

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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EEC - TURKEY ASSOCIATION

Additional Protocol

Questions and Replies

The contracting parties were invited (GATT/AIR/892) to submit to the secretariat any questions they might wish to put regarding the Additional Protocol between the European Economic Community and Turkey (L/3554).

In response to that invitation, a number of questions were received and transmitted to the Parties to the above-mentioned Protocol. The questions asked and the replies given are set forth below.

I. General considerations regarding the Protocol

Question 1

In this Additional Protocol relating to the conditions and modalities for achievement of the transitional stage of the Association Agreement, where is there a specific undertaking concerning the complete elimination of restrictions to trade and the adoption of the common customs tariff?

Reply

The Parties to the Agreement wish to recall that the Additional Protocol which is the subject of this examination is an integral part of the Agreement establishing an Association between the EEC and Turkey, which entered into force on 1 December 1964. As stated in Article 1 of the Protocol its purpose is the achievement of the transitional stage referred to in Article 4 of the Association Agreement and in particular it establishes the modalities according to which the progressive institution of a customs union between Turkey and the Community is to be effected. Thus, the undertaking by the Parties regarding the formation of a customs union between them is clearly stipulated in the Association Agreement (Articles 2 and 4 in particular). The Additional Protocol ensures the implementation of that undertaking by provisions set forth to that end in Chapters I, II, III and IV of Part I of the Protocol and more particularly Articles:

7, 8, 9, 10, 11:	Tariff dismantlement
21, 22, 24, 25, 26, 27:	Quota dismantlement
32, 33:	Free movement of agricultural products
17, 18:	Adoption by Turkey of the Common Customs Tariff (CCT)

Question 2

How do the Parties consider that the provisions of paragraph 5 of Article 22 and paragraph 3 of Article 25 of the Additional Protocol are consistent with Articles I, XIII and XXIV:5(a) of the GATT?

Reply

The characteristic feature of a customs union is that it constitutes an exception from the provisions of Article I and XIII of the General Agreement. With respect to Article XXIV:5(a), its provisions are not designed to bind each of the duties or each of the restrictive regulations of commerce imposed by the constituent Parties of the union, but simply to ensure that a general incidence rule is observed.

Questions 3 and 4

Do the Parties consider that the extended product coverage and the extension of the time period now embodied in the provisions relating to Annex 3 in the Additional Protocol are consistent with Article XXIV:8(a) and XXIV:5(a) of the GATT?

According to the present planning, it will take more than twenty-two years to accomplish a customs union from the preparatory stage. On what basis do the Parties consider that the period represents a reasonable length of time as is provided in Article XXIV of the GATT?

Reply

The stated objective of the provisions of Article 11 applicable to products included in Annex 3 is likewise the elimination of duties, in accordance with Article XXIV:8(a), taking account of Turkey's possibilities in respect of products of particular significance for its economic development; for that reason a longer period of adaptation is necessary. The concept of "reasonable period" has never been specifically determined by the Contracting Parties; its evaluation cannot hinge on any quantified reference which is necessarily by arbitrary, established once and for all, but must be situated in the context of an economic situation related to a given agreement and to the Parties to that agreement.

Question 5

This Protocol, which provides for a transitional stage of a general duration of twelve years (Article 61), nevertheless contains certain special clauses which have the effect, inter alia, in the case of a substantial number of industrial products (45 per cent of Turkey's imports from the EEC) of postponing the adoption of the common tariff until the end of the twenty-second year of implementation of the Protocol and of precluding any acceleration of the alignment of the Turkish tariff with the common tariff (Article 11). What are the criteria established for

determining the duration of these periods? Does this constitute a prolongation of the overall duration of the stages provided for implementation of the Association Agreement signed in 1963?

Reply

Article 4 of the Association Agreement, setting the duration of the transitional stage at twelve years, nevertheless, provides the possibility of exceptions from that rule. The fact that Turkey has been given a twenty-two year period for eliminating its duties and applying the common customs tariff in full in respect of the products included in Annex 3 of the Additional Protocol cannot therefore be deemed to constitute a prolongation of the overall duration of the stages provided under the Association Agreement.

As regards the question concerning the criteria used for determining the duration of the twenty-two year period, one may refer to the reply to questions 3 and 10.

