

RESTRICTED

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PREPARATION OF THE SIXTH ANNUAL REPORT UNDER ARTICLE XIV:1(g)

Information supplied in Response to the Questionnaire
by the Government of
TURKEY

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Question I - The technique of restriction

(i) Import licences without fixing quotas in advance

The system in force in Turkey is one of import licences without fixing quotas in advance.

(a) The modifications introduced by Turkey into the Foreign Trade Regime were described in this part of the report submitted to the CONTRACTING PARTIES in 1955. Since that report was communicated, no essential modification has taken place in that regime as regards the basic rules governing it. The only changes to be noted and which were introduced by Decree dated 17 August 1955, No. 990, consist of a widening and re-inforcing of the rules already applied in the case of certain export products. All imports are subject as in the past to the licensing system. Imports of goods on the liberalization schedule are likewise carried out through the issuance of import licences, on account of the debit situation in the balance of payments.

(b) As indicated in the report submitted last year, the Turkish Government although having suspended application of the liberalization regime, gives satisfactory replies, to a large extent and with the greatest facility, to requests for licences submitted for goods of primary importance, such as raw materials required to meet the needs of national industry, fittings and spare parts, and all other necessary goods.

Further, the Turkish Government whose main task is to increase its production, is endeavouring to ensure the development of its export facilities, and consequently of its legitimate share of international trade.

The statistical data on imports and exports during the first eight months in 1954 and 1955 are reproduced below: (only the data referring to this period being available for 1955, the same period has also been adopted as a basis for 1954)

<u>Imports</u>		<u>Exports</u>	
January - July		January - July	
<u>In tons</u>	<u>In thousand L Turk.</u>	<u>In tons</u>	<u>In thousand L Turk.</u>
1954 1,371,000	825,515	1,035,481	518,029
1955 1,838,593	839,411	1,014,465	474,323

As will be seen from these figures the volume of imports for the first seven months of 1955 was sizeably greater in tonnage and value than that of 1954. Therefore, as pointed out in the report submitted last year, the Turkish Government, in adopting these measures, is applying the provisions of Article XII:3 (b)(ii) of the General Agreement, according to which any contracting party applying import restrictions under this Article may determine the incidence of the restrictions on imports of different products or classes of products in such a way as to give priority to the importation of those products which are more essential in the light of such policies, rather than re-inforcing import restrictions in the sense of Article XII:4(b) of the General Agreement.

(ii) The method of global quotas fixed in advance

This method is not applied in Turkey.

(iii) The system of allotment of shares in quotas among supplier countries, either unilaterally or through special agreements or negotiations

This system is not applied in Turkey.

The quotas fixed for certain products in certain trade agreements concluded by Turkey and at present in force, mention in each case the goods or products to be dealt in rather than the annual quotas established by country and by area.

(iv) Import prohibitions

As indicated in the report submitted last year, import restrictions and import prohibitions at present in force are only designed to protect the balance of payments. In addition, certain prohibitions and restrictions are likewise imposed for social, health, moral and security reasons specified in the relevant articles of the General Agreement.

(v) All other methods including barter transactions

Under this item may be mentioned the Equalization Fund established by Decree No. 907 of 3 September 1953 in regard to which detailed information was given to the CONTRACTING PARTIES during the Ninth Session. This Fund is designed, as pointed out in part (i) of the report submitted last year, to assist firstly Turkish exporters against competition in external markets, by enabling them to lower the prices of their goods, the export of which is rendered difficult as a result of the measures of promotion and protection introduced by the other countries, and to facilitate trade in small commercial quantities of certain import articles of secondary importance.

The Fund is financed by the sale of import permits for goods included in Schedule (A) appended to the above-mentioned Decree, and importers of these goods pay a difference in price varying between 25 and 75 per cent of the price of the imported article, to acquire the permits they need.

The export products for which grants of financial assistance are authorized are given in Schedule (B) of the Equalization Fund.

By Decree of 18 August 1955, No. 990 certain modifications were made this year in the composition of Schedule (B) - export list. In particular, products such as fresh fruit, frozen meat, meat and bone meal and their preparations, fish meal, bonito and bonito extract, liquorice and liquorice extract, shelled frozen eggs, melon, water melons and dried figs, wild flower bulbs, were introduced into this Schedule.

The value of imported goods on List (A) of the Equalization Fund amounted to 63,984,000 L Turk. in 1954, as compared with global imports for this year, i.e. 1,339,404,000 L Turk. representing the infinitesimal percentage of 4.78.

Question II - State trading

Importation of articles indicated below is under state monopoly.

1. Alcohol and alcoholic beverages except beer, wine and whisky
2. Quinine and its derivatives
3. Tea
4. Manufactured tobacco
5. Playing cards

Subject to the provisions of Act No. 6136, the monopoly system was abolished by Act No. 6551 of 9 May 1955 as regards the manufacture, sale and import of inflammable materials, sporting rifles and other sporting fire-arms.

The state agencies having a monopoly on the above articles, are guided in their purchases by considerations of a commercial character, such as price, quality, the taste of consumers, available quantities, etc., without discrimination as to supplier countries. Imports of the articles concerned are likewise subject to the licensing system.

