

**Committee on Trade and Development**

**FACTUAL PRESENTATION**

**Egypt-Turkey Free Trade  
Agreement  
(Goods)**

**Report by the Secretariat**

This report, prepared for the consideration of the Egypt-Turkey Free Trade Agreement, has been drawn up by the WTO Secretariat on its own responsibility and in full consultation with the Parties. The report has been drawn up in accordance with the rules and procedures contained in the Decision for a Transparency Mechanism for Regional Trade Agreements (WT/L/671).

Any technical questions arising from this report may be addressed to Ms. Jo-Ann Crawford (tel: +41 22 739 5422).



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## EGYPT-TURKEY FREE TRADE AGREEMENT (GOODS)

### Factual Presentation by the Secretariat

#### I. TRADE ENVIRONMENT

1. The Free Trade Agreement (FTA) between Egypt and Turkey (hereafter "the Agreement") is Egypt's third bilateral FTA and Turkey's eleventh bilateral regional trade agreement<sup>1</sup> notified to the WTO. While similar in terms of population size, the countries have different economic structures. In 2006, manufactures accounted for 81.2% and fuels and mining products for 8% of Turkey's merchandise exports, while for Egypt manufactures accounted for 30.4% and fuels and mining products for 54% of merchandise exports.

2. Egypt's GDP was US\$107.5 billion in 2006, while that of Turkey reached US\$402.7 billion.<sup>2</sup> With total merchandise exports of US\$13.7 billion and imports of US\$20.6 billion, Egypt ranked in 2006 as the 69<sup>th</sup> top exporter and the 63<sup>rd</sup> top importer; with merchandise exports of US\$85.5 billion and imports of US\$139.6 billion, Turkey ranked as the 34<sup>th</sup> top exporter and the 22<sup>nd</sup> top importer in that year.<sup>3</sup> The two economies showed similar average trade/GDP ratios in 2004-2006 with Egypt's ratio 69.6 and Turkey's 62.7.

#### A. MERCHANDISE TRADE

3. Developments in recent years in global and intra-Party merchandise trade are presented in Charts I.1 and I.2. Over the period surveyed (1999-2006), Egypt has run a consistent trade deficit with Turkey.

4. On the basis of 2006 data from the United Nations' Comtrade database, Turkey is Egypt's 14<sup>th</sup> largest trading partner in terms of imports, accounting for 1.9% of Egypt's imports, and ranks 10<sup>th</sup> for Egypt's exports (2.6% of Egypt's exports). Egypt is Turkey's 46<sup>th</sup> largest trading partner in terms of imports, accounting for 0.3% of Turkey's imports, and its 28<sup>th</sup> for exports, accounting for 0.8% of Turkey's exports.

5. The commodity structure of trade among the Parties, as well as of their imports and exports to the world in the period 2004-06, is shown in Chart I.3, on the basis of HS section product categories.

6. Three product categories – base metals, machinery, and minerals - accounted for 55% of Egypt's imports from Turkey in the period 2004-2006; textiles and vehicles accounted for a further 17.9%. Turkey's three largest export product categories – textiles, base metals, and machinery - made up 45.7% of its total exports in 2004-2006 and accounted for 50.9% of Egypt's imports from Turkey.<sup>4</sup>

7. Three product categories – minerals, vegetables, and chemicals - accounted for 46.6% of Turkey's imports from Egypt in the period 2004-2006. Egypt's three largest export product categories – minerals, base metals, and textiles - made up 70.7% of its total exports in the period 2004-2006 and accounted for 36.6% of Turkey's imports from Egypt.

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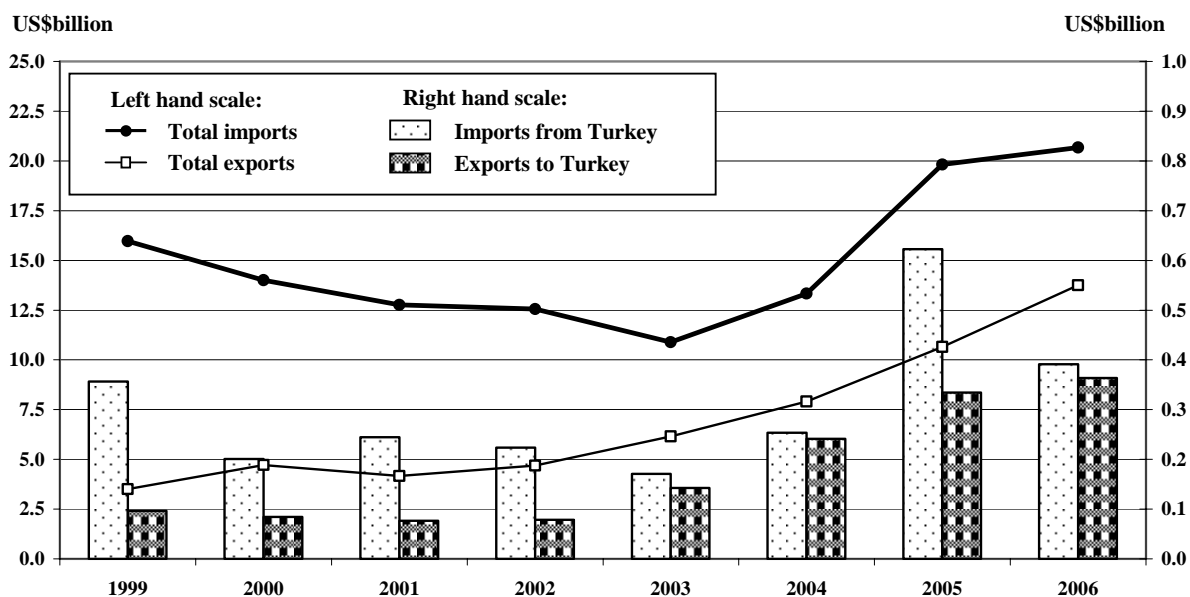
<sup>1</sup> Including its customs union with the European Communities.

<sup>2</sup> WTO Statistics Database, Trade Profiles.

<sup>3</sup> WTO Statistics Database, Trade Profiles.

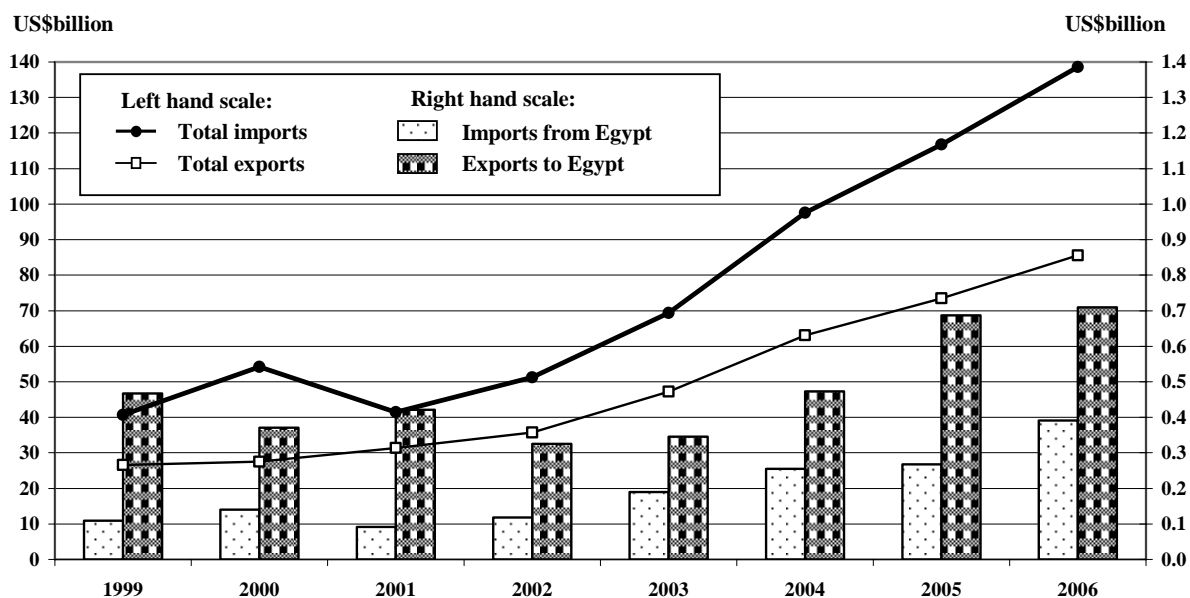
<sup>4</sup> Imports not classified are not taken into account.

**Chart I.1 - Egypt: Merchandise imports from and exports to world and Turkey, 1999-2006**



Source: UNSD, Comtrade database.

