



MINISTRY OF ECONOMY



EU-TURKEY CUSTOMS UNION AND ITS GAINS

Directorate General of EU Affairs

Ankara, 23 October 2014



Ankara Agreement

- The aim of the Ankara Agreement is to promote the continuous and balanced strengthening of trade and economic relations between the Parties.
- In order to attain these objectives a customs union shall be progressively established following a preparatory and transitional stage.
- The final stage would be based on the customs union.

Additional Protocol

- The EEC abolished customs duties on industrial imports from Turkey as of 1971.
- Turkey's elimination of tariffs schedule started in 1973 and lasted till 1996, when the Customs Union was established.



Customs Union

- Following the transitional period, Turkey-EU Association Council set out the basic principles and procedures of the Customs Union between Turkey and the EU through the Decision No.1/95.
- The Customs Union (CU) between Turkey and the EU was completed on 31 December 1995.
- Turkey-EU Customs Union establishes **the free movement of goods** between the parties and has a comprehensive context covering a wide range of policies.



Scope of the Customs Union

- Customs Union basically covers **industrial goods**.
- In addition to the industrial products, **processed agricultural goods** are included in the Customs Union only for industrial components.
- **Basic agricultural goods are not included** in the Customs Union. Bilateral trade of agricultural products between parties is carried out in accordance with the Association Council Decision (ACD) No. 1/98.
- **Products covered by the European Coal and Steel Community are outside** of the Customs Union. Bilateral trade of the said products between parties is carried out in accordance with Turkey - ECSC Free Trade Agreement.
- **Trade in services, investments and public procurement** are not included in the CU.



CUSTOMS UNION DECISION (NO.1/95)

FREE MOVEMENT OF GOODS (TR&EU)

- ABOLITION OF CUSTOMS & OTHER DUTIES
- ELIMINATION OF QUANTITATIVE RESTRICTIONS

COMMON COMMERCIAL POLICY

- COMMON CUSTOMS TARIFF
- COMMON RULES FOR IMPORTS
- COMMON RULES FOR EXPORTS
- EU'S PREFERENTIAL REGIMES
- RULES OF ORIGIN

APPROXIMATION OF LEGISLATION

- COMPETITION RULES
(State Aids, State Monopolies)
- INDUSTRIAL & INTELLECTUAL PROPERTY RIGHTS
- TAXATION

TECHNICAL REGULATIONS

- HARMONISATION OF STANDARDS AND TECHNICAL LEGISLATION
(Standardization, metrology and calibration, quality, accreditation, testing and certification)

OTHER PROVISIONS : Institutional Provisions, Consultation and Decision Mechanisms, Settlement of Disputes