Question III - The basis of restriction

As the Turkish regime does not provide for allocation of quotas among various countries, this question does not arise for Turkey.

Question IV - Measures taken to avoid damage to the trade of other contracting parties

Reference should be made in this connexion to the reports submitted for the previous years.

Question V - Policy of discrimination

Application for imports from the dollar area are examined with a view to determining whether the same goods might not be procured outside that area, and permits are issued or refused only after that examination. However, import goods the value of which is always paid in dollars, continue to be imported under the same regime.

The regime mentioned above which is applied on account of dollar shortage is consistent with Article XIV:1(b)(c) of the General Agreement.

Statistical data relating to bilateral trade carried out in 1953 and 1954 between Turkey and the United States are reproduced below.

	<u>Imports</u> <u>In thousand L Turk.</u>	<u>Exports</u> <u>In thousand L Turk.</u>	<u>Difference</u> <u>In thousand L Turk.</u>
1954	201,364	162,972	-38,392
1953	169,094	224,646	+55,552
	<u>Percentage compared</u> <u>with overall imports</u> %		<u>Percentage compared</u> <u>with overall exports</u> %
1954	15.1		17.4
1953	11.2		20.4

The statistical data referring to the first seven months of 1955 are also given below as compared with the figures for 1954 covering the same period.

<u>January - July</u> <u>In thousand L Turk.</u>					
<u>1955</u>			<u>1954</u>		
<u>Imports</u>	<u>Exports</u>	<u>Difference</u>	<u>Imports</u>	<u>Exports</u>	
201,858	55,152	-146,706	119,345	44,226	
<u>Export difference</u> <u>1954</u>					
-75,079					

Question VI - Considerations affecting sources of imports

The conditions and reasons requiring the application of discriminatory measures are indicated under the heading V above. Apart from such circumstances no other discriminatory measures are practised in Turkey.

Question VII - Import arrangements with other countries

The Turkish Government has concluded trade agreements with the following member countries of the EPU: Federal Republic of Germany, Austria, Denmark, France, Netherlands, Sweden, Switzerland, Italy, Norway, Belgium, Greece, and with other non-members of the EPU such as Bulgaria, Czechoslovakia, Finland, Spain, Israel, Hungary, Egypt, Poland, Rumania, USSR, India, Yugoslavia and Japan. In addition to these arrangements, Turkey has also inter-banking arrangements with Eastern Germany and Brazil. Some of these arrangements have schedules giving products which are included in trading operations with indications as to quotas, some have schedules and quotas, and some have neither.

Statistical data for imports from the above countries during the first seven months of 1954 are given below.

	<u>1954</u>		<u>1955 January - July</u>
	<u>In thousand L Turk.</u>	<u>%</u>	<u>In thousand L Turk.</u>
F.R. Germany	232,116	17.4	136,332
Austria	24,133	1.8	12,959
Denmark	4,393	0.3	1,237
France	93,880	7.0	39,016
Netherlands	27,207	2.0	14,411
Sweden	17,350	1.3	6,744
Switzerland	24,318	1.8	14,296
Italy	64,260	4.8	20,956
Norway	4,237	0.3	1,755
Belgium	33,714	2.5	7,356
Greece	4,064	0.3	1,881
Bulgaria	9,425	0.7	7,788
Czechoslovakia	38,402	2.9	48,124
Finland	31,397	2.3	18,182
Spain	46,914	3.5	11,048
Israel	40,908	3.1	20,018
Hungary	19,398	1.4	23,368
Egypt	5,788	0.4	7,068
Poland	23,431	1.7	31,501
Rumania	10,764	0.8	14,391
USSR	9,563	0.7	14,869
India	12,129	0.9	8,172
Yugoslavia	85,801	6.4	13,884
E. Germany	14,951	1.1	28,870
Brazil	28,288	2.2	20,077
Japan	14,690	1.1	8,323

In accordance with the terms of letters exchanged recently between the Governments of France, Italy and Western Germany, the schedules appended to the trade agreements concluded with these countries have been abolished. Further, the trade agreement with the United Kingdom, having failed to be extended by the signatories, has ceased to be in force as of 30 June 1955.

Question VIII - Import programme for 1955

A short statement will be found below on the import policy and programme for 1955 drawn up according to the various monetary areas and types of import restrictions applied.

As indicated in the reply to this question in 1954, imports are not subject to a system of pre-established quotas. Therefore, no annual programme giving the quantity of goods of specific classes is published. But an import programme based on a currency assessment which it is expected may be available is drawn up for purposes of guidance and for the use of the departments concerned. Estimates for this import programme are drawn up for the calendar year and for periods beginning July and ending June.

The total imports of Turkey, calculated on the basis of c.i.f. value, are assessed at 1,475,000,000 L Turk. for the period July 1955 to June 1956, or \$526,785,000 broken down as follows:

Dollar area: 360,000,000 L Turk. (\$128,571,500)

Member countries of the EPU and their overseas territories:
900,000,000 L Turk. (\$321,428,500)

Other countries: 215,000,000 L Turk. (\$76,785,000)

Question IX - Incidental protective effects of restrictions

Reference may be made in this connexion to the report submitted last year.