**Chart I.2 - Turkey: Merchandise imports from and exports to world and Egypt, 1999-2006**



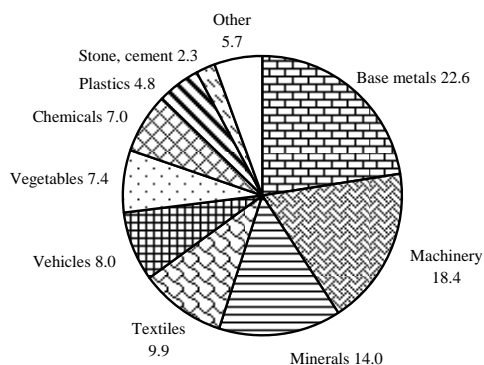
Source: UNSD, Comtrade database.

### Chart I.3

## Egypt and Turkey: product composition of merchandise trade, annual average (2004-06)

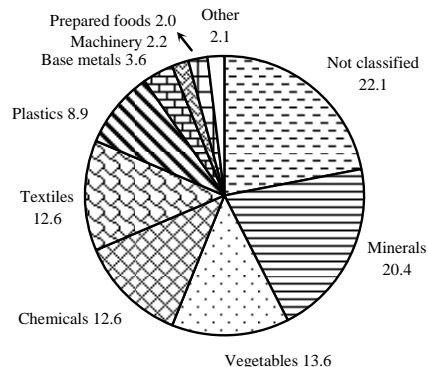
Per cent

**Egypt's imports from Turkey**



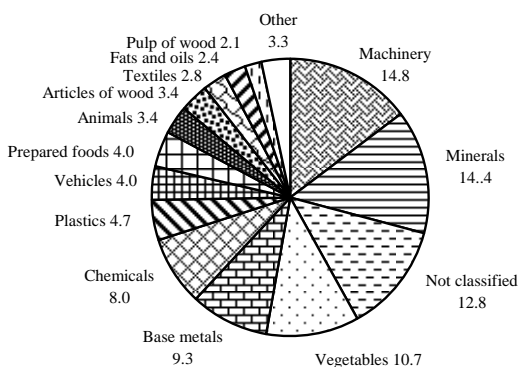
**Total: US\$422.4 million**

**Turkey's imports from Egypt**



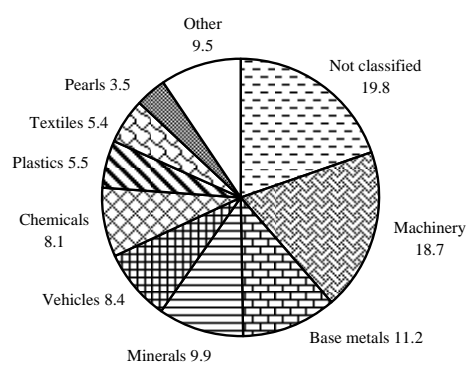
**Total: US\$304.6 million**

**Egypt's global imports**



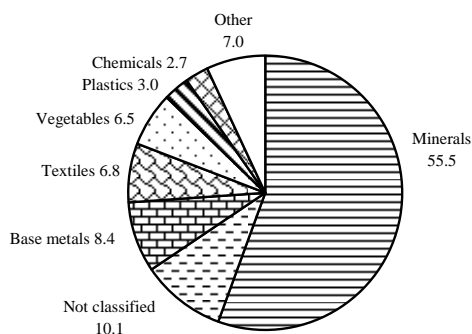
**Total: US\$17.9 billion**

**Turkey's global imports**



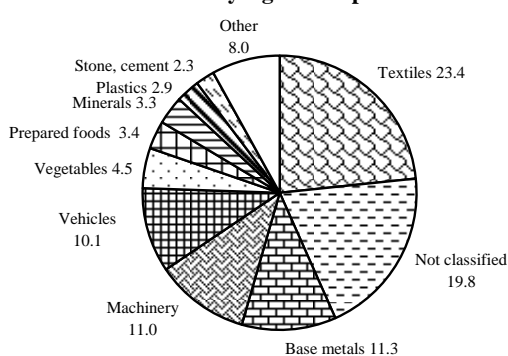
**Total: US\$117.6 billion**

**Egypt's global exports**



**Total: US\$10.8 billion**

**Turkey's global exports**



**Total: US\$74 billion**

Source: UNSD, Comtrade database.

## II. TREATY CHARACTERISTIC ELEMENTS

### A. BACKGROUND INFORMATION

8. The Free Trade Agreement was signed by the Arab Republic of Egypt and the Republic of Turkey on 27 December 2005 and entered into force on 1 March 2007. The Agreement is of an indefinite duration.

9. The Agreement was notified to the WTO by the Parties on 5 October 2007 under paragraph 4(a) of the Enabling Clause. The text is available, together with its Annexes, on the following official website:

<http://www.tas.gov.eg/English/Trade%20Agreements/Countries%20and%20Regions/Europe/Turkey>

10. The Agreement is composed of 6 Chapters containing 39 Articles, as follows:

**Box II.1: Table of contents of the Agreement**

Chapter I	Industrial Products
Chapter II	Basic Agricultural, Processed Agricultural and Fishery Products
Chapter III	Common Provisions
Chapter IV	State Monopolies, Competition Rules, Payments and Other Economic Provisions
Chapter V	Trade in Services
Chapter VI	Institutional and Final Provisions

11. The Agreement contains three protocols containing the following: abolition of customs duties and charges having equivalent effect on imports; exchange of concessions in basic agricultural, processed agricultural and fishery products; the definition of the concept of "originating products" and methods of administrative cooperation (rules of origin).

12. The Agreement provides for the gradual establishment of a free trade area between the Parties within a transition period not exceeding twelve years starting from the entry into force of the Agreement, i.e. by March 2019. However, in the case of Egypt, tariff elimination on certain industrial goods is scheduled to take place on 1 January 2020. Duty reductions take place on the date of entry into force of the Agreement and on 1 January in the following years.

## III. NATIONAL TREATMENT AND MARKET ACCESS FOR GOODS

### A. IMPORT DUTIES AND CHARGES, AND QUANTITATIVE RESTRICTIONS

#### 1. General provisions

13. The Parties agree to abolish customs duties, quantitative restrictions, and charges or measures having equivalent effect, on imports of industrial goods in accordance with Protocol I.<sup>5</sup> No new customs duties or quantitative restrictions on imports of industrial products, and charges or measures having equivalent effect, may be introduced or increased (Articles 4 and 6).

14. In the case of Turkey, the Agreement provides for the elimination of duties on imports of all industrial goods originating in Egypt upon the date of entry into force. In the case of Egypt, the Agreement contains four lists of industrial products subject to liberalization according to different

<sup>5</sup> Industrial goods are defined by the Parties as those falling within Chapters 25-97 of the Harmonized System with the exception of products listed in Annex I of the Agreement (which are treated as agricultural products under the Agreement).



timetables. List 1 provides for the progressive elimination of duties by 1 January 2008; List 2 provides for a 10% reduction in duties as of 1 January 2008, with annual 15% reductions thereafter until the elimination of duties on 1 January 2014; List 3 provides for a 5% reduction of duties beginning on 1 January 2010, followed by a further 5% reduction in the following year and subsequent reductions of 15% until the elimination of duties on 1 January 2017; and list 4 provides for a 10% reduction in duties as of 1 January 2011, followed by 10% annual reductions until the elimination of duties on 1 January 2020.

15. The Parties agree to exchange concessions on certain basic agricultural, processed agricultural and fishery products in accordance with Protocol II. Tables A and B to this Protocol list the products where preferential treatment has been granted by Egypt and Turkey, respectively. In both cases concessions are in the form of reductions or, in some cases, elimination of in-quota duties on a limited number of agricultural products (see Annex II for further details). In Article 10.3, the Parties agree to the progressive liberalization of trade in agricultural products and to review progress in this regard during the annual meeting of the Joint Committee.<sup>6</sup>

16. The basic duty to which successive reductions apply is the MFN applied duty in force as of 1 January 2005. If a Party reduces its MFN rate after January 2005, the tariff elimination schedule of that Party shall apply to the reduced rate (Article 2).

## 2. Liberalization of tariff lines and trade<sup>7</sup>

17. The elimination of tariffs applicable between the Parties is detailed in the corresponding Parties' schedules. Tariff elimination started on 1 March 2007, from the base rates applied in January 2007.<sup>8</sup>

18. The overall tariff elimination under the Agreement is depicted in Tables III.1A and III.1B below.<sup>9</sup> In the case of Egypt, 8.9% of total tariff lines were already MFN duty-free in 2007.<sup>10</sup> A further 30.1% of tariff lines became duty-free for imports from Turkey in 2008; in terms of imports from Turkey for the period 2004-2006, these figures amount to 33.8% and 20.7%, respectively. By the end of Egypt's implementation period in 2020, a total of 86.8% of tariff lines, amounting to 95% of 2004-2006 imports are to be duty-free.