Furthermore, it should be pointed out that, contrary to what is indicated in the question, the Additional Protocol contains no provision precluding any acceleration of the alignment of the Turkish tariff with the common tariff. It merely stipulates in Article 19, paragraph 4, that with respect to the products listed in Annex 3, such acceleration is subject, during the first twelve years of implementation of the Additional Protocol, to prior consent of the Association Council.

Question 6

Does the Protocol obligate Turkey to adopt the Common Agricultural Policy and the European Communities' Variable Levy system? If so, what is the anticipated time schedule for shifting to the Variable Levy system and the European Communities' price levels?

Reply

In Article 33, paragraph 1, the Additional Protocol obligates Turkey to adopt at the end of a twenty-two year period those measures of the common agricultural policy whose application is indispensable for the establishment of the free movement of agricultural products as between the Community and Turkey. In order to attain that objective Turkey must, under the same provision, autonomously make all necessary adjustments to its agricultural policy during the aforementioned period. Article 33, paragraph 5, provides that consultations may be held at Association Council level on the measures which Turkey intends to adopt in order to adjust its agricultural policy.

II. Specific questions regarding the Protocol

A. Customs Union

Question 7

Are there any products on which the rate of customs duties of Turkey is lower than the common customs tariff duties of the EEC?

Reply

There are a number of products on which the Turkish customs duties are lower than the common customs tariff duties of the EEC; it is difficult to define their scope, however, because this would require a very detailed study of the Turkish and Community tariffs. Generally speaking, however, one can say that the adoption of the CCT will result in a substantial reduction in the incidence of the customs duties which Turkey applies vis-à-vis other countries because the general incidence of the Turkish tariff is much higher than that of the CCT.

Question 8

Does the concept "charges with equivalent effect" (Article 8) include also the Turkish stamp duty? If so, will the reductions of this duty take place only with regard to imports from the EEC?

Reply

The stamp duty applied by Turkey falls within the provisions of Article 8 of the Additional Protocol.

Those provisions concern only relations between the Contracting Parties to the Association Agreement and cannot, therefore, affect Turkey's rights and obligations in respect of its relations with countries outside the Association.

Question 9

Article 10 specifies that the first Turkish tariff reductions are to be effected on the entry into force of the Protocol, and subsequent reductions are to be made at specified periods thereafter. The "Interim Agreement", however, specifies in its Article 7 that the first reduction will be made upon its entry into force. The communication transmitting that document indicated it did, in fact, enter into force on 1 September 1971. Does this mean that the subsequent tariff reductions by Turkey are required to be made at the specified intervals after 1 September 1971, e.g. the second reduction would be required on 1 September 1974, etc. or is the timing of these subsequent reductions still to be

determined in relation to the date of the entry into force of the Additional Protocol? The same question arises with regard to the schedules or deadlines set forth elsewhere in the Protocol, notably Articles 17 to 19, 22, 25 and 26.

Reply

The Interim Agreement has not made any changes in the timing of the tariff reductions as established by the Additional Protocol. Accordingly, the timing is still to be determined in relation to the date of the entry into force of the Protocol. The tariff reduction made on 1 September 1971 merely constitutes advance implementation of the first reduction provided for in the Additional Protocol.

The time schedules established in Articles 17 to 19, 22, 25 and 26 of the Additional Protocol also remain entirely valid.

Question 10

How was the length of the transitional period determined? What were the criteria used in selecting those items listed in Annex 3, for which an additional ten-year transitional period is allowed? (Articles 10 and 11)

Reply

The criteria used in drawing up the list in Annex 3 were based on the desire not to jeopardize Turkey's industrialization. The list includes products which are, or might be, manufactured in Turkey in pursuance of development plans and which for that reason will be more sensitive to increased competition in the Turkish market following the implementation of the provisions of the Additional Protocol.

Question 11

Article 12, paragraph 1, indicates that Turkey, during the first eight years of the Protocol, can add additional items to Annex 3 as long as the limitations in the first sub-paragraph are not exceeded. Paragraph 3, however, seems to indicate that during the transitional stage authorization of the Association Council would be required before duties were increased or introduced. What is the relationship between these two provisions? What would be the effect of an action under paragraph 1 not accompanied by an Association Council authorization under paragraph 3? To be more specific, if Turkey were to add a product to Annex 3 in accordance with paragraph 1, could the duty for that product be adjusted to the level that would have prevailed if the product had been in

Annex 3 from the beginning, or would such an upward adjustment require specific approval of the Association Council?

