I have asked for the floor in order to report briefly to the CONTRACTING PARTIES on the implementation of our association with the European Economic Community since the last session.

As you know, the Agreement creating an Association between Turkey and the EEC entered into force four years ago on 1 December 1964. Over this period the CONTRACTING PARTIES have been given progress reports on the association between Turkey and the EEC.

In the years 1967-68 the developments that, in my opinion, are worthy of mention in connexion with the implementation of the Ankara Agreement concern, on the one hand, the tariff quotas opened by the member States for the four Turkish products and on the other hand, new products for which certain facilities for access to the Community market have been granted.

In November 1966, acting under Article 4 of the Provisional Protocol, the Association Council had decided to increase the volume of the four quotas for the year 1967 from 13,615 tons to 17,615 tons for tobacco, from 33,000 tons to 38,570 tons for raisins, from 14,300 tons to 18,900 tons for dried figs and from 17,000 tons to 18,700 tons for hazel-nuts.

The amounts of these increased quotas that were actually taken up were as follows: 14,728 tons for tobacco, 29,417 tons for raisins, 15,599 tons for dried figs and 18,700 tons for hazel-nuts.

In other words, the overall utilization rate for tobacco was 83.6 per cent - 1.6 per cent above the level for 1966. For raisins it was 76 per cent, i.e. 2.5 points below the level for the preceding year; the quota utilization rate for dried figs was 82.5 per cent, i.e. 15.5 points below the 1966 level; for hazel-nuts it has remained at 100 per cent.
It should be noted that outside these tariff quotas, the Community imported only 3,984 tons of hazel-nuts in 1967.

In conformity with Article 3 of the Provisional Protocol annexed to the Ankara Agreement, the national tariff quotas for tobacco have been converted into Community quotas with effect from 1 January 1968. The total volume of this quota has remained the same as in 1967, and the applicable duty within the limits of that quota is a zero rate. As from 1 July 1968, the national quotas provided for the other three products have been converted into Community quotas. Here again, there has been no change in the volume of the quotas in relation to 1967. The applicable rates of duty are 4.7 per cent for dried figs and 2.5 per cent for hazel-nuts. Raisins are duty free.

Acting under Article 6 of the Provisional Protocol annexed to the Ankara Agreement, the Association Council has granted new facilities to promote the disposal in the Community market of certain Turkish products representing approximately 5 per cent of Turkey's total exports to the EEC. These facilities consist of the opening of national tariff quotas at reduced duty rates or at the Community duty rates for certain fish, crustaceans and molluscs, certain quality wines and certain textile products. Furthermore, it has been decided to grant a tariff preference to Turkey for table grapes (50 per cent of the common customs tariff during one month of the year) and for citrus fruits (20 per cent of the common customs tariff). Lastly, the tariff reductions agreed on at the end of the Kennedy Round in respect of certain hand-made carpets were made effective as from 1 December 1967.

The national tariff quotas opened for certain textiles have been replaced by Community quotas as from 1 July 1968, following the achievement of the customs union between the EEC countries.

On 1 December next, four years will have elapsed since the Ankara Agreement entered into force. Thereafter, in accordance with Article 1 of the Provisional Protocol and taking into account the economic situation of Turkey, the Association Council will examine the possibility of moving on from the present preparatory stage to the transitional stage. I should like to emphasize on this occasion that the CONTRACTING PARTIES will likewise be informed of the results achieved in these matters.

Mr. Chairman, that is the information that we consider it appropriate to give you today on the application of the Ankara Agreement, whose implementation is continuing in conformity with the objectives of the General Agreement, with a view to progressively attaining its final aim.