19. In the case of Turkey, 23.6% of tariff lines were already duty-free on an MFN basis in 2007.<sup>11</sup> A further 58.5% of tariff lines were liberalized as of the entry into force of the Agreement, resulting in a liberalization of 82.1% of tariff lines and a corresponding 83.4% of trade in terms of Turkey's imports from Egypt in 2004-2006.

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<sup>6</sup> According to the Parties, as of June 2008 no further liberalization of agricultural products has taken place.

<sup>7</sup> Unless otherwise specified, all statistics, tables and charts contained in this document have been prepared on the basis of data provided by the Parties.

<sup>8</sup> According to Egypt, given that its tariff was modified in 2007, tariff elimination is based on its MFN rates for 2007.

<sup>9</sup> Tariff lines containing in-quota duties are excluded from all the tariff-related calculations. Lines subject to specific duties are taken into account in the number of lines liberalized where relevant, but are not included in the tariff analysis.

<sup>10</sup> Egypt's tariff is composed of 5,679 tariff lines at the HS (2007) 8-digit level. Eleven of these lines are subject to specific duties, the rest are *ad valorem*.

<sup>11</sup> Turkey's tariff is composed of 18,253 tariff lines at the HS 12-digit level. Thirty lines are subject to specific duties, 113 and 151 respectively to compound and mixed rates and the rest are *ad valorem*. For the lines subject to compound and mixed duties, the *ad valorem* component was used in the calculation of tariff averages. The Secretariat has adjusted the tariff received originally which consisted of 12,228 lines (mostly at the HS 10-digit level) to match it to the MFN tariff which is at the HS 12-digit level.

Table III.1A

Egypt: Tariff elimination commitments under the Agreement and corresponding average trade values for 2004-2006

Duty phase-out period	Number of lines	% of total lines in Egypt's tariff schedule	Value of Egypt's imports from Turkey (2004-2006) in million US\$	% of Egypt's total imports from Turkey 2004-2006
<b>MFN duty free (2007)</b>	505	8.9	140.6	33.8
<b>2008</b>	1,709	30.1	86.0	20.7
<b>2014</b>	1,081	19.0	95.4	22.9
<b>2017</b>	1,610	28.4	57.9	13.9
<b>2020</b>	23	0.4	15.9	3.8
<b>Remain dutiable</b>	751	13.2	20.7	5.0
<b>Total</b>	5,679	100.0	416.4	100.0

Source: WTO Secretariat based on data provided by Egypt.

Table III.1B

Turkey: Tariff elimination commitments under the Agreement and corresponding average trade values for 2004-2006

Duty phase-out period	Number of lines	% of total lines in Turkey's tariff schedule	Value of Turkey's imports from Egypt (2004-2006) in million US\$	% of total Turkey's imports from Egypt 2004-2006
<b>MFN duty free (2007)</b>	4,312	23.6	93.7	31.5
<b>2007</b>	10,675	58.5	154.5	51.9
<b>Remain dutiable</b>	3,266	17.9	49.7	16.7
<b>Total</b>	18,253	100.0	297.9	100.0

Source: WTO Secretariat based on data provided by Turkey.

(a) Egypt's liberalization schedule

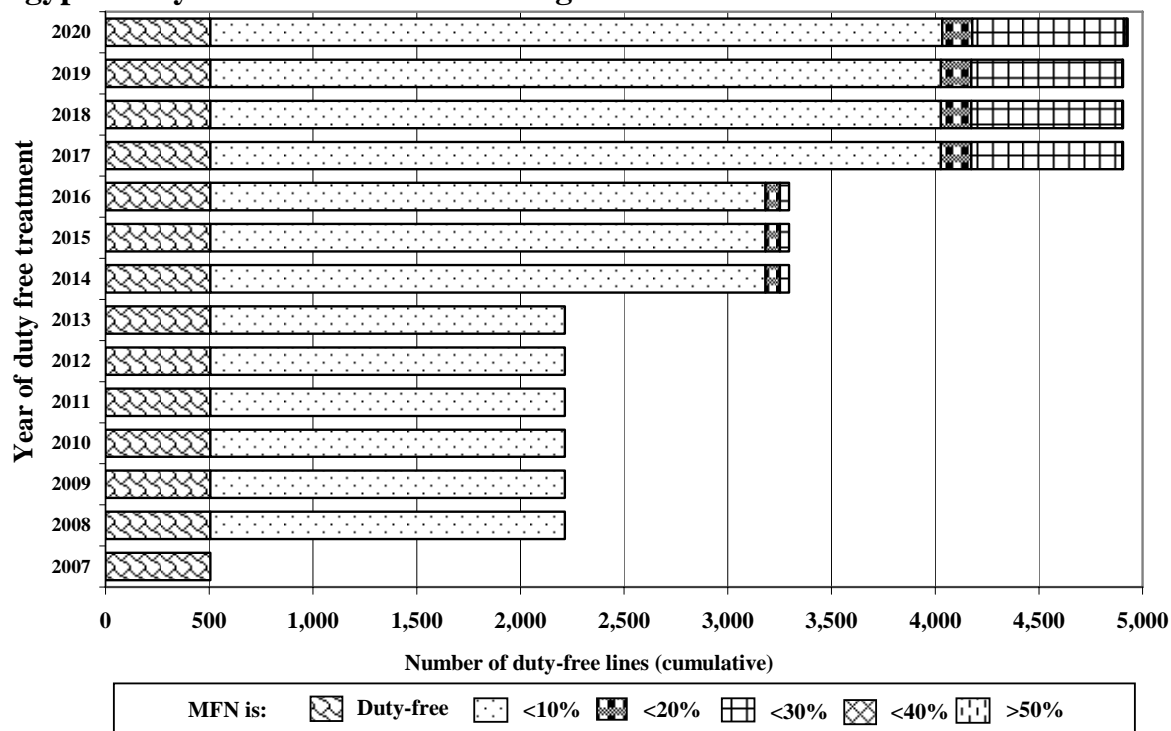
20. The base rates used by Egypt for implementing its tariff liberalization scheme included 505 tariff lines which were already duty free before the entry into force of the Agreement. As can be seen from Chart III.1, liberalization takes place primarily in 2008, 2014 and 2017. All of the tariff lines liberalized in 2008 contain MFN rates of 10% or less, while lines subject to higher tariffs are liberalized in 2014 or 2017. Six tariff lines subject to MFN duties of more than 50% are freed from duties in 2020. The 13.2% of lines which remain subject to duties have a range of 2 to 3,000%.

21. With respect to agricultural products, Egypt's concessions are in the form of reductions, or elimination of duties subject to quotas in the following products: hazelnuts, figs, cherries, dried apricots, soy bean oil, sunflower oil, maize oil, margarine, sugar confectionery, chocolate, pasta, bread, cucumbers, nuts, fruit juices and active yeasts. The preferential in-quota duty applies from entry into force of the Agreement (see Annex II).<sup>12</sup>

22. Table III.2 shows Egypt's trade liberalization commitments under the Agreement at the HS 8-digit level organized by HS section product categories. None of the tariff lines falling in HS Sections I-IV (agricultural products) are liberalized under the Agreement. All but 60 lines in HS Sections V-XXI (industrial products) are liberalized under the Agreement according to different timetables.

<sup>12</sup> According to Egypt, there is no WTO quota on these products.

**Chart III.1**  
**Egypt's duty elimination under the Agreement**



Source: WTO Secretariat estimates, based on data provided by Egypt.