Reply

The provisions of paragraph 1 and those of paragraph 3 of Article 12 should be considered independently. The clause in paragraph 1 allowing Turkey to amend the list of products in Annex 3 sets specific limits to that possibility. On the other hand to increase customs duties or establish new ones under paragraph 3, Turkey must have authorization from the Association Council, which has power of appreciation in this respect.

Question 12

How do the signatories of this Protocol justify the special régime provided under Article 19, under which Turkey could maintain vis-à-vis third countries, after the twenty-two years following the entry into force of the Protocol, customs duties higher than those under the common customs tariff in respect of a certain proportion of its imports?

Reply

The signatories of the Protocol recognize that the provisions of Article 19, paragraph 2 constitute in themselves an exception from the legal rules attaching to the establishment of a customs union. It should nevertheless be underlined, from the aspect of economic reality, that this exception is of extremely limited scope (5 per cent of total imports by Turkey in 1967) and of a hypothetical character. Any resort by Turkey to this possibility would be examined and evaluated in due time on the basis of any needs or specific economic difficulties that might justify such resort.

Question 13

Does Turkey consider that there is any commitment to reduce the duties to the Common External Tariff levels of the European Communities after the end of the thirty-year transitional period for products to be listed under paragraph 2 of Article 19.

Reply

The Additional Protocol does not provide for such a transitional period (thirty years).

Furthermore, the Additional Protocol does not set any limit to the duration of the possibility afforded to Turkey by Article 19, paragraph 2.

Question 14

Which specific products does Turkey expect to include under the provisions of paragraphs 1 and 2 of Article 19? What could be the maximum total value of Turkish imports (based on 1967 imports) affected?

Reply

Article 19, paragraph 1 states that in the case of a certain number of products Turkey may defer until the end of the twenty-second year following the entry into force of the Additional Protocol the reductions of its customs duties vis-à-vis third countries. The paragraph limits the number of products to which this possibility may extend, namely 10 per cent of the value of total imports during 1967. In addition, it stipulates a special procedure, i.e. consultation in the Association Council. There is no special provision, however, regarding the selection of the products concerned.

The situation is the same in respect of the possibility afforded to Turkey by paragraph 2 of the same Article.

Turkey's total imports in 1967 amounted to US\$684.6 million, so that the maximum total value of Turkish imports which might be affected by these provisions, in accordance with the limits stipulated in those paragraphs, would be respectively \$68.5 million (Article 19, paragraph 1) and \$34.3 million (Article 19, paragraph 2).

Question 15

(a) What definitive measures are envisaged by the Parties for the implementation of Article 19:4?

(b) In the event that the alignment of Turkey's customs tariff with the common external tariff rates of the European Communities is accelerated, in what specific ways would Turkey expect to fulfil these provisions? Do they mean that Turkey would be required to make equivalent percentage accelerated reductions in the rates applying to the European Communities? Could a hypothetical, but concrete, example be given?

Reply

At this stage the Parties are not in a position to give any indication as to what measures might be taken for the possible implementation of Article 19, paragraph 4 of the Additional Protocol.

Question No. 16

Would the tariff quotas at reduced rates of duty or free of duty granted by Turkey pursuant to Article 20 of the Additional Protocol be applied on most-favoured-nation or preferential basis to third parties?

Reply

In the implementation of Article 20 of the Additional Protocol, any problems that might be raised in regard to the contracting parties to the General Agreement, which are not covered by the provisions of this Article, will have to be settled in accordance with the provisions of the General Agreement.

Question No. 17

What are the criteria established for selecting the products imported from third countries for which, under Article 20, Turkey can grant tariff quotas at reduced rates of duty or duty free, and for determining the volume of such quotas? Is it the intention that these quotas should be eliminated completely by the end of the transitional stage?

Reply

Generally speaking, these criteria are established by Article 20, paragraph 1 of the Additional Protocol which stipulated that quotas at reduced rates of duty or duty free may be granted only "if the operation of .../trade/ agreement is ... affected by the application of the provisions of /the Additional/ Protocol or by measures taken in pursuance of this Protocol".

Prior consent of the Association Council is required for the grant of these quotas, after the Council has examined whether those conditions are met.

Paragraph 2 of the same Article provides, however, that such consent is deemed to be granted when the tariff quotas referred to in paragraph 1 do not exceed certain specified limits.

The Additional Protocol does not provide for elimination of these quotas by the end of the transitional stage.

