

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## AGREEMENT OF ASSOCIATION BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND TURKEY

### Communication from the Parties to the Agreement

### INFORMATION FOR THE CONTRACTING PARTIES TO GATT

1. Progress towards the Customs Union between Turkey and the European Economic Community, provided for in the Ankara Agreement of the additional Protocol, has continued since 1976 in spite of certain difficulties which have led the Parties to take action under Article 60 of the Additional Protocol.

2. Since the last communication<sup>1</sup> the status of the Association between the EEC and Turkey can be summarized as follows:

#### Tariff Situation

3. On the Community side there have been no noteworthy developments in this sector.

Turkish and industrial products when imported into the Community are exempted from customs duties or charges having equivalent effect. Exceptions are nevertheless provided for in respect of certain petroleum products and textiles.

In this connexion, it should be noted that the Community has decided to introduce, as regards Turkish petroleum products under heading Nos. 27.10 to 27.14, a system of ceilings, instead of that of the Community tariff quotas applicable under Annex No. 1 of the Additional Protocol.

Two types of cotton textiles (cotton yarn and woven fabrics of cotton, headings 55.05 and 55.09) and man-made carpets (heading 58.01) constitute exceptions to the general system of duty-free treatment, tariff reduction being spread over a twelve-year period, from 1973 to 1985.

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<sup>1</sup>Cf. document L/4421

4. Turkish agricultural products are currently exported to the Community, generally with no quota limitation and with various tariff reductions, depending on the particular product, and in some cases consist of complete elimination of duties.

Article 35 of the Additional Protocol provides, moreover, for biennial review by the Association Council, at the request of either Party, of the results of preferential treatment applicable to agricultural products, at which the Council may decide on any improvements that may be found necessary in order to ensure progressive attainment of the objectives of the Agreement of Association.

The second review, begun in 1975, was the subject of a decision of the Association Council on 20 December 1976. The implementing decision, which entered into force on 1 July 1977, resulted in broadening the Community's concessions in favour of a series of agricultural products exported by Turkey to the EEC.

5. Owing to economic difficulties, Turkey has had to postpone, during the last two years, the envisaged third tariff reduction in favour of the Community and the alignment of its customs tariff on the CCT.

The Community has had to suspend in one country of the Community, imports of cotton fibre from Turkey up to the end of 1978.

6. As regards the quota situation, there have been no changes since the last communication to your institution.

7. A table showing the development of Turkey's external trade is annexed to the present communication.

EXTERNAL TRADE OF TURKEY  
(1974-1977)  
Value

		Exports				Imports				Coverage imports/exports (%)					
		EEC	Rest of World	World	EEC share %	EEC	Rest of World	World	EEC share %	EEC	Rest of World	World	EEC	Rest of World	World
1974	The Six	619.9	912.2	1,532.1	40.5	1,419.4	2,358.1	3,777.5	37.6	43.6	38.6	40.6	43.6	38.6	
	The Nine	717.2	814.9		46.8	1,708.1	2,069.4		45.2	41.9	39.3		41.9	39.3	
1975	The Six	530.0	871.0	1,401.0	37.8	1,962.4	2,776.1	4,738.5	41.4	27.0	31.4	29.6	27.0	31.4	
	The Nine	615.1	785.9		43.9	2,338.2	2,400.3		49.3	26.3	32.7		26.3	32.7	
1976	The Six	806.2	1,154.0	1,960.2	41.1	1,911.7	3,216.9	5,128.6	37.3	42.2	35.8	58.2	42.2	35.8	
	The Nine	958.9	1,031.3		48.9	2,342.0	2,786.6		45.7	40.9	37.0		40.9	37.0	
1977	The Six	759.9	993.1	1,753.0	43.3	2,040.7	3,755.5	5,796.2	35.2	37.2	26.4	30.2	37.2	26.4	
	The Nine	868.0	885.0		49.5	2,470.1	3,326.1		42.0	35.1	26.6		35.1	26.6	
Variation 1976/ 1977	The Six	% -5.8	% -14	% -10.6		% +6.7	% +16.7	% +13.0							
	The Nine	% -9.5	% -14.2			% +3.5	% +19.4								

Source: Ministry of Trade, Ankara