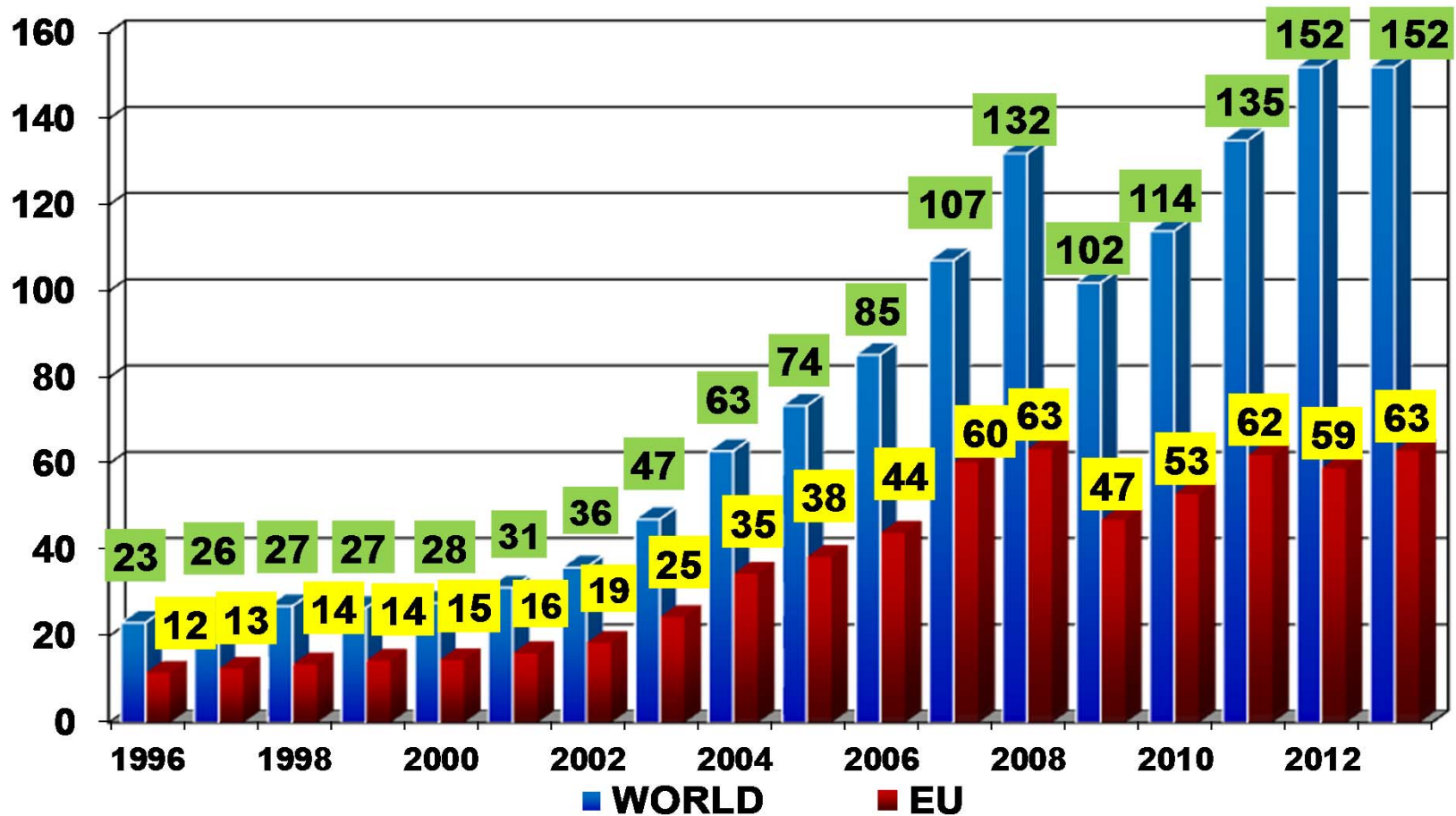


Common Commercial Policy

- Application of the Common Commercial Policy;
 - **Common Customs Tariffs** on imports from third countries, (for some sensitive products application of CCT had been postponed until 2001)
 - **Common customs procedures** on imports and exports,
 - The **same autonomous and bilateral preferential regimes** towards third countries.
- Turkey has signed 32 FTAs, eleven of which have been terminated due to the enlargement of the EU in May 2004 and January 2007. Currently, 17 of these FTAs are in force
- Autonomous regimes includes **Generalized System of Preferences (GSP)** towards developing countries and the **Everything But Arms** for least developed countries.