B. Quantitative restrictions

Question No. 18

Is it intended that the gradual elimination of quantitative restrictions by Turkey as provided for in Chapter II of the Protocol apply only to imports from the European Communities, or would such quantitative restrictions be eliminated on imports from all contracting parties to the GATT?

Reply

Under Article XXIV of the General Agreement, members of a customs union shall eliminate to the fullest possible extent the quantitative restrictions existing as between them, but are not required to extend such action to third countries.

The provisions of the Additional Protocol regarding the progressive elimination of quantitative restrictions by Turkey would, therefore, apply only to its imports from the European Economic Community.

Question No. 19

Does Article 24 require the elimination of all quantitative restrictions maintained by any European Communities' country on imports from Turkey, or does it relate only to quantitative restrictions maintained by the Community as a whole? If quotas are continued by individual countries, how is this compatible with GATT's Article XXIV?

Reply

The member States are bound by commitments entered into by the Community under Article 24 regarding the elimination of quantitative restrictions on imports from Turkey.

Question No. 20

How much of Turkey's total imports from the EEC is constituted by the private imports referred to in Article 22? What are the main categories of products that do not fall under private imports?

Reply

Private imports, referred to in Article 22, paragraph 2 of the Additional Protocol, accounted for 99.7 per cent of total imports by Turkey from the EEC in 1967.

The remaining three-thousandths correspond to imports of products under State monopoly, such as whisky, cocaine, X-ray films, cigarette paper, playing cards and certain medicaments.

C. Agriculture

Question 21

What specific actions would Turkey be expected to make to fulfil the provisions of Article 33?

Reply

At the present juncture of the common agricultural policy, the autonomous action (see reply No. 6) to be taken by Turkey in order to comply with the provisions of Article 33 would be that provided under the "common organizations of markets", in particular the "prices and intervention régime" and the "régime for trade with third countries".

Question No. 22

Would the parties elaborate on their intentions in regard to Article 17, Chapter II, Annex 6 of the Additional Protocol?

Reply

The objective of the provisions of Annex 6, Article 17 of the Additional Protocol is to ensure a reasonable increase in Turkish imports of products originating in the Community.

D. Commercial Policy

Question 23

Please give a specific example of how the compensatory levy would be calculated and applied. Would its amount be related to the relative value of the component not in "free pratique" to the value of the final product? (Article 3, paragraph 1)

Reply

By its Decision No. 3/71, the Association Council has already determined implementing rules for Article 2, paragraph 1 of the Interim Agreement, the provisions of which are identical to those set forth in Article 3, paragraph 1 of the Additional Protocol.

That Decision provides that the compensatory levy to be charged on goods obtained under the conditions referred to in Article 2 of the Interim Agreement is to be calculated in relation with the type and value of products coming from third countries and which are used in the manufacture of goods not given "free pratique".

Question No. 24

What is the meaning of "the majority of goods imported into the other Contracting Party"? (Article 3, paragraph 2). Would this be determined solely on the basis of the number of tariff items or would it involve weighting to take into account the relative importance of different items in overall trade?

Reply

Since the various tariff reductions for which the Additional Protocol makes provision will not follow the same timing for all goods, the determination as to whether or not the compensatory levy is to be charged will have to be made on a case-by-case basis for each group of goods subject to the same timing for reductions. Within each group, the relative importance of different items in overall imports of the goods concerned will be taken into consideration.

Question No. 25

Please give an example of the kind of "disparities" that are referred to in Article 5 and how they would divert trade, thus possibly leading to the introduction of unilateral protective measures.

Reply

During the transitional period of the institution of the customs union, the juxtaposition of the progressive introduction of free trade within the union, on the one hand, with the introduction of a common customs tariff and with disparities of trade policy, on the other hand, can at some moment allow goods to transit through the territory of a partner in the union and thus evade the import régime of that country vis-à-vis third countries, causing diversion of trade. This is the kind of situation referred to in Article 5.

Question No. 26

The stamp tax on imports from the EEC has been lowered from 10 to 9.5 per cent, while being maintained at 10 per cent for all other countries. What is the relationship of this action to the Additional Protocol? How does Turkey justify it in view of previous statements that:

- (a) there is no discrimination in the stamp tax's application against any countries or commodities (document L/3229 of 15 July 1969);
- (b) that the tax has no restrictive effects except for maintaining imports at a level commensurate with external payment possibilities (document L/3483 of 15 January 1971)?

