

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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

### Information Communicated by the Parties to the Agreement

1. Progress towards the customs union between Turkey and the European Economic Community, provided for in the Ankara Agreement and the Additional Protocol, thereto, has encountered 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 European Economic Community and Turkey can be summarized as follows:

#### Tariff situation

3. In the industrial sector, the Agreement provides for the exemption of customs duties or charges having equivalent effects on Turkish industrial products when imported into the Community. Exceptions are nevertheless provided for in respect of certain petroleum products and three categories of textile products (cotton yarn, heading 55.05; woven fabrics of cotton, 55.09; and man-made carpets, heading 58.01), duties on which are to be eliminated over a twelve-year period, from 1973 to 1985.

4. A 12 per cent definitive anti-dumping duty on imports of cotton yarn originating in Turkey, the justification of which was contested by the Turkish authorities, was repealed on 21 August 1982 in view of a decision by the Turkish authorities to establish minimum prices for this product.

5. In the agricultural sector, the Community took, on 1 January 1981, the first step in eliminating progressively customs duties on imports of agricultural products originating in Turkey. This entailed the abolition of all duties not exceeding 2 per cent and a 30 per cent reduction on all other duties. The second phase, starting on 1 January 1983, provides for a 60 per cent reduction of duties; any duty which reaches 2 per cent or less in the course of the tariff reduction process will also be eliminated.<sup>1</sup>

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<sup>1</sup> cf. document L/5064

It should be noted that, for certain products, the tariff reduction is accompanied by quantitative conditions or seasonal calendars that take account of the interests of the two Parties.

6. Owing to economic difficulties it has encountered, Turkey has had to postpone, in the past two years, the tariff reductions envisaged in favour of the Community and the alignment of its customs tariff with the Common Customs Tariff.

7. In respect of quotas, there have been no changes since the last communication to your institution. However, as regards certain textile products originating in Turkey, the Community has had to, for certain periods, either suspend the issue of import licences, establish quotas or suspend imports for a number of member States.

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

ANNEX

EXTERNAL TRADE OF TURKEY

(1978/1981)

Value

(in US \$ million)

	EXPORTS				IMPORTS				COVERAGE EXPORTS/IMPORTS (%)			
	EEC	Rest of World	World	EEC Share	EEC	Rest of World	World	EEC Share	EEC	Rest of World	World	
1978	1090.1	1198.0	2288.1	47.6	1872.6	2726.4	4599.0	40.7	58.2	43.9	49.8	
1979	1097.5	1163.7	2261.2	48.5	1827.5	3241.9	5069.4	36.0	60.0	35.9	44.6	
1980	1242.9	1668.0	2910.1	42.7	2267.8	5641.6	7909.4	28.7	54.8	29.6	36.8	
1981	1502.9	3200.0	4702.9	32.0	2519.5	6413.9	8933.4	28.2	59.6	49.9	52.6	
Variation 1980/81	% + 21.0	% + 91.8	% + 38.1		% + 11.1	% + 13.7	% + 12.9					

Source : State Institute of Statistics