



THE NON-ANNEX I PRODUCTS



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CURRENT SITUATION



Turkey achieved substantial alignment to the PAPs trade regime

Basic elements and most trade arrangements of the Regulation 448/93 adopted.

Legal framework: Imports Regime Decree No. 95/7606.

Annexes updated annually.

Free circulation between Turkey and the EU.

Identical product coverage of Annex B to 3448/93.

- Duties on PAPs normally consist of:
 - an *ad valorem* part (industrial element) and/or
 - an agricultural element

- Industrial protection is ensured by the “non agricultural component” of the duty, the *ad valorem* duty (...%)

- Agricultural protection is ensured by the “agricultural element of the duty”... The agricultural element (based on the composition of the goods-EA).



IMPORT ARRANGEMENTS



- Turkey has aligned itself to the Common Customs Tariff (CCT) of the Community with respect to the advalorem duty, which represents the industrial value added. (Art. 13 of CUD)
- Turkey applies to imports from third countries the agricultural component calculated in accordance with Article 18 bis of CUD. This component is lower for imports of EU origin.
- This differentiation in the duty applicable on agricultural component is due to the domestic price differences of the basic agricultural products in Turkey. Basic products of Turkey is listed in Annex 2 to CUD.
- Although in practice specific duties are charged, Turkish tariffs are consolidated on ad-valorem basis in the WTO.



EXPORT ARRANGEMENTS



- Rules regarding exportation within Reg. 3448/93 has not been adopted yet (general rules on export refunds, levies, charges).
- Similarly Reg.1043/2005 on export refunds for PAPs has not been adopted yet.
- Five product group is included in the export subsidy commitment schedule of Turkey. However, currently three of them benefit from export refunds.
- Unlike the EU, amount of export refund is **not** dependent on the quantity of eligible basic agricultural products in those goods. Rather, export refund is directly linked to the final product.



WTO COMMITMENT ON EXPORT REFUNDS FOR PAPS

CN CODE	FINAL BUDGETARY OUTLAY COMMITMENT LEVEL (US\$)	QUANTITY COMMITMENT LEVEL (Tons)
0403	6,042	227.9
151710	2,781,942	62,959.7
1806	2,111,435	16,708.1
1902	941,526	14,205.5
1905	2,111,435	16,708.1



CURRENT EXPORT REFUNDS

CN Code	Description	Communique of Money-Credit and Co- ordination Council No 2005/1	Eligible Q uantity
1806	Chocolate Products	119\$/t	48%
1905.31,32	Sweet biscuits, waffles	119 \$/t	18%
1902	Pasta	66 \$/t	32%



PREFERENTIAL SCHEME



- Common implementing rules for preferential trade set out by Reg. 1460/96 has not been adopted yet.
- However, Turkey has preferential trade agreements with many countries, which often include special treatment for certain PAPs.
- Concessions in PAPs granted in a single positive list including other agricultural and fishery products.
- Preferential duties may consist of (within tariff quota/unlimited)
 - Elimination of ad valorem duties and/or
 - Reduction/elimination of EA



STATISTICAL INFORMATION



TURKISH TRADE IN PAPs (million US\$)

	EXPORT		IMPORT	
	WORLD	EU*	WORLD	EU*
1996	651	29	68	63
1997	670	33	96	82
1998	495	33	114	97
1999	333	36	127	112
2000	357	41	132	118
2001	394	45	121	107
2002	463	63	156	137
2003	618	80	182	156
2004	772	129	261	235
2005 (Jan-Oct)	702	113	264	234
* EU figures are evolutionary				

Source: TURKSTAT



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million US\$

Main Destinations within the period 2002-2005

	2002	2003	2004	2005 (Jan-Oct)
Iraq	0	38	76	85
Germany	23	32	42	36
Saudi Arabia	26	34	32	27
Russian Federation	26	26	28	26
Israel	13	22	26	20
Algeria	10	18	26	20
U.A.E	16	20	24	20
Albania	12	16	21	19
Azerbaijan	22	22	25	19
UK	9	10	16	18
Bulgaria	5	9	20	18
Macedonia	10	13	16	15
Serbia Montenegro	11	14	14	13
U.S.A	12	15	15	13
Yemen	11	10	12	13
Romania	8	12	14	12
Kazakhstan	9	11	13	12
Lebanon	12	13	15	12
Georgia	7	10	11	12
Libya	8	6	11	11



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million US\$

Main Suppliers within the period 2002-2005				
	2002	2003	2004	2005 (Jan-Oct)
Ireland	41	30	55	59
Germany	27	35	51	51
Netherlands	21	24	35	35
Poland	4	7	12	20
France	15	24	23	18
Italy	12	14	18	13
Spain	8	15	14	11
Thailand	0	2	4	9
Belgium	7	6	11	9
U.S.A	3	6	10	9
Switzerland	2	3	6	7
UK	3	4	6	6
Slovak Rep	1	1	5	5
Denmark	1	1	2	3
Portugal	0	0	1	2
Hungary	1	1	0	1
Austria	1	1	1	1
Bulgaria	1	2	2	1
Indonesia	1	0	1	1
Canada	0	0	0	1



THANK YOU FOR YOUR ATTENTION