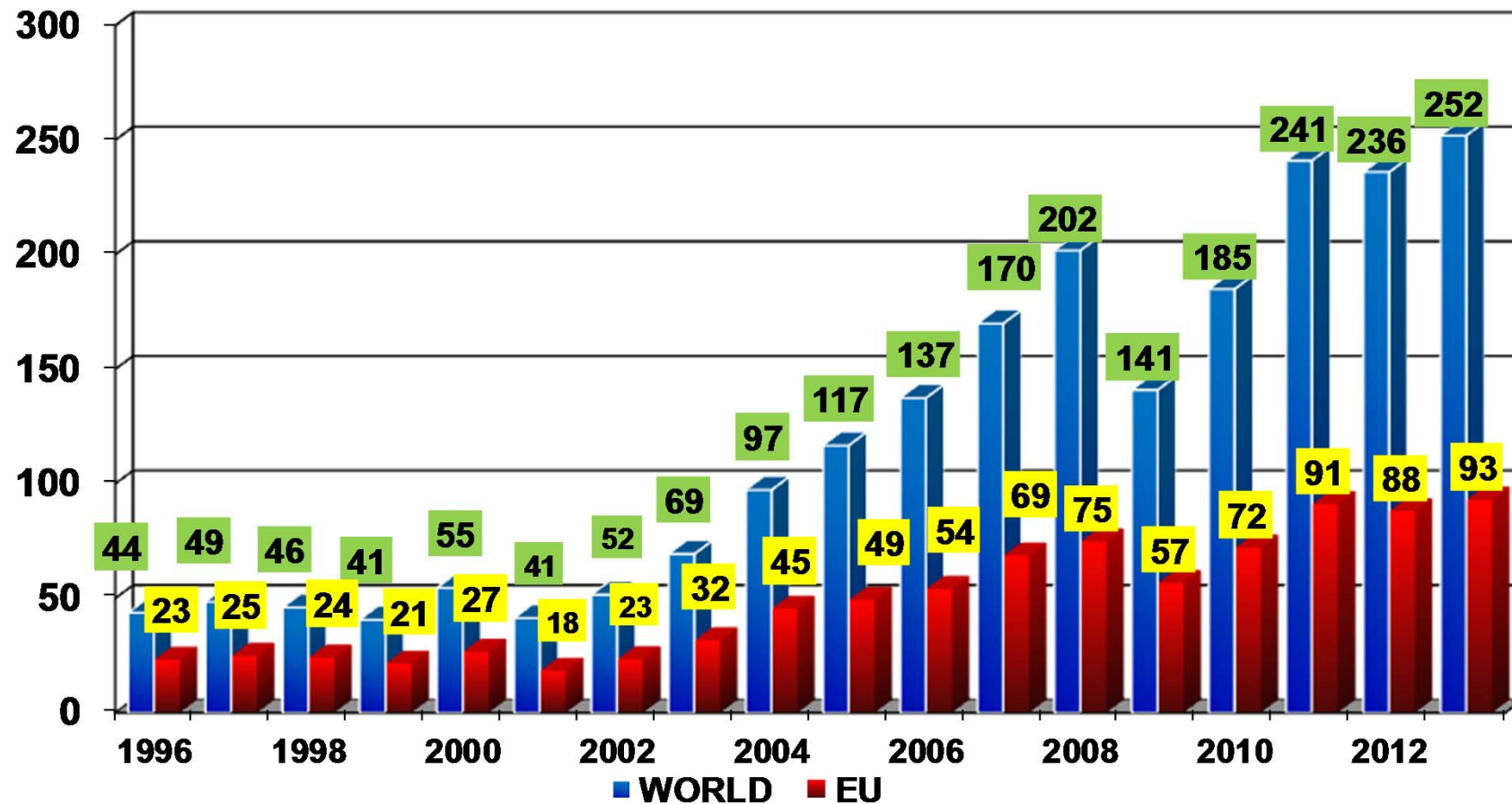


Turkey's Exports and the Share of the EU





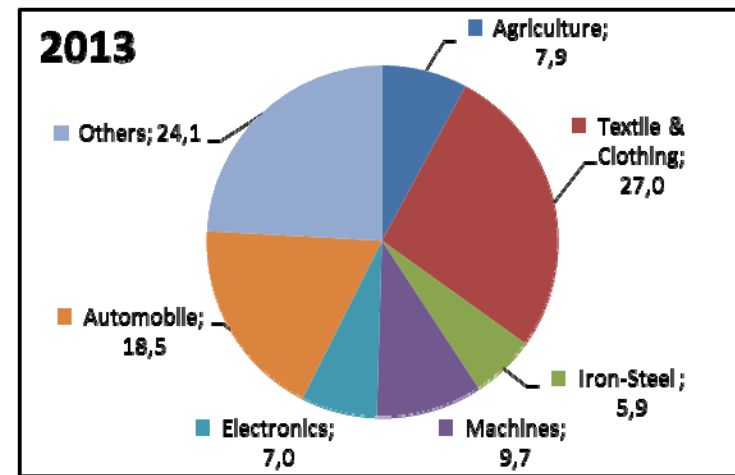