**Table III.2**  
**Egypt: Tariff elimination under the Agreement, by HS section**

HS section and description	MFN average %	Total no. of lines	MFN duty-free 2007	Number of duty-free lines				Remain dutiable
				2008	2014	2017	2020	
I Live animals and animal products	8.6	237	59					178
II Vegetable products	4.5	271	36					235
III Animal or vegetable fats and oils	6.3	73	10					63
IV Prepared food etc.	208.1	224	9					215
V Minerals	2.9	155	4	109	25	17		
VI Chemical and products	8.0	846	45	550	141	74		36
VII Plastics and rubber	7.1	240	22	67	108	43		
VIII Hides and skins	11.7	86		6	39	25		16
IX Wood and articles	10.8	85		31	17	37		
X Pulp, paper etc.	10.0	157	1	34	80	42		
XI Textile and textile articles	15.4	877	47	13	155	654		8
XII Footwear, headgear	26.4	58				58		
XIII Articles of stone	12.3	148	1	10	65	72		
XIV Precious stones, etc.	9.9	58	7	13	25	13		
XV Base metals and products	8.7	620	19	173	160	268		
XVI Machinery	6.2	940	193	486	106	152	3	
XVII Transport equipment	15.1	174	11	56	56	31	20	
XVIII Precision equipment	7.5	262	35	120	77	30		
XIX Arms and ammunition	16.1	24	6		10	8		
XX Misc. manufactured articles	17.6	137		40	16	81		
XXI Works of art, etc.	25.0	7		1	1	5		
<b>Total</b>	<b>17.0</b>	<b>5,679</b>	<b>505</b>	<b>1,709</b>	<b>1,081</b>	<b>1,610</b>	<b>23</b>	<b>751</b>

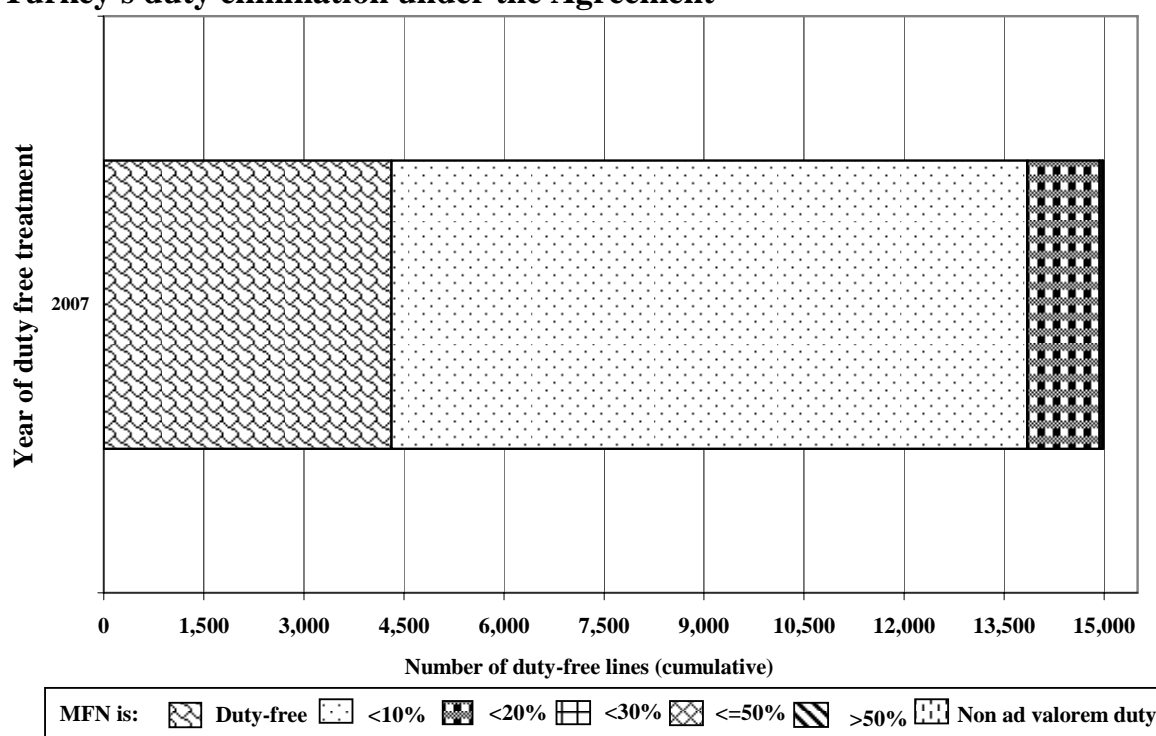
Note: In-quota tariff lines are excluded.

Source: WTO estimates based on data provided by Egypt.

## (b) Turkey's liberalization schedule

23. The base rates used by Turkey for implementing its tariff liberalization scheme included 4,312 tariff lines which were already duty free before the entry into force of the Agreement. Turkey's liberalization schedule does not foresee transition periods, thus all tariff elimination is implemented on entry into force of the Agreement. This results in an additional 10,675 lines becoming duty free in March 2007 of which over 90% have a base rate of 10% or less. The base rate for the remaining 609 tariff lines ranges from 10 to 74% including 21 lines with specific duties. The 3,266 tariff lines excluded from tariff elimination have tariff rates ranging from 1- 225% (including 482 lines which are subject to specific duties).

24. With respect to agricultural products, Turkey's concessions are in the form of reductions, or elimination of duties subject to quotas on the following products: fish, live plants, cut flowers, various edible vegetables, fruits, spices, oil seeds, rice, groundnuts, sugar confectionary, chocolate, pasta, bread, preserved vegetables, fruit juices and active yeasts. The preferential in-quota duty applies from entry into force of the Agreement (see Annex II).<sup>13</sup>

**Chart III.2****Turkey's duty elimination under the Agreement**

Source: WTO Secretariat estimates, based on data provided by Turkey.

25. Table III.3 shows Turkey's trade liberalization commitments under the Agreement at the HS 12-digit level organized by HS section product categories. Of the 18,253 tariff lines forming Turkey's tariff schedule, 4,312 were already duty-free on an MFN basis in 2007; an additional 10,675 lines were liberalized upon entry into force of the Agreement resulting in 82.1% of Turkey's tariff on imports from Egypt being duty-free in 2007. The remaining 3,266 lines, accounting for 17.9% of Turkey's tariff schedule are subject to tariffs and cover mostly agricultural products falling under HS Sections I to IV with some products under HS Sections VI and XVIII- XX.

<sup>13</sup> According to Turkey, no WTO quota is granted by Turkey on these products.

**Table III.3**  
**Turkey: Tariff elimination under the Agreement, by HS section**

HS section and description		MFN average %	Total No of lines	MFN duty- free 2007	Number of duty-free lines 2007	Remain dutiable
I	Live animals and animal products	73.3	916	106		810
II	Vegetable products	30.4	835	79	22	734
III	Animal or vegetable fats and oils	21.8	201	20		181
IV	Prepared food etc.	47.3	1,113	75		1,038
V	Minerals	0.9	465	310	155	
VI	Chemical and products	4.4	3,213	818	2,360	80
VII	Plastics and rubber	4.4	570	121	449	
VIII	Hides and skins	3.0	225	60	165	
IX	Wood and articles	1.7	349	203	143	3
X	Pulp, paper etc.	0.0	476	476		
XI	Textile and textile articles	7.9	3,023	104	2,919	
XII	Footwear, headgear	7.6	205	3	202	
XIII	Articles of stone	3.8	447	51	396	
XIV	Precious stones, etc.	1.0	104	73	31	
XV	Base metals and products	3.9	1,904	637	1,267	
XVI	Machinery	2.1	2,635	760	1,875	
XVII	Transport equipment	5.0	469	57	412	
XVIII	Precision equipment	2.0	679	263	324	92
XIX	Arms and ammunition	2.3	34	5		29
XX	Misc. manufactured articles	2.6	376	77		299
XXI	Works of art, etc.	0.0	14	14		
<b>Total</b>		<b>11.6</b>	<b>18,253</b>	<b>4,312</b>	<b>10,675</b>	<b>3,266</b>

Note: In-quota tariff lines are excluded.

Source: WTO estimates based on data provided by Turkey.

## B. RULES OF ORIGIN

26. Disciplines regarding rules of origin and administrative co-operation on products covered by the Agreement are set out in Protocol III. The scheme is part of the Pan-European-Mediterranean cumulation system. Articles 2-15 of Protocol III deal with the rules of origin themselves, while Articles 16-38 relate to other customs-related issues.

27. The basic requirements for a product to be considered originating (Articles 2 and 6 of Protocol III) are:

- (a) the product is wholly obtained in one of the Parties<sup>14</sup>; or
- (b) the non-originating materials incorporated in a product have undergone sufficient working or processing in the Parties, according to specific requirements.

28. There are no regime-wide rules of origin, but a list of specific criteria that non-originating materials should meet so that the final product acquires originating status, as contained in Annex II.

<sup>14</sup> This concept applies to mineral products extracted from their soil or seabed; vegetable products; live animals born and raised in the Party; products from live animals in the Party; products obtained from hunting or fishing in the Party; products of sea fishing and other products taken from the sea outside the territorial waters of Turkey or of Egypt by their vessels; products made aboard factory ships; used articles fit only for the recovery of raw materials, including used tyres fit only for retreading or for use as waste; waste and scrap resulting from manufacturing operations conducted in the Parties; products extracted from marine soil or subsoil outside the Parties' territorial waters provided that they have sole rights to work that soil or subsoil; and goods produced using the aforementioned products.