Reply

As indicated in the reply to question 8, the stamp duty applied in Turkey falls within the provisions of Article 8 of the Additional Protocol.

Thus, in accordance with the provisions of Article 7 of the Interim Agreement, which constitutes advance implementation of the trade provisions of the Additional Protocol, Turkey reduced the rate of stamp duty by 5 or 10 per cent, depending on the products concerned, with effect from the entry into force of that Agreement (1 September 1971).

As regards "previous statements" which, furthermore, remain valid, both the Additional Protocol and the Interim Agreement concern only relations between the Contracting Parties to the Ankara Agreement, as already stated in the reply to question 8, and cannot, therefore, affect Turkey's rights and obligations where its relations with countries outside the Association are concerned.

Question No. 27

Will the elimination of the deposits which importers are required to lodge in respect of imports of goods from the EEC be applied also to imports from other countries (Article 26:2)?

Reply

Article 26, paragraph 2 of the Additional Protocol refers only to the deposits which Turkish importers are required to lodge in respect of imports of goods from the Community.

Question No. 28

Can any indications be given as to whether the obstacles to trade for the ECSC-products will be eliminated during the transitional stage or during a more protracted time-period?

Reply

Products covered by the Treaty establishing the European Coal and Steel Community are included in the process for achievement of the customs union. To that end, they are the subject of a special agreement signed between the Member States of that Community and Turkey. Article 2 of that Agreement provides that barriers to trade are to be eliminated according to a time-table fixed by common consent among the Parties; that time-table has not yet been fixed.

Question No. 29

Article 30:1 provides that the Parties shall adapt the State monopolies in such a way as to ensure the exclusion, in a period of twenty-two years, of all discrimination in conditions relating to supplies and outlets, as between the nationals of member States of the EEC and Turkey. What is the present situation between the Parties including the existing treatments to third countries in this matter?

The reply to this question will be communicated at a later date.

Question No. 30

What is understood by "the regulations governing the importation of petroleum products"? (Annex 1:5)

Reply

The expression "the regulations governing the importation of petroleum products" used in Annex 1, paragraph 5 of the Additional Protocol, refers to the provisions at national level which, in the absence of a common policy, at present govern the importation of petroleum products in each of the member States.

III. Information regarding the trade coverage of the Protocol

A. General

Question No. 31

If the signatories of the Protocol do not envisage the elimination of all restrictions, what proportion of the trade between the two Contracting Parties will remain subject to these restrictions at the end of the transitional stage?

Reply

The Additional Protocol provides for the elimination of all restrictions on trade between the Community and Turkey at the end of the transitional stage as it results from the Protocol.

Question No. 32

What proportion of the trade between Turkey and the EEC consists of agricultural products? Among those products, what percentage will be subject to the rules of the common agricultural policy at the end of the transitional stage?

For which products is an exception to be granted from the general rules established in the Protocol?

Reply

Agricultural products, within the meaning of Part I, Chapters III and IV of the Additional Protocol, accounted for the following percentages of trade between the Community and Turkey in the three most recent years for which statistics are available:

	<u>Community Imports</u>	<u>Turkish Imports</u>
1968	47.7%	0.4%
1969	55.0%	3.2%
1970	44.9%	4.2%

The requirement for Turkey to adopt those measures of the common agricultural policy whose application is indispensable for the establishment of free movement concerns all agricultural products.

Question No. 33

What was the value of exports in the last three years for which statistics are available from (a) the EEC and (b) Turkey of products subject to quantitative restrictions on exports authorized under Article 14 of the Interim Agreement?

Reply

To date, the EEC and Turkey have not invoked the derogation provided under Article 14, paragraph 2 of the Interim Agreement.

Question No. 34

What is the importance of the preferential treatment which Turkey is to grant to Community agricultural products? and in percentage terms, what constitutes for the EEC a satisfactory proportion of Turkish imports of agricultural products?

Reply

Annex 6, Article 17 of the Additional Protocol is not designed to guarantee for the Community a certain proportion of Turkey's imports of agricultural products but, as already indicated in the reply to question 22, to ensure a reasonable increase in Turkish imports of products originating in the Community.

Question No. 35

What percentage of the European Communities' imports from Turkey are "agricultural products" within the meaning of Article 34 and which accordingly will not benefit from free movement until some time after the end of the twenty-two year period?