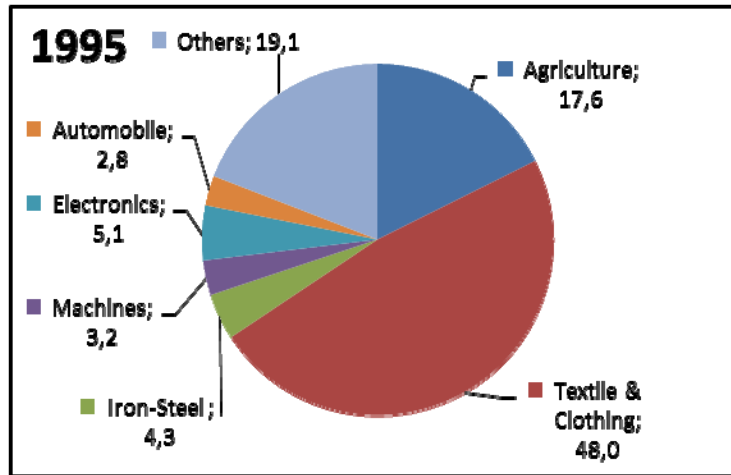
Turkey's Imports and the Share of the EU



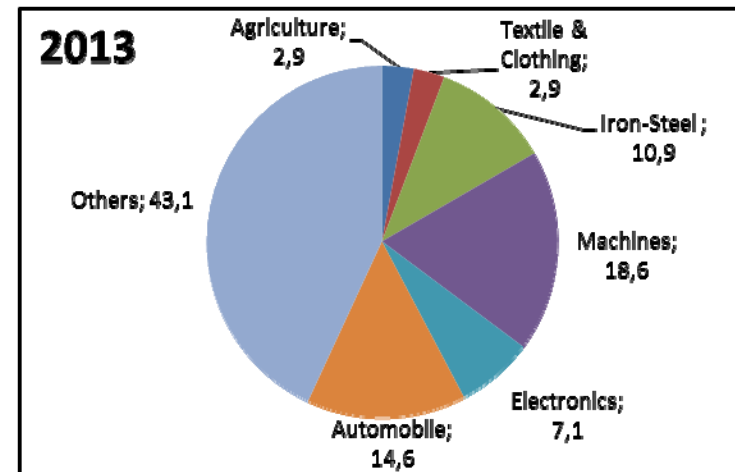
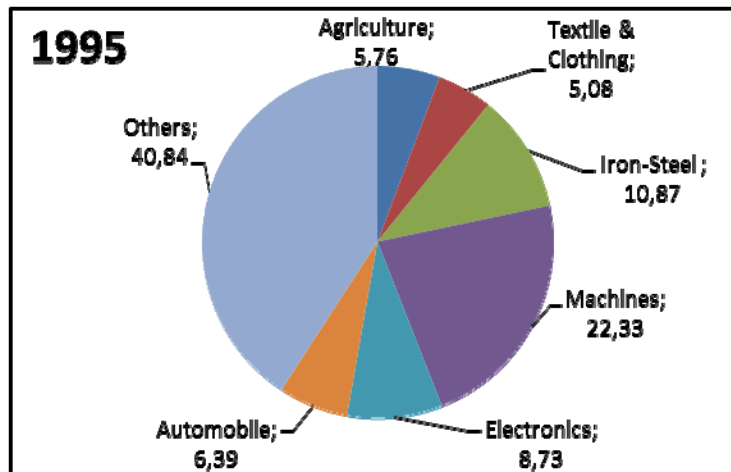


