment applied by Turkey to imports from the Community may in no case be less favourable than that applied to imports from the most-favoured third country.

ARTICLE 18

The system laid down in Article 19 for agricultural products shall be applicable to products subject on importation into the Community to specific regulations following the bringing into operation of the common agricultural policy.

ARTICLE 19

1. Subject to the provisions of paragraph 2, the provisions of this Agreement shall apply to agricultural products as defined in Article 11 of the Association Agreement.
2. In derogation of the provisions of Articles 5 to 7, 9 to 14 and 16, the Community and Turkey shall accord to each other, in their trade in agricultural products, the preferential treatment provided in Annex 5.

ARTICLE 20

In the matters covered by this Agreement:

- the régime applied by Turkey to the Community may not result in any discrimination between the member States, their nationals or their companies;
- the régime applied by the Community to Turkey may not result in any discrimination between Turkish nationals or companies.

ARTICLE 21

In the matters covered by this Agreement, Turkey may not enjoy more favourable treatment than that accorded by the member States to each other pursuant to the Treaty establishing the European Economic Community.

ARTICLE 22

The Contracting Parties shall refrain from introducing any measure or practice of an internal fiscal nature establishing, directly or indirectly, discrimination as between products of a Contracting Party and like products imported from the other Contracting Party.

ARTICLE 23

1. If serious disturbances occur in a sector of Turkey's economic activity or threaten its external financial stability, or if difficulties arise that have the effect of altering the economic situation of any of its areas, Turkey may take the necessary safeguard measures.

These measures and their implementing modalities shall be notified without delay to the managing body.

2. If serious disturbances occur in a sector of the economic activity of the Community or of one or more of the member States, or threaten the external financial stability of one or more member States, or if difficulties arise that have the effect of altering the economic situation of any area of the Community, the latter may take, or authorize the member State or States concerned to take, the necessary safeguard measures.

These measures and their implementing modalities shall be notified without delay to the managing body.

3. For the implementation of the provisions of paragraphs 1 and 2, preference shall be given to those measures causing the least possible disturbance in the operation of this Agreement. These measures must not exceed what is strictly necessary to remedy the difficulties which have arisen.

4. Consultations may take place in the managing body on measures taken in pursuance of paragraphs 1 and 2.

ARTICLE 24

The present Agreement shall apply on the one hand, to the European territories to which the Treaty establishing the European Economic Community is applicable and, on the other hand, to the territory of the Turkish Republic.

It shall likewise apply to the French Overseas Departments.

ARTICLE 25

Annexes 1 to 5 shall form an integral part of this Agreement.

ARTICLE 26

This Agreement shall come into force on the first day of the month following the date on which the Contracting Parties have notified each other that the necessary procedures to this end have been completed.

It shall be applicable until the entry into force of the Additional Protocol and, at the latest, until 30 September 1972.

ARTICLE 27

This Agreement is drawn up in duplicate in German, French, Italian, Dutch and Turkish, each text being equally authentic.

IN FAITH WHEREOF the undersigned plenipotentiaries have attached their signatures to this Interim Agreement.

Done at Brussels, on the twenty-seventh day of July one thousand nine hundred and seventy-one.

For the Council of the European Communities,

Aldo MORO
Franco Maria MALFATTI

For the President of the Turkish Republic,

Osman OLCAY