Reply

For the years 1968, 1969 and 1970 the percentages of agricultural products in total imports by the Communities from Turkey were respectively 47.7 per cent, 55.0 per cent and 44.9 per cent.

In order to ensure that the action taken by the Association Council for the attainment of free movement of agricultural products is determined at the end of the twenty-two year period, the Contracting Parties have agreed in a declaration annexed to the Additional Protocol that the preparatory work may begin one year before the end of that period.

B. Imports by the EEC

Question No. 36

- (a) What was the value of imports into the EEC of products originating in Turkey for the three most recent years for which statistics are available?
- (b) What percentage of these imports fell within items which under the Additional Protocol will be free of all customs duties and other restrictive regulations of commerce:

- (i) on the date of entry into force of the Interim Agreement;
- (ii) during the twenty-second year of the Additional Protocol?

Reply

(a)

<u>Total imports</u> ¹	<u>In '000</u>
1968	198,401
1969	232,663
1970	273,966

- (b) (i) of which falling within items exempt from all customs duties and other restrictive regulations of commerce on the date of entry into force of the Interim Agreement:

	% under the Additional Protocol	% under the CCT	Total %
1968	64.1	4.3	68.4
1969	52.5	4.3	56.8
1970	59.0	5.0	64.0

- (ii) The customs union is to be achieved at the latest at the end of the twenty-second year.

¹Including ECSC products, imports of which were as follows:

1968:	236
1969:	405
1970:	2,857

Question No. 37

What percentage of imports into the EEC as shown in answer to question 36(a) would be subject to the treatment specified in each of the following articles of Chapter I, Annex 6 of the Additional Protocol: 2, 3, 4.1, 4.2, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14?

Reply

The respective percentages are as follows:

	<u>1968</u>	<u>1969</u>	<u>1970</u>
<u>Total imports</u>	100	100	100
Article 2	1.2	1.9	1.5
" 3	5.4	4.5	4.0
" 4 paragraph 1	-	-	-
" 4 paragraph 2	1.3	1.8	1.1
" 5	2.0	2.1	1.6
" 6	19.2	24.1	19.5
" 7	0.1	4.8	1.1
" 8	8.4	6.5	6.4
" 9	3.0	2.9	2.9
" 10	0.5	0.6	0.6
" 11	0.2	0.1	0.1
" 12	0.4	0.1	-
" 13	-	-	-
" 14	-	-	-
Total	<u>41.6</u>	<u>49.7</u>	<u>38.9</u>

Question No. 38

What percentage of the EEC's agricultural imports from Turkey is constituted by:

- (a) products for which customs duties and charges have been eliminated;
- (b) products for which customs duties and charges have been reduced;
- (c) products subject to reduced quantitative restrictions;
- (d) products for which quantitative restrictions have been eliminated?

Reply

	<u>1968</u>	<u>1969</u>	<u>1970</u>
Total imports of agricultural products	100%	100%	100%
(a) Agricultural products for which customs duties and charges have been eliminated	29.1%	20.0%	23.1%
(b) Agricultural products for which customs duties and charges or levies have been reduced	<u>58.2%</u>	<u>70.5%</u>	<u>63.4%</u>
Total	87.3%	90.5%	86.5%

(c) and (d) On the entry into force of the Interim Agreement, all agricultural products were free of quantitative restrictions upon importation into the Community under the rules of the common agricultural policy.

C. Imports by Turkey

Question No. 39

(a) What was the value of imports into Turkey of products originating in the EEC for the three most recent years for which statistics are available?

(b) What percentage of these imports fell within items which under the Additional Protocol will be free of all customs duties and other restrictive regulations of commerce:

(i) on the date of entry into force of the Interim Agreement;

(ii) during the twenty-second year of the Additional Protocol?

Reply

(a) Total imports from the EEC in \$'000¹

1968	284,401.5
1969	287,220.8
1970	325,200.0

¹Including ECSC products, imports of which were as follows:

1968	6,457.2
1969	6,615.2
1970	18,725.1

(b) (i) of which falling within items free of all customs duties on the date of entry into force of the Interim Agreement¹:

1968	2.1%
1969	2.8%
1970	2.5%

and falling within items covered by the liberalization list bound vis-à-vis Turkey (Article 12 of the Interim Agreement):

1968	31%
1969	28.4%
1970	30.2%

(ii) the customs union is to be achieved at the latest at the end of the twenty-second year.

