



**COUNCIL OF  
THE EUROPEAN UNION**

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**LIMITE**

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**COVER NOTE**

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from : General Secretariat  
date of receipt : Southeast Europe Working Party  
Subject : Report on EC-Turkey Customs Union Joint Committee

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Please find attached a flash report by the Commission on the 13th meeting of the EC-Turkey Customs Union Joint Committee, held in Brussels on 10 December 2002.



## EUROPEAN COMMISSION

Directorate-General Enlargement

Directorate C - Bulgaria, Cyprus, Malta, Romania, Turkey  
**Turkey Team**

Brussels,  
Turkey Team/SD D(2002)

### **Note to the file**

**Subject : Rapid minutes of the 13th meeting of the EC-Turkey Customs Union Joint Committee.**

The meeting took place on 10 December 2002, in Brussels, at the Centre de Conférences A. Borschette

#### **Horizontal questions**

All the points under 1.1 to 1.4 were dealt with without any difficulty. In particular Turkey highlighted that economic recovery has started in 2002, and is expected to consolidate in 2003.

#### **Common commercial policy**

The Commission gave a rapid feedback from the last Information meeting which took place on 20 November. Concerning GSP the Commission reminded that Turkey has provided an “offer” on how to align progressively and it was agreed to hold a meeting in January, in Ankara, aimed at reaching an agreement on the next steps.

#### **Trade defence instruments.**

Mutual information on anti dumping measures was given, and additional documents are to be exchanged after the meeting (done meanwhile).

Concerning the application of Article 46 of Decision 1/95 of the Association Council. Turkey provided a wide range of arguments against the application of TDI between the parties. These included the principle itself of applying Anti Dumping measures in a Customs Union, their alleged inconsistency with WTO, narrow interpretation as an exception to basic rules, insufficient notification, the fact that art 46 may only apply to transhipped goods, and the impossibility to obtain Turkish origin for certain products under the current rules of origin.

The Legal Service of the Commission responded that the wording of the relevant provisions gave the EC full right to impose TDI, without limitations, provided that appropriate notice is given. The Commission also reminded that current difficulties derive from the existence of frauds. Moreover,

the Commission underlined that the request made by Turkey would effectively mean abandoning the "principle of origin" for the purpose of determining which products should, or should not, benefit from the Customs Union. This is not practicable, since it would undermine one of the pillars of the Customs Union.

This discussion did not allow for progress, and none of the parties changed its position. On the contrary the Commission noted that Turkey raises difficulties to allow the verification of the origin of products and that this may give rise to consequences.

### **Bilateral Trade issues**

No progress can be recorded on the trade disputes discussed. Therefore the Commission indicated to Turkey that it is considering all the means offered by Decision 1/95 to address them. These include the possibility to raise protective measures for alcoholic beverages, and an arbitration for second hand goods. The Commission also indicated that the European industry is considering a requesting the Commission to act under the Trade Barrier Regulation (TBR) for barriers in the pharmaceutical sector.

Concerning the application of rules on certification and standards by Turkey, the Commission asked Turkey to commit itself to lift trade barriers and refrain from imposing new ones. Turkey replied that this would take place during the process of alignment with the *acquis*. The particular case of automotive components is being dealt with bilaterally with the TR administration.

The Commission considers that current restrictions on the import of Energy drinks constitute a protectionist measure, in breach of article 7 of Decision 1/95. Turkey claims that in the absence of harmonised legislation, the Turkish food Codex allows a limitation to the maximum level of certain substances. Turkey will provide the scientific studies behind these limitations.

The CUJC was informed that bilateral contacts are taking place between the Commission and the Turkish administration concerning tuna fish.

As a conclusion, it was agreed that the 14<sup>th</sup> meeting of the CUJC will take place early February 2003.

Stefano Dotto