

MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Communication from Turkey

The following communication, dated 8 August 2003, has been received from the Permanent Mission of Turkey.

Introduction

1. In response to the draft modalities document (TN/MA/W/35), prepared by the Chair of the Negotiating Group on Market Access and on the basis of the documents presented by various Members, this communication is intended to set out Turkey's views in this process. Turkey reserves its right to extend or modify its proposal contained in the present document.

2. Firstly, we would like to point out that Turkey attaches great importance to the negotiations on market access for non-agricultural products. We strongly believe that the outcomes of these negotiations will allow the strengthening of the development of international trade.

Turkey applies European Communities' (EC) common external tariff for non-agricultural products since 1996 as a result of the establishment of the Customs Union. By adopting EC's common commercial and competition policies, Turkey has launched market access conditions for third countries that are similar to the EC's. Hence, Customs Union relationship with the EC is guiding Turkey to a large extent in determining its general approach in the negotiations on market access for non-agricultural products.

3. Turkey fully supports the mandate provided by the Doha Ministerial Declaration and is prepared to actively engage in these negotiations. To this end, we would like to present our views on certain issues as follows.

Tariff Bindings

4. Although Turkey's current coverage of bound tariffs is 36.3 per cent, we believe that achieving 100 per cent binding rate for all Members should be one of the principal objectives of these negotiations. In this regard, Members should commit themselves to bind all non-agricultural tariffs at the conclusion of the negotiations.

Modalities of Tariff Reduction

5. Discussions in the Negotiating Group indicate that pursuing a formula approach is the preferred method for all the Members. However, Turkey is of the view that any formula to be set out upon the arithmetical average of the Members' base rates would lack in meeting the objective of

eliminating high tariffs, tariff peaks and tariff escalation. This would only provide the continuation of the imbalances among the Members as a result of granting an advantage to the ones initially having high tariff averages regardless of their level of growth.

6. Thus, it is Turkey's perception that, instead of adopting a formula made up of different variables or coefficients for different country groups, using a formula such as the one below with a constant coefficient where 15 per cent is set as a ceiling base rate for all Members would be the compromised calculation method for improved global trade.

$$f(x) \begin{cases} x \geq 15 & y = \frac{(15 * 50)}{(15 + 50)} \\ x < 15 & y = \frac{(x * 50)}{(x + 50)} \end{cases}$$

x = initial duty

y = final duty

Base Rates

7. Developed Members should use their MFN applied rates on 14 November 2001 for all tariff lines as the base rates.

8. For the developing Members, base rates should be the bound rates. On the other hand, as an exception, selected unbound tariffs that are not exceeding a pre-determined level such as 2.5 per cent of the total volume of their imports in 2001, could be exempted from any reductions provided that they would be subject to consolidation upon the applied rates that were in force on 14 November 2001. However, some products and product groups such as textiles and clothing, leather products and footwear, which are of utmost importance in developing Members' exports should not be included in this list of exceptions.

9. The rest of unbound rates for the developing Members should be consolidated at a ceiling of 15 per cent. Afterwards, reduction commitments will be fulfilled according to the formula given above.

Non-ad valorem duties

10. Members should convert all their non-ad valorem duties to ad valorem equivalents. The calculation method that will be used for this purpose should be applicable to all Members on the same criteria.

Implementation period

11. We believe that there should be different timetables for the implementation of tariff reductions depending on the status of the Members. In this context, developed Members should complete their tariff reductions immediately by the beginning of the year following the end of the negotiations.

12. Developing Members should be allowed to implement tariff commitments in equal stages, within five years following the end of the negotiations.

Sectoral tariff elimination

13. Negotiations on the tariff reduction should be conducted within the context of a general formula. There should not be simultaneous or supplementary negotiations on any products or product groups.

Nuisance duties

14. Nuisance duties should not be treated differently than the general tariff reduction.

Non-tariff barriers

15. Turkey considers non-tariff barriers as an integral part of the negotiations and believes that after their definition, non-tariff barriers should be undertaken together with the reduction of tariffs. In this context, a modality, which enables all Members without any exceptions to eliminate non-tariff barriers, should be adopted for a significant improvement in market access.

Newly acceded Members

16. Newly acceded Members should be subject to the same conditions with the other Members, by averting the erosion of implementation of their commitments undertaken as part of their accession.

Least-developed Members

17. In parallel with the basic principles of the negotiations, least developed Members should bind all their unbound tariffs at levels, which they may determine. These Members are expected to participate in a voluntary basis to all other parts of the negotiations.

Environmental goods

18. Any approach, proposing “production and processing methods” should not be used in the negotiations on the environmental goods.

Conclusion

19. Unless Negotiating Group on Market Access will reach an agreement on all the issues, specifically on non-tariff barriers, any decision regarding the adoption and implementation of the results of the negotiations should not be taken.