In most cases, origin is granted if the working or processing carried out on non-originating materials results in a change in tariff classification (CTC) on an HS basis, at the heading level (CTH 4-digit). This rule requires changes from either "any heading except that of the product" or from a specific heading or material, as is the case in prepared foodstuffs, wood and wood pulp, textiles, footwear, articles of stone and plaster, pearls and base metals. In some cases, materials from the same heading may be allowed, normally within a certain limit (some petroleum products, chemicals, plastics, machinery, and miscellaneous manufactured articles). In a few cases, there are some headings from which the product cannot be manufactured.

29. An import content test (MC) can also be provided either to supplement the CTH (for some prepared foodstuffs, wood pulp, base metals, machinery, transport equipment and measuring instruments, and musical instruments) or as a standalone rule (for some vegetables, prepared foodstuffs, chemicals, plastics, footwear, machinery and mechanical appliances, transportation equipment, measuring instruments, arms and ammunition, and furniture);<sup>15</sup> in the case of chemicals, plastics, machinery and mechanical appliances, transportation equipment, measuring instruments, and furniture the MC test is offered as an alternative criterion;<sup>16</sup> the permissible limit for non-originating materials is normally 40 %, but different thresholds may apply (ranging from 20 to 50%). A technical test or process rule, requiring that some production processes take place in the territory of the Parties, is required for some minerals, chemicals, plastics, wood, textiles, hides and skins, glass products and base metals. In the case of textiles and glass products, the technical test is offered as an alternative rule in combination with an import content test. Rules requiring certain materials to be obtained in the territory of the Parties (wholly obtained rules) are used for many processed agricultural products.

30. Paragraphs 1 and 2 of Articles 3 and 4 provide for diagonal cumulation with the participants of the Pan-Euro-Mediterranean protocol on rules of origin provided that there is a regional trade agreement (RTA) in place, in accordance with GATT Article XXIV, between the countries involved in the acquisition of the originating status and the country of destination and that the rules of origin in such agreements are identical to those in this Agreement.<sup>17</sup>

31. Article 6 of Protocol III provides for an "absorption principle" - i.e. when a non-originating material acquires originating status by meeting the corresponding processing requirement, this material is considered to be 100% originating once incorporated into a final product.

32. The "tolerance rule" in Article 6.2 provides that non-originating materials which would otherwise not be accepted may, nevertheless, be used provided that (i) their value does not exceed 10% of the ex-works price of the product, and (ii) any of the percentages given in the list for the maximum value of non-originating materials are not exceeded. This rule applies to all products except textiles and clothing (HS Chapters 50-63).<sup>18</sup>

33. Article 7 lays down a list of insufficient working or processing operations carried out in the territory of the Parties that do not confer origin, whether or not the product meets the tolerance rule. Article 8 defines the unit of qualification to be used when determining classification using the HS nomenclature; Articles 9-11 deal with how certain materials (accessories, spare parts or tools, sets, and neutral elements) are to be treated or valued when determining the origin of the goods.

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<sup>15</sup> The MC requirement establishes the maximum value of non-originating materials allowed in the final product, expressed as a percentage of the ex-works price of the product.

<sup>16</sup> Column 3 of Annex II to Protocol III describes the specific rule. When an alternative rule appears in column 4, either rule can be applied.

<sup>17</sup> The signatories to the Pan-Euro-Mediterranean Protocol on rules of origin are Algeria, Egypt, European Communities, Faroe Islands, Iceland, Israel, Jordan, Lebanon, Morocco, Norway, Switzerland (including Liechtenstein), Syria, Tunisia, Turkey, and the West Bank and Gaza Strip.

<sup>18</sup> Special "tolerance rules" apply to certain textile products made of a mixture of materials (see notes 5 and 6 of Annex I to Protocol III).

34. Articles 12-13 of Protocol III establish that outward processing outside the Pan-Euro-Mediterranean area is not allowed unless certain conditions are fulfilled. These conditions allow retention of originating status provided that it can be demonstrated that the returning goods are the same as those exported and that they have not undergone any operation beyond that necessary to preserve them in good condition; with respect to the latter a tolerance rule of 10% of the ex-works price of the end product applies. Non compliance with these conditions will result in the loss of originating status. The provisions on outward processing do not apply to textile products in HS Chapters 50-63. Articles 13 and 14 deal, respectively, with the transport of goods through countries outside the Pan-Euro-Mediterranean area and goods sent for exhibitions.

35. Article 15 provides for a no-drawback rule of customs duties applicable to non-originating materials used in products benefiting from preferential treatment and having obtained originating status in any of the countries that are part of the Pan-Euro-Mediterranean area. The drawback prohibition only applies when products have obtained originating status on the basis of Pan-Euro-Mediterranean diagonal cumulation. The Parties are permitted partial drawback on non-originating materials used in industrial products: for textiles and clothing (HS Chapters 50-63), a 10% rate of customs charge may be retained, while for other industrial products a 5% rate of customs charge may be retained. These provisions apply until 31 December 2009 and may be reviewed by common accord of the Parties.

**Box II.3: Rules of Origin: Basic Features at a Glance**

- No regime-wide rules of origin
- Specific rules common to both Parties apply to products covered in the Agreement
- Product specific criteria:
  - Wholly obtained or entirely produced goods
  - In general, CTC at the heading levels
  - MC rules used, either alone or as supplementary rules
  - Two alternative rules for many products
  - Process rules used in certain cases
- Cumulation:
  - Diagonal under the Pan-Euro-Mediterranean cumulation system
  - Bilateral cumulation between Egypt and Turkey
- Absorption principle
- Tolerance rule at a maximum of 10%. Different rule applies to textiles and clothing.
- No duty drawback on agricultural products. Partial drawback on industrial goods until December 2009
- Outward-processing not authorized.

C. EXPORT DUTIES AND CHARGES, AND QUANTITATIVE RESTRICTIONS

36. Article 7 of the Agreement provides for the elimination of all customs duties or charges having equivalent effect on exports of industrial products in trade between the Parties and prohibits the introduction of any new such duties from the date of entry into force of the Agreement. Similarly, Article 8 provides for the elimination of all quantitative restrictions or measures having equivalent effect on exports of industrial products in trade between the Parties and prohibits the introduction of any new quantitative restrictions from the date of entry into force of the Agreement.

37. Article 17 allows the Parties to take appropriate measures, in cases where compliance with the provisions of Articles 7 and 8 leads to situations of re-export or serious shortages that cause, or are likely to cause, major difficulties for the exporting Party. In the event of such difficulties, the Party is to inform the Joint Committee which may take any decision needed to remedy the difficulties. If a decision has not been taken within thirty days of the matter being referred to it, the exporting Party

may apply appropriate measures on the export of the product concerned. The measures must be non-discriminatory and be eliminated when conditions no longer justify their maintenance.

38. There is no provision in the Agreement for the elimination and prohibition of customs duties and quantitative restrictions on exports of agricultural products.

39. Article 12 provides that products exported to the Parties may benefit from repayment of internal taxes but not in excess of the amount of direct or indirect taxes imposed on them.

#### D. REGULATORY PROVISIONS OF THE AGREEMENT

##### 1. Standards

###### (a) Technical barriers to trade

40. In Article 27 the Parties reaffirm their existing rights and obligations with respect to each other under the WTO Agreement on Technical Barriers to Trade and agree to strengthen their cooperation in the field of technical regulations, standards and conformity assessment, with a view to increasing the mutual understanding of their respective systems and facilitating access to their respective markets.

###### (b) Sanitary and phytosanitary measures

41. In Article 11, the Parties agree to apply their sanitary measures within the rules and procedures of the GATT 1994 and other relevant WTO agreements.

##### 2. Safeguard mechanisms

###### (a) Global Safeguard Measures

42. According to Article 16, the Parties retain their rights and obligations under Article XIX of GATT 1994 and the WTO Agreement on Safeguards.

###### (b) Structural Adjustment

43. Article 14 provides for Egypt to take exceptional measures of limited duration in the form of increased duties in the case of infant industries, or certain sectors undergoing restructuring or facing serious difficulties, particularly where these difficulties produce important social problems. Customs duties applicable on imports into Egypt introduced by these measures may not exceed 25% *ad valorem* and should maintain an element of preference for products originating in Turkey. The total value of imports of the products subject to these measures may not exceed 20% of total imports of industrial products from Turkey during the last year for which statistics are available. Such measures may be applied for a period not exceeding five years unless a longer duration is authorized by the Joint Committee and shall cease to apply at the latest on the expiry of the transitional period. No measures can be introduced in respect of a product if more than three years have elapsed since the elimination of all duties and quantitative restrictions or changes or measures having equivalent effect concerning that product.

###### (c) Restrictions to safeguard balance of payments

44. In accordance with Article 19, where either Party is in serious balance of payments difficulties or under threat thereof, they may adopt restrictive measures in accordance with the



WTO Agreement and with Articles VIII and XIV of the Articles of Agreement of the International Monetary Fund.

