

# GENERAL AGREEMENT ON

RESTRICTED

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## TARIFFS AND TRADE

Limited Distribution

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

#### Information Communicated by the Parties to the Agreement

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

2. Tariff situation

With the exception of certain petroleum products for which a zero-duty quota is opened each year by the Community, Turkish industrial products are exempt from customs duties and charges having equivalent effect, under the provisions of the Ankara Agreement and the Additional Protocol.

The additional tax applied by Turkey since 1982 on imports of a series of products, mainly iron and steel, originating in the Community was definitively revoked in October 1986.

On certain imported products, Turkey continues to apply an additional tax which is earmarked for a fund for the financing of welfare housing. This additional tax is applied without discrimination as to origin. The Community has informed Turkey that it considers the measure as having effects equivalent to a customs duty, and hence contrary to the provisions of the Agreement.

In the agricultural sector, on 1 January 1987 the Community took the fourth and last step in progressively eliminating customs duties on imports of agricultural products originating in Turkey. Since that date, Turkey's agricultural products are exempt from import duties in the Community. Nevertheless, for certain agricultural products the customs duty exemption is accompanied by quantitative conditions or seasonal calendars, or a requirement to observe minimum prices, taking account of the interests of the two parties in this sector.

2.1 In the progressive achievement of the customs union between Turkey and the European Economic Community under the Ankara Agreement and the Additional Protocol, certain difficulties have been encountered which have

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<sup>1</sup>Cf. document L/5812 of 30 May 1985

led the parties to take measures under Article 60 of the Additional Protocol.

Turkey has had to postpone until 1988 the tariff reductions envisaged in favour of the Community and the alignment of its customs tariff with the common customs tariff. Under a Decree adopted on 28 December 1987, however, the third reduction of 10 per cent envisaged in Article 10 of the Additional Protocol took effect as from 1 January 1988, as did the third and fourth reductions of 5 per cent envisaged under Article 11 of that Protocol. In addition, under the same Decree, the first alignments of 20 per cent envisaged under Articles 17 and 18 of the Protocol will become effective on 1 January 1989.

As regards the Community, two new arrangements for administrative co-operation were concluded in 1986 between the Commission of the European Communities and the associations of Turkish textile exporters and of clothing exporters. Those arrangements replaced the safeguard measures which the Community had imposed under the above-mentioned Article of the Additional Protocol. The two arrangements cover the period 1986-1988. Turkey has again advised the Community that it considers this restriction to be contrary to the provisions of the Additional Protocol.

### 3. Other

On 23 July 1987, following the enlargement of the Community to include Spain and Portugal, a Protocol adapting the Agreement of Association between the EEC and Turkey was signed between Turkey and the Community. Autonomous measures, applicable to trade between Turkey, Spain and Portugal and corresponding to the trade provisions of the Supplementary Protocol, were made effective as from 1 September 1987.

FOREIGN TRADE OF TURKEY

(US\$ million)

Year	Imports			Exports		
	World	EEC(10)	%	World	EEC(10)	%
1980	7,572.5	2,264.9	29.9	2,909.6	1,299.4	44.6
1982	8,793.5	2,530.2	28.8	5,747.4	1,801.4	31.3
1984	10,662.8	3,249.7	30.5	7,133.6	2,782.6	39.0
1985 <sup>1</sup>	11,344.0	3,547.0	31.3	7,958.0	3,133.0	39.4
1986 <sup>1</sup>	11,199.0	4,565.0	40.8	7,457.0	3,263.0	43.7

<sup>1</sup>OECD

Source: Commission of the European Communities