¹Industrial products for which the Turkish customs tariff provides "zero duties". These duties were bound vis-à-vis the EEC on the date of entry into force of the Interim Agreement (Article 7, paragraph 3 of the Interim Agreement).

The basic duties for other industrial products were reduced on the same date by 5 or 10 per cent depending on the items concerned (Article 7, paragraphs 1 and 2 of the Interim Agreement).

Question No. 40

What percentage of imports into Turkey shown in answer to question 39(a) would be subject to the duty reductions in accordance with Article 11 of the Additional Protocol?

Reply

The percentages are as follows:

1968	43.9%
1969	40.1%
1970	42.0%

Question No. 41

What percentage of imports into Turkey shown in question 39(a) fell within items which by virtue of the Additional Protocol will:

- (i) be exempt from existing quantitative restrictions or any new ones;
- (ii) remain subject to existing quantitative restrictions or liable to new ones?

Reply

	<u>1968</u>	<u>1969</u>	<u>1970</u>
A. Total imports from the EEC	100%	100%	100%
B. (i) Imports in respect of items which by virtue of Article 22, paragraph 2 of the Additional Protocol will be exempt from new quantitative restrictions	31%	28.7%	30.2%
(ii) (a) Imports which have been liberalized but might be liable to new quantitative restrictions ¹	28.4%	31%	29.6%
(b) Imports which will remain subject to existing quantitative restrictions.	40.6%	40.3%	40.2%

¹Imports in respect of items included in the "autonomous liberalization list" of Turkey which, under Article 22, paragraph 5 of the Additional Protocol may be liable to new quantitative restrictions.

N.B. The autonomous liberalization list, applicable to imports from all third countries with which Turkey has not concluded a clearing agreement, includes the imports indicated under B(i) and (ii)(a).

Question No. 42

What percentage of imports into Turkey as shown in answer to question 39(a) consists of:

(i) agricultural products;

(ii) industrial products?

Reply

The breakdown of Turkey's imports from the EEC in the three most recent years for which statistics are available is as follows:

	<u>Agricultural products</u>	<u>Industrial products</u>
1968	0.4%	99.6%
1969	3.2%	96.8%
1970	4.2%	95.8%

Question No. 43

What is the value by product category of total Turkish imports from the EEC subject to the twelve year and twenty-two year customs duties eliminations? (Articles 10 and 11)

Reply

The breakdown of Turkey's imports from the EEC in 1967 is shown below, in accordance with the Brussels Nomenclature:

Brussels Nomenclature sections and chapters	Products on which customs duties will be eliminated in 22 years (\$'000)	Products on which customs duties will be eliminated in 12 years (\$'000)
<u>Section I</u>	-	<u>241.3</u>
Chapter 5	-	241.3
<u>Section II</u>	-	<u>53.0</u>
Chapter 13	-	35.5
Chapter 14	-	17.5
<u>Section III</u>	<u>536.0</u>	<u>103.8</u>
Chapter 15	536.0	103.8
<u>Section IV</u>	<u>49.1</u>	<u>188.2</u>
Chapter 18	-	141.7
Chapter 21	49.1	11.3
Chapter 22	-	35.2
<u>Section V</u>	<u>60.0</u>	<u>1,861.7</u>
Chapter 25	60.0	398.7
Chapter 26	-	41.0
Chapter 27	-	1,422.0
<u>Section VI</u>	<u>15,088.2</u>	<u>51,536.3</u>
Chapter 28	3,426.0	6,853.0
Chapter 29	5,787.0	12,451.1
Chapter 30	461.0	237.1
Chapter 31	-	22,581.2
Chapter 32	4,388.0	1,908.8
Chapter 33	0.145	222.3
Chapter 34	528.0	386.3
Chapter 35	79.0	71.0
Chapter 36	0.035	766.0
Chapter 37	-	1,916.1
Chapter 38	419.0	4,143.4
<u>Section VII</u>	<u>3,757.0</u>	<u>4,516.8</u>
Chapter 39	3,400.0	2,834.6
Chapter 40	357.0	1,682.2