### **3. Anti-dumping**

45. The Parties may take appropriate measures against anti-dumping in accordance with the WTO Agreement on the Implementation of Article VI of the GATT 1994 (Article 15).

### **4. Subsidies, state-aid and countervailing measures**

46. In Article 23, the Parties reaffirm that their rights and obligations in respect of subsidies are governed by Articles VI and XVI of the GATT 1994, the WTO Agreement on Subsidies and Countervailing Measures and the WTO Agreement on Agriculture. In Article 25, the Parties agree to progressively adjust any state monopoly of a commercial character so as to ensure that no discrimination regarding the conditions under which goods are procured and marketed will exist between nationals of the Parties, by the end of the fifth year following the entry into force of the Agreement, i.e. by December 2011.

### **5. Other regulations**

#### **(a) Customs-related procedures**

47. Customs procedures related to rules of origin are detailed in Titles V and VI of Protocol III; Title V (Articles 16-31) details the administrative questions and disciplines regarding proof of origin. Proof of origin is to be issued by the exporting authorities at the request of the exporter. Different certificates (EUR.1 or EUR-MED) apply depending on the type of cumulation applied (whether bilateral or diagonal) to obtain originating status. Title VI (Articles 32-36) lays down the arrangements for administrative co-operation to be followed by the Parties' customs authorities, in particular with respect to mutual assistance, verification of proof of origin, resolution of disputes, penalties, and free zones.

#### **(b) Government Procurement**

48. In Article 26, the Parties agree on the objective of a progressive liberalization of public procurement. The Joint Committee is to hold consultations on the implementation of this objective.<sup>19</sup>

#### **(c) Rules on Competition**

49. Article 22 lays out the practices relating to rules of competition which are incompatible with the proper functioning of the Agreement which include all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which prevent, restrict or distort competition; abuse by one or more undertakings of dominant position in the territories of the Parties as a whole or in a substantial part thereof; and any public aid which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods. The Joint Committee will adopt the necessary rules for the implementation of these rules within five years of the entry into force of the Agreement.

50. In order to ensure transparency in the area of public aid, the Parties agree to report annually to each other on the total amount and the distribution of aid given, and by providing, upon request, information on aid schemes.

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<sup>19</sup> According to the Parties, no consultations have been held thus far.

(d) Other

51. In Article 29 the Parties recognize the aim of achieving gradual liberalization and the opening of their markets for trade in services in accordance with the provisions of the GATS, taking into account ongoing work under the auspices of the WTO. They agree to review relevant services sectors and consider further liberalization of trade in services, taking into account international developments.

#### **IV. PROVISIONS AFFECTING TRADE IN GOODS**

##### **A. INTELLECTUAL PROPERTY**

52. In Article 24, the Parties agree to grant and ensure adequate, effective and non-discriminatory protection and enforcement of intellectual property rights. Furthermore they agree to accord each other national treatment no less favourable than that accorded to their own nationals and to nationals of any other State. Exceptions to national treatment must be in accordance with the provisions of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), in particular Articles 3, 4 and 5. Upon request of either Party, the Parties agree to review the provisions of this Article with a view to further improve the levels of protection.<sup>20</sup>

##### **B. SECTOR-SPECIFIC PROVISIONS OF THE AGREEMENT**

53. There are no sector-specific provisions in the Agreement.

##### **C. INSTITUTIONAL PROVISIONS OF THE AGREEMENT**

###### **1. Exceptions and reservations**

54. Article 18 incorporates general exceptions similar to those found in Article XX of the GATT 1994 into the Agreement. Article 32 contains security exceptions similar to those found in Article XXI of the GATT 1994.

###### **2. Accession**

55. There is no provision in the Agreement for the accession of third parties.

###### **3. Institutional framework**

56. Articles 30-31 deal with the administration of the Agreement; in particular, they establish a Joint Committee responsible for the administration of the Agreement and its proper implementation. The Committee may take decisions in cases provided for in the Agreement and make recommendations on any other matter. It is also mandated to serve as the forum for Parties' consultations and to keep under review the possibility of further removal of obstacles to trade between the Parties. The Committee meets whenever necessary at the request of the Parties, but at least once a year; it acts by common agreement.

57. No general review of the Agreement is foreseen; however, Article 35 provides for an evolutionary clause through which the Parties may enter into negotiations with a view to extending trade relations to areas not currently covered by the Agreement. Any agreement resulting from such a process will be subject to ratification or approval by Parties in accordance with their internal legal procedures.

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<sup>20</sup> According to the Parties, no revision of these provisions has taken place thus far.

#### 4. Dispute settlement

58. Article 34 sets out the procedures that apply to the settlement of disputes between the Parties regarding questions of interpretation or application of the Agreement. The Joint Committee may settle the dispute by means of a decision. In the event that the dispute is not settled by decision, either Party may notify the other of the appointment of an arbitrator. The second Party shall then appoint a second arbitrator within two months. The Joint Committee is responsible for appointing a third arbitrator. Arbitrators' decisions are taken by majority vote. The Parties are required to take the necessary steps to implement the arbitrators' decision.

#### 5. Relationship with other agreements concluded by the Parties

59. In the Preamble to the Agreement, the Parties take into consideration the rights and obligations stemming from the GATT 1994 and the WTO.

60. The Agreement does not prevent the maintenance or establishment of customs unions, free-trade areas or arrangements for frontier trade with third countries to the extent that such agreements do not negatively affect the trade regime and in particular the provisions concerning rules of origin provided for in the Agreement (Article 13).

61. Table IV.1 lists the RTAs, notified and non-notified to the GATT/WTO and in force, to which Egypt and Turkey are parties.

**Table IV.1**  
**Egypt and Turkey: Participation in other RTAs (notified and non-notified in force)**

Partner / Agreement	Date of entry into force	Type of agreement	GATT/WTO Notification	
			Year	WTO Provision
<b>EGYPT</b>				
EFTA	01.08.07	Goods	2007	GATT Art. XXIV
European Communities	01.06.04	Goods	2004	GATT Art. XXIV
Pan-Arab	01.01.98	Goods	2006	GATT Art. XXIV
COMESA <sup>a</sup>	08.12.94	Goods	1995	Enabling Clause
GSTP	19.04.89	Goods	1989	Enabling Clause
Agadir	06.07.06	Goods	Not notified	
Iraq	16.08.01	Goods	Not notified	
Jordan	01.01.99	Goods	Not notified	
Lebanon	05.03.99	Goods	Not notified	
Libya	26.04.07	Goods	Not notified	
Morocco	26.04.99	Goods	Not notified	
Palestinian Authority	28.12.99	Goods	Not notified	
Syria	01.12.91	Goods	Not notified	
Tunisia	15.03.99	Goods	Not notified	
<b>TURKEY</b>				
Albania	01.05.08	Goods	2008	GATT Art. XXIV
Syria	01.01.07	Goods	2007	GATT Art. XXIV
Morocco	01.01.06	Goods	2006	GATT Art. XXIV
Tunisia	01.07.05	Goods	2005	GATT Art. XXIV
Palestinian Authority	01.06.05	Goods	2005	GATT Art. XXIV
Croatia	01.07.03	Goods	2003	GATT Art. XXIV
Bosnia and Herzegovina	01.07.03	Goods	2003	GATT Art. XXIV
FYROM	01.09.00	Goods	2001	GATT Art. XXIV
Israel	01.05.97	Goods	1998	GATT Art. XXIV

Table IV.1 (cont'd)

Partner / Agreement	Date of entry into force	Type of agreement	GATT/WTO Notification	
			Year	WTO Provision
European Communities	01.01.96	Goods	1995	GATT Art. XXIV
EFTA	01.04.92	Goods	1992	GATT Art. XXIV
PTN	11.02.73	Goods	1971	Enabling Clause
ECO	Signed 17.07.03 not implemented	Goods	1992	Enabling Clause

a Egypt signed the COMESA Agreement on 29.6.1998.

Note: COMESA: Common Market for Eastern and Southern Africa.  
EFTA: European Free Trade Area.  
GSTP: Global System of Trade Preferences.  
PTN: Protocol relating to Trade Negotiations among developing countries.

Source: WTO Secretariat.

ANNEX I

**Indicators of Trade Liberalization under the Agreement**

62. A comparison between the scheduled elimination of tariffs applied to the Parties' mutual imports and the duty rates applied by them on MFN imports is shown in Tables AI.1 (Egypt) and AI.2 (Turkey), by agricultural (WTO definition), non-agricultural and total products. Applied MFN duty rates in 2007 serve as a comparison.