Turkey-EU Trade-Sectoral Developments

Exports

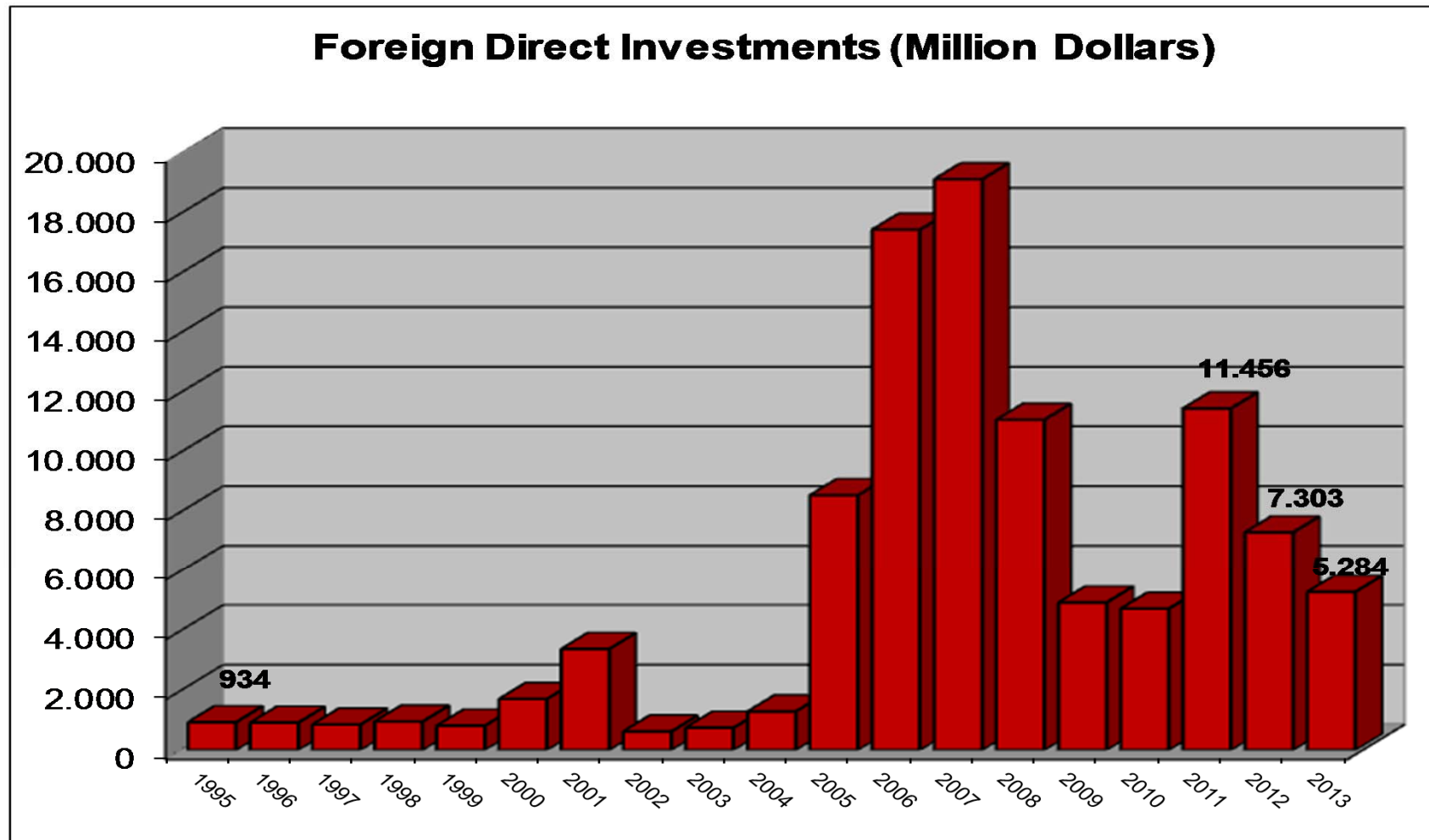


Imports





International Foreign Direct Investments





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THANK YOU FOR YOUR ATTENTION

Directorate General of EU Affairs

Ankara, 20 November 2012