Brussels Nomenclature sections and chapters	Products on which customs duties will be eliminated in 22 years (\$'000)	Products on which customs duties will be eliminated in 12 years (\$'000)
<u>Section VIII</u>	<u>0.8</u>	<u>473.4</u>
Chapter 41	-	388.0
Chapter 42	0.8	85.4
<u>Section IX</u>	<u>34.0</u>	<u>82.9</u>
Chapter 44	15.0	82.4
Chapter 45	19.0	0.5
<u>Section X</u>	<u>953.1</u>	<u>1,851.0</u>
Chapter 47	0.1	-
Chapter 48	930.0	367.0
Chapter 49	23.0	1,484.0
<u>Section XI</u>	<u>3,002.1</u>	<u>4,639.0</u>
Chapter 50	0.008	-
Chapter 51	2,609.0	3,426.9
Chapter 52	-	22.0
Chapter 53	-	483.0
Chapter 54	-	19.7
Chapter 55	-	64.3
Chapter 56	343.0	162.1
Chapter 57	0.028	16.3
Chapter 58	11.0	34.0
Chapter 59	35.0	405.5
Chapter 60	4.0	-
Chapter 61	0.3	-
Chapter 62	0.1	5.1
Chapter 63	-	0.1
<u>Section XII</u>	<u>72.0</u>	<u>1.0</u>
Chapter 64	-	1.0
Chapter 65	8.0	-
Chapter 66	64.0	-
<u>Section XIII</u>	<u>1,237.0</u>	<u>3,530.3</u>
Chapter 68	377.0	193.0
Chapter 69	11.0	3,131.3
Chapter 70	849.0	206.0

Brussels Nomenclature sections and chapters	Products on which customs duties will be eliminated in 22 years (\$'000)	Products on which customs duties will be eliminated in 12 years (\$'000)
<u>Section XIV</u>	<u>0.5</u>	<u>25.1</u>
Chapter 71	0.5	25.1
<u>Section XV</u>	<u>9,907.0</u>	<u>7,174.1</u>
Chapter 73	6,000.0	2,562.1 ^{1/}
Chapter 74	58.0	651.7
Chapter 75	3.0	284.3
Chapter 76	3,000.0	4.0
Chapter 77	3.0	-
Chapter 78	-	568.4
Chapter 79	-	1,283.4
Chapter 80	-	334.0
Chapter 81	-	149.2
Chapter 82	620.0	1,136.6
Chapter 83	223.0	200.4
<u>Section XVI</u>	<u>62,800.0</u>	<u>35,027.2</u>
Chapter 84	50,200.0	27,519.8
Chapter 85	12,600.0	7,507.4
<u>Section XVII</u>	<u>10,025.0</u>	<u>3,403.1</u>
Chapter 86	-	670.0
Chapter 87	10,000.0	2,700.0
Chapter 88	-	33.1
Chapter 89	25.0	-
<u>Section XVIII</u>	<u>721.0</u>	<u>6,910.1</u>
Chapter 90	432.0	6,698.0
Chapter 91	15.0	154.0
Chapter 92	274.0	58.1
<u>Section XIX</u>	<u>60.4</u>	<u>705.3</u>
Chapter 93	0.4	7.0
Chapter 94	2.0	18.0
Chapter 95	-	360.0
Chapter 96	-	63.3
Chapter 97	20.0	4.0
Chapter 98	38.0	253.0
Total	<u>108,303.2</u>	<u>122,323.6</u>

^{1/} Excluding ECSC products.

Question No. 44

What percentage of total Turkish imports (both on a world-wide basis and on imports from the European Communities alone), are accounted for by products included in Annex 3? (Article 11)

Reply

p.m.¹

Question No. 45

Can more detailed information be supplied regarding the preferential treatment which Turkey according to Article 17 of Annex 6 shall give to the Community, for instance product coverage and estimated percentage of Turkey's total agricultural imports from the EEC?

The reply to this question will be communicated at a later date.

Question No. 46

What percentage of Turkey's total agricultural imports from the EEC is constituted by (a) products benefiting from the twelve and twenty-two year reductions of customs duties and surcharges; (b) products subject to reduced quantitative restrictions?

Reply

The provisions of Articles 7 to 11 and 21 to 27 of the Additional Protocol concerning the abolition of customs duties and charges with equivalent effect and the elimination of quantitative restrictions are applicable only to "industrial products" within the meaning of the Treaty establishing the European Economic Community.

As regards tariff and quota dismantlement in the agricultural sector, this is subject to the provisions of Part I, Chapters III and IV of the Additional Protocol, and to those of Annex 6 of the said Protocol. In this connexion, one may also refer to the replies to questions 21, 32, 34 and 35.

¹The reply to this question is not yet available because of the statistical work which it involves; it will be given directly in the GATT Working Party.