63. In 2007 Egypt's (unweighted) average MFN rate was 17.0%; the tariff applied to agricultural products is more than six times higher than that applied to non-agricultural products. Only 8.9% of Egypt's tariff lines are duty-free at an MFN level. On entry into force of the Agreement, Turkey's exporters enjoyed an absolute margin of preference of 1.1% on non-agricultural products *vis-à-vis* the prevailing average MFN tariff in 2007; no liberalization of agricultural goods is scheduled under the Agreement. By the end of the transition period in 2020, the average tariff faced by Turkey's exporters on all products is set to be 9.0%, with the share of duty-free tariff lines increasing to 86.8%.

**Table AI.1**  
**Egypt: Indicators of MFN tariff rates and preferential rates for imports from Turkey**

Origin of goods	Year	ALL PRODUCTS			Agricultural products <sup>a</sup>			Non-agricultural products		
		Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
MFN	2007	17.0	18.7	8.9	63.1	72.8	13.2	10.0	10.9	8.2
Turkey	2007	16.1	17.7	8.9	63.1	72.8	13.2	8.9	9.7	8.2
	2008	15.7	25.7	39.0	63.1	72.8	13.2	8.4	14.7	43.0
	2009	15.4	25.3	39.0	63.1	72.8	13.2	8.1	14.2	43.0
	2010	14.9	24.5	39.0	63.1	72.8	13.2	7.5	13.2	43.0
	2011	14.4	23.6	39.0	63.1	72.8	13.2	6.9	12.2	43.0
	2012	13.4	22.0	39.0	63.1	72.8	13.2	5.8	10.1	43.0
	2013	12.4	20.3	39.0	63.1	72.8	13.2	4.6	8.1	43.0
	2014	11.4	27.1	58.0	63.1	72.8	13.2	3.4	9.8	65.0
	2015	10.6	25.3	58.0	63.1	72.8	13.2	2.5	7.3	65.0
	2016	9.8	23.5	58.0	63.1	72.8	13.2	1.7	4.8	65.0
	2017	9.1	67.5	86.4	63.1	72.8	13.2	0.8	35.5	97.8
	2018	9.1	67.4	86.4	63.1	72.8	13.2	0.8	34.9	97.8
	2019	9.1	67.3	86.4	63.1	72.8	13.2	0.8	34.3	97.8
	2020	9.0	69.3	86.8	63.1	72.8	13.2	0.7	42.6	98.2

a WTO Definition.

Source: WTO Secretariat estimates based on data provided by Egypt and the WTO-IDB.

64. Turkey's average applied MFN rate in 2007 was 11.6%; the average applied tariff on agricultural products was almost ten times higher than that applied to non-agricultural products. Duty-free tariff lines account for 23.6% of all tariff lines. Egypt's exporters enjoyed an absolute margin of preference of 4.3% for non-agricultural goods *vis-à-vis* the prevailing average MFN tariff in 2007 and no reduction in the average applied tariff on agricultural goods. Overall, Egypt's exporters enjoyed an absolute margin of preference of 3.6% *vis-à-vis* the prevailing average applied MFN tariff, as well as an increase to 82.1% in the share of Turkey's duty-free lines.

Table AI.2

Turkey: Indicators of MFN tariff rates and preferential rates for imports from Egypt

Origin of goods	Year	ALL PRODUCTS			Agricultural products <sup>a</sup>			Non-agricultural products		
		Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)	Average applied tariff		Share of duty-free tariff lines (%)
		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)		Overall (%)	On dutiable (%)	
MFN	2007	11.6	15.2	23.6	47.6	54.6	12.7	5.0	6.7	25.8
Egypt	2007	8.0	44.9	82.1	47.6	55.1	13.5	0.7	13.1	94.9

a WTO Definition.

Note: in quota rates are excluded; *ad valorem* components of mixed and compound rates are included in the calculations.

Source: WTO Secretariat estimates based on data provided by Turkey; TPR database.

65. Table AI.3 shows the market access opportunities in Turkey for Egypt's top 25 exports, which in 2004-2006 accounted on average for 62.1% of Egypt's global exports. The table shows at which year all HS 12-digit tariff lines corresponding to the product definition (i.e. applying to the 6-digit HS code used to capture the volume of trade) will become duty-free in Turkey.

66. Egypt's top 25 exports cover a total of 181 HS 12-digit tariff lines. Five of Egypt's top 25 exports (which account for 16 HS 12-digit lines and 11.1% of Egypt's average global exports in the period 2004-06) already benefit from zero MFN duties in Turkey's market, and a further 16 products (accounting for 128 tariff lines and a further 46.5% of Egypt's average global exports) gain immediate duty-free access. Four products (rice, oranges, potatoes and cane molasses), accounting for 35 HS 12-digit lines and 4.6% of Egypt's average global exports remain subject to duties ranging from 19 to 54% in Turkey. The margin of preference granted to Egypt by Turkey under the Agreement varies from 0 to 15 percentage points.

Table AI.3 – Market access opportunities under the agreement for Egypt's top 25 exports

Egypt's top export products in 2004-2006			Access Conditions to Turkey's import markets			
			MFN (2007)		Duty-free in 2007	Remain dutiable
HS number and description of the product	Share in global exports (%)	Avg. applied rate (%)	Number of tariff lines			
			Duty-free	Dutiable		
271019	Other petroleum oils and oils obtained from bituminous minerals (other than crude)	8.5	3.7	61	61	
271011	Light oils and preparations	8.5	4.7	16	16	
271099	Other waste oils other than those containing polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs) or polybrominated biphenyls (PBBs)	8.5	3.5	1	1	
271091	Petroleum oils and oils obtained from bituminous minerals, other than crude containing PCBs, PCTs or PBBs	8.5	3.5	1	1	
270900	Petroleum oils and oils obtained from bituminous minerals, crude.	6.0	0.0	2		
100630	Semi-milled or wholly milled rice, whether or not polished or glazed	2.7	45.0	16	16	
520100	Cotton, not carded or combed.	2.7	0.0	2		
721420	Other bars and rods of iron or non-alloy steel containing indentations, ribs, grooves or other deformations produced during the rolling process or twisted after rolling	2.0	15.0	7	7	

Table AI.3 (cont'd)

Egypt's top export products in 2004-2006			Access Conditions to Turkey's import markets				
			MFN (2007)		Duty-free in 2007	Remain dutiable	
HS number and description of the product	Share in global exports (%)	Avg. applied rate (%)	Number of tariff lines				
			Duty-free	Dutiable			
390110	Polyethylene having a specific gravity of less than 0.94	1.7	6.5	4	4		
721911	Flat rolled products of stainless steel, of a thickness exceeding 10 mm	1.5	2.0	2	2		
252310	Cement clinkers	1.4	1.7	1	1		
252329	Portland cement, other	1.1	1.7	2	2		
710812	Gold, other unwrought forms	0.9	0	1			
630291	Bed linen, table linen, of cotton	0.9	12.0	1	1		
271112	Propane	0.8	1.8	1	5	5	
251511	Marble, travertine, crude or roughly trimmed	0.8	0	5			
760110	Aluminium, not alloyed	0.8	6.0	1	1		
080510	Oranges	0.7	54.0	15		15	
610910	T-shirts, singlets and other vests, of cotton	0.7	12.0	1	1		
270400	Coke and semi-coke of coal, of lignite or of peat, whether or not agglomerated; retort carbon.	0.7	0	6			
070190	Other potatoes, fresh or chilled, other than seed.	0.7	19.3	3		3	
732690	Other articles of iron or steel	0.7	2.7	10	10		
271290	Micro-crystalline petroleum wax, slack wax, ozokerite, lignite wax, peat wax, other mineral waxes, and similar products obtained by synthesis or by other processes	0.5	1.3	1	11	11	
170310	Cane molasses	0.5	31.5	1		1	
680221	Marble, travertine and alabaster	0.4	1.7	4	4		
<b>Total of above</b>		<b>62.1</b>		<b>18</b>	<b>163</b>	<b>128</b>	<b>35</b>

Source: WTO estimates based on data provided by Turkey and UNSD, Comtrade data.

67. Table AI.4 shows the market access conditions in Egypt for Turkey's top 25 exports, which in 2004-2006 accounted for 29.9% of its global exports and a total of 39 HS-8 digit lines. One product is duty-free on an MFN basis in Egypt's market. In 2014, four products, accounting for seven tariff lines and 2.5% of Turkey's global exports become duty-free. In 2017, 14 products, accounting for 17 tariff lines and 20.8% of Turkey's global exports become duty-free. In 2020, a further three products accounting for ten tariff lines and 3.5% of Turkey's global exports become duty-free. Three products – shelled hazelnuts, tobacco, and other fruits and nuts – remain dutiable. The margin of preference granted to Turkey by Egypt under the Agreement varies from 2 to 56 percentage points.

