

GENERAL AGREEMENT ON TARIFFS AND TRADE

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TURKEY - STAMP DUTY

First Annual Report (1964) by the Government of Turkey

Referring to the provisions of the Decision of 20 July 1963¹ requiring a report to be submitted to the CONTRACTING PARTIES on the operation of the stamp duty in relation to the implementation of the First Five-Year Plan, we have the honour to communicate to you the following.

1. The Turkish Government, keeping the economic situation of the country under continuous review, feels that the situation which led the Government to introduce the stamp duty has not so far changed as to permit Turkey to remove or reduce it, without endangering the success of the Five-Year Development Plan as well as the domestic economic stability.
2. The stamp duty meets a very urgent need and provides a substantial revenue for investment programmes. The stamp duty yielded in 1963 a revenue which amounted to 240 million T. Liras, corresponding approximately to 8 per cent of the investment budget. The additional revenue for the current fiscal year is estimated to reach 270 million T. Liras.
3. The stamp duty has no adverse effect on the domestic economy in general and on trade and imports in particular. Imports continued to rise (5,599 million T. Liras in 1962, 6,383 million T. Liras in 1963) while the pattern of trade remained unchanged. No major fluctuations have taken place in domestic prices; the overall price level remained quite stable.
4. The stamp duty serves the purpose of transferring a part of profits accrued to importers and mainly used in conspicuous consumption, to public saving available for domestic capital formation.
5. The stamp duty, although vitally important in view of the accomplishment of economic development, is nevertheless regarded by the Turkish Government as a temporary and an emergency measure to be eliminated in due course.
6. The Turkish Government in the light of the foregoing explanation considers it appropriate, as it was previously anticipated, to retain the stamp duty until the difficulties arising from the reorientation of the Turkish economy and fiscal legislations to the exigencies of the initial stage of the planned development are largely overcome.

¹BISD, 12th Supplement, page 55.