Table AI.4 – Market access opportunities under the agreement for Turkey's top 25 exports

Turkey's top export products in 2004-2006			Access Conditions to Egypt's import markets					
			MFN (2007)		Duty-free in			
HS number and description of the product	Share in global exports (%)	Average MFN applied rate (%)	Number of tariff lines		2008	2014	2017	2020
			Duty-free	Dutiable				
721420	Other bars and rods of iron, containing indentations, ribs, grooves or other deformations	3.3	5.0	1			1	
852812	Televisions, colour	3.2	17.5	2	1		1	
610910	T-shirts, singlets, of cotton	3.0	30.0	1			1	

Table AI.4 (cont'd)

Turkey's top export products in 2004-2006			Access Conditions to Egypt's import markets						Remain Dutiable	
			MFN (2007)		Duty-free in					
			Average MFN applied rate (%)	Number of tariff lines		2008	2014	2017		2020
Duty- free	Dutiable									
HS number and description of the product	Share in global exports (%)									
870421	Motor vehicles, g.v.w. not exceeding 5 tonnes	1.9	20.0	2			2			
620462	Women's or girls' suits, of cotton	1.5	30.0	1			1			
870323	Other vehicles, of a cylinder capacity exceeding 1,500 cc but not exceeding 3,000 cc	1.5	56.25	4				4		
711319	Articles of jewellery, of other precious metal, whether or not plated or clad with precious metal	1.4	10.0	1			1			
080222	Hazelnuts or filberts, shelled	1.3	5.0	1				1		
870332	Motor cars, of a cylinder capacity exceeding 1,500 cc but not exceeding 2,500 cc	1.2	56.25	4				4		
620342	Trousers, of cotton	1.1	30.0	1			1			
611020	Jerseys, pullovers, of cotton	1.1	30.0	1			1			
271011	Light oils and preparations	0.8	5.0	2	1	1				
611592	Panty hose, tights, of cotton	0.8	20.0	2		1	1			
870210	Motor vehicles for the transport of ten or more persons, with compression-ignition internal combustion piston engine	0.8	40.0	1			1			
630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics, of cotton	0.7	30.0	1			1			
870322	Motor cars, of a cylinder capacity exceeding 1,000 cc but not exceeding 1,500 cc	0.7	25.0	2			1	1		
841821	Refrigerators, compression-type	0.7	30.0	2			2			
680291	Marble, travertine and alabaster	0.7	10.0	1			1			
271019	Other petroleum oils and oils obtained from bituminous minerals other than light oils and preparations	0.6	5.0	2	1	1				
840999	Other parts suitable for use solely or principally with the engines of heading 84.07 or 84.08	0.6	2.0	1		1				
610990	T-shirts, singlets, of other textile materials	0.6	30.0	1			1			
720711	Semi-finished products or iron or non-alloy steel, of rectangular (including square) cross-section, the width measuring less than twice the thickness	0.6	0.0	1						
240110	Tobacco, not stemmed/stripped	0.6	L.E 6.1 per K.N	1				1		
200819	Fruits, nuts and other edible parts of plants, other, including mixtures	0.6	20.0	1				1		
870899	Parts and accessories of motor vehicles of headings 87.01 to 87.05, other parts and accessories	0.5	6.0	2	1	1				
<b>Total of above</b>		<b>29.9</b>		<b>1</b>	<b>38</b>	<b>4</b>	<b>5</b>	<b>17</b>	<b>9</b>	<b>3</b>

Source: WTO estimates based on data provided by Egypt, WTO-IDB and UNSD, Comtrade data.



## ANNEX II

Agricultural concessions under the Egypt -Turkey Agreement**Table AII.1**  
**Egypt's agricultural concessions on imports originating from Turkey**

CN Code	Product Description	TRQs on entry into force (2007)		Average MFN 2007
		Quota (Tonne)	In-quota duty %	
0802.21	Hazelnuts or filberts ( <i>Corylus</i> spp)	2,000	0	5
0802.22				5
0804.20	Figs	500	0	10
0809.20	Cherries (including sour cherries)	500	0	5
0813.10	Dried apricots	500	0	10
1507.90.91	Soya-bean oil, semi-refined in bulk	10,000	0	2
1512.11	Crude sunflower or safflower oil			0
1512.19.91	Sunflower seed oil, semi-refined in bulk	20,000	0	2
1515.21	Crude maize (corn) oil and its fractions	10,000	0	0
1517	Margarine; edible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this chapter, other than edible fats or oils or their fractions of heading 1516	1,000	0	15
1704	Sugar confectionery (including white chocolate), not containing cocoa	2,000	25.5	30
1806	Chocolate and other food preparations containing cocoa	1,000	13.6	16
1902	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared	1,000	25.5	30
1905	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products	1,000	21.5	25.3
2001.10	Cucumber and gherkins, prepared or preserved by vinegar or acetic acid	1,000	17	20
2008	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included	500	15.2	17.9
2009	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	500	16.7	19.1
2102.10	Active yeasts	3,000	8.5	10

**Table AII.2**  
**Turkey's agricultural concessions on imports originating from Egypt**

CN Code	Product Description	TRQs on entry into force (2007)		Average MFN 2007
		Quota (Tonne)	In-quota duty %	
Chapter 3	Fish and crustaceans, molluscs and other aquatic invertebrates (excl. 0301)	Unlimited	50% of MFN rate	0-37.5% + Mass Housing Fund as % of CIF value (7--35%)
0602	Other live plants (including their roots), cuttings and slips; mushroom spawn (excl. 0602.90.91, 99)	Unlimited	0	3.9 <sup>a</sup>
0603	Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, dried, dyed, bleached, impregnated or otherwise prepared	15	0	46.8
0701.90	Other potatoes, fresh or chilled	400	0	19.3
0703.20	Garlic, fresh or chilled	100	0	49.5

Table AII.2 (cont'd)

CN Code	Product Description	TRQs on entry into force (2007)		Average MFN 2007
		Quota (Tonne)	In-quota duty %	
0705	Lettuce ( <i>Lactuca sativa</i> ) and chicory ( <i>Cichorium</i> spp.), fresh or chilled	600	0	19.5
0706	Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots, fresh or chilled			36.9
0709	Other vegetables, fresh or chilled (excl. 0709.90.31, 39)			19.5 <sup>b</sup>
0710	Vegetables (uncooked or cooked by steaming or boiling in water), frozen (excl. 0710.80.10)			19.5
0711	Vegetables provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption (excl. 0711.20, 40)			5-36
0712	Dried vegetables, whole, cut, sliced, broken or in powder, but not further prepared			19.5 <sup>c</sup>
0804.10	Dates, fresh or dried	5000	0	25
0804.50	Guavas, mangoes and mangosteens, fresh or dried	1000	0	45
0810.10	Strawberries, fresh	200	0	50
0909	Seeds of anise, badian, fennel, coriander, cumin or caraway; juniper berries	100	0	30
0910	Ginger, saffron, turmeric (curcuma), thyme, bay leaves, curry and other spices	100	0	30
1006.20	Husked (brown) rice	30000	0	36
1006.30	Semi-milled or wholly milled rice, whether or not polished or glazed	10000	22.5	45
1202	Groundnuts, not roasted or otherwise cooked	500	0	20-32.4
1704	Sugar confectionery (including white chocolate), not containing cocoa	2000	85 % of MFN rate (*)	6.2-9.1% + amount paid to the fund in €100 kg/net as agricultural component (72.74 – 94.3 Tl)
1806	Chocolate and other food preparations containing cocoa	1000	85 % of MFN rate (*)	8-15.4% + amount paid to the fund in €100 kg/net as agricultural component (68.4 – 106.68 Tl)
1902	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared	1000	85 % of MFN rate (*)	6.4-8.3% + amount paid to the fund in €100 kg/net as agricultural component (10.67 – 50.89 Tl)
1905	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products	1000	85 % of MFN rate (*)	3.8-10.1% + amount paid to the fund in €100 kg/net as agricultural component (37.91-93.89 Tl)
2001.10	Cucumber and gherkins, prepared or preserved by vinegar or acetic acid	1000	33	39
2008	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included	500	50	58.5
2009	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit	500	50	58.5
2102.10	Active yeasts	3000	85% of MFN rate (*)	12% + amount paid to the fund in €100 kg/net as agricultural component (12.47 – 59.4 Tl)

a For 0602.90.91 and 0602.90.99 the MFN rate is 19.5%.

b For 0709.90.40 the MFN rate is 5%.

c For 0712.90.11 and 0712.90.19 the MFN rate is 11.7%.

(\*) For products falling under the HS Codes 1704, 1806, 1902, 1905 and 2102.10 the *ad valorem* duties will be abolished and reductions will be made from the duties on the agricultural component.