TURKEY - FISHERIES MARKET LIBERALISATION - INVENTORY OF TARIFF AND NON-TARIFF MEASURES, ASSISTANCE MEASURES AND RESTRICTIONS ON INVESTMENTS AND SERVICES

The attached paper contains the country note on Turkey concerning "Inventory of tariff and non-tariff measures, assistance measures and restrictions on investment and services".

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Fisheries production markets and trade flows

1. Imports of fishery products have rapidly increased since 1991, when capture fisheries sharply declined. In 2000, total imported fish (excluding live fish) was 44,380 tonnes, worth USD 37,065,000. Among the imported fish, frozen fish comprised over 90% of the total. Frozen tuna is an important source of raw material for the canning industry, and now dominate imports. The EU is the dominant source of fishery product supply to Turkey (especially the Netherlands and the UK) and Norway, and to a lesser extent Far East countries (Singapore and Thailand) and some African countries (Ghana, Ivory Coast). Where fresh fish and frozen fish (mostly mackerel) is concerned, imports from Norway are also important.

2. In 2000, 33,515 tonnes of fish and fish products (excluding live fish) were exported, worth USD 87,574,000. The major export markets were also the EU (especially Germany, Greece, UK, Italy, Spain and France), accounting for almost 85% of both quantity and value of exports. The others are to a lesser extent Japan and Hong-Kong for mollusc and crustacean, Lebanon for sea bream, and EFTA countries. The importance of export of canned products has increased in recent years, focusing on Germany, the UK and Belgium. Among the exported fresh and chilled fish, sea bass and sea bream are the most important species. In terms of trade balance in fishery products, there was a surplus of USD 49,472,000 in 2000, compared with USD 75,607 in 1997.

Inventory of tariff and non-tariff measures

Tariff measures

3. The Import Regime of 2001 which is transparent, explicit and easy to understand for the importers and other users, has been prepared by taking into account the agreement establishing the WTO, of which Turkey is a member, the Customs Union Agreement between Turkey and the EU; free trade agreements signed with various countries, the preferential treatments granted by Turkey to the least developed countries and to the Republic of Bosnia-Herzegovina, as well as sector specific needs. Fish and fish products are contained in the list IV.

4. Within this framework:
   - In order to ensure that Turkey’s WTO tariff commitments to the WTO are not exceeded, changes are made on the customs duties of some agricultural and processed agricultural products which are indicated in Lists I, III and IV appended to the Import Regime.
   - Pursuant to the Association Council’s Decision no 2/95 and as part of the gradual phase-out by 2001 of the customs duty difference between Turkey’s so-called “sensitive” products and the EU’s Common External Tariffs, the final 50% reduction has been made and this reduction has been reflected in the Import Regime. Thus, duty rates of Turkey’s sensitive products are in line with the EU’s Common External Tariffs.
Table 1: Import Tariffs for selected categories of fisheries products to the Turkish market

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Customs Tariffs (%)</th>
<th>Mass Housing Fund (% of CIF)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EFTA</td>
<td>EU</td>
</tr>
<tr>
<td>Live fish</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0301.10.00.00-0301.99.99.00.00</td>
<td>0</td>
<td>27-30</td>
</tr>
<tr>
<td>Fresh-chilled fish</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0302.11.00.00-0302.69.99.00.19 (not including fillets of 0304 code)</td>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td>Frozen fish</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0303.10.00.00-0303.80.10.00.00 (not including fillets of 0304 code)</td>
<td>0</td>
<td>0-30</td>
</tr>
<tr>
<td>Fresh, chilled or frozen fillets &amp; other fish meat (minced or not minced)</td>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td>Fish (dried, salted or in brine); smoked fish (cooked before or during the smoking); fish flours, meals &amp; pieces that are edible</td>
<td>0</td>
<td>21-37</td>
</tr>
<tr>
<td>Shellfish (with or without the shells), (fresh, live, chilled, frozen, dried, salted or in brine); shellfish (with the shells) (cooked in steam or water, chilled frozen, dried, salted, smoked or not), flours, meals &amp; pieces of shellfish that are edible</td>
<td>0</td>
<td>37.5</td>
</tr>
<tr>
<td>Molluscs (with or without the shells), (fresh, alive, chilled, frozen, dried, salted or in brine); other invertebrates than shellfish &amp; molluscs (live, fresh, frozen, chilled, dried, salted or in brine); flours, meals &amp; pieces of invertebrates other than shellfish that are edible</td>
<td>0</td>
<td>37.5</td>
</tr>
<tr>
<td>Extract &amp; Juices of meat, fish, crustaceans, molluscs or other invertebrates</td>
<td>0</td>
<td>40</td>
</tr>
<tr>
<td>Prepared or preserved fish, caviar &amp; substitutes from fish eggs</td>
<td>0</td>
<td>64-70</td>
</tr>
<tr>
<td>Prepared or preserved crustaceans, molluscs or other invertebrates</td>
<td>0</td>
<td>42</td>
</tr>
<tr>
<td>The flours, meals, &amp; pieces of meat, offals, fish crustaceans, molluscs &amp; other invertebrates that are not edible</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

5. The import tariffs are published annually by the Undersecretariat for Foreign Trade, under Import Regulations. A range of import tariffs is applied to fish products, depending on the perceived social value.
of the product. In addition to import duties, there is usually a substantial levy made for the mass housing fund. Some examples of rates for significant imported fisheries products are shown in Table 1 above.

**Non-tariff measures**

6. According to the Decree on Import Regime which was republished in Official Gazette of No. 22510, December 31, 1995; it is free to import all the goods but those which were described in the related regulations setting rules concerning protection of public moral, public order, public security, the preservation of the human, animal and plant health, the protection of the environment and the consumer rights or industrial and trade ownership.

**Controls Made on the Imported Fishery Products and its Execution**

7. The transactions regarding the collection of the permit for importation are carried out in accordance with the Legislation for Standardization in Foreign Trade, which takes place within the Importation Regime Decision prepared by the Prime Ministry Foreign Trade Undersecretariat upon collecting the views of the Related Ministries.

8. The control transactions on the imported fishery products, on the other hand, are carried out in accordance with Decree 560 at the Force of Law regarding Production, Consumption and Inspection, the articles taking place within Law 1380 regarding Fishery Products and the parameters based on these articles and the related results of analysis. In this respect, at the document preparation and approval stage, the Control Document, Preform Invoice or Invoice, Turkish Label Sample or Guarantee Document and other documents describe the product.

9. The other documents describing the product, on the other hand, are the CITES Document for the products within the scope of the CITES Document, Health Certificate and Certificate of Origin for the live fish products, and Chemical and Toxicological analysis reports for the processed, frozen and canned products. In case the designated documents are regarded as convenient by the exports of the Ministry’s Provincial Directorate, the Control Document and the importation permit is granted for the product.

10. At the actual importation stage, on the other hand, samples are taken according to regulations specified for the processed products and Microbiological and Chemical analyses are performed in accordance with the annex to the Fishery Products Legislation. In case the analyses are regarded as convenient with respect to the related regulations, the Customs Directorate is notified, stating that the entry of the product into the country is permissible.

**List of Third Countries and Establishments**

11. Currently, the importation of products from the countries, where diseases designated by (Office international des epizooties, World Health Organization (WHO)) are present, is not permitted. Apart from this, the purchase of products from third countries are being realized in accordance with the warnings of the World Health Organization, European Union and Other International organizations.

**ICCAT and CITES:** Like other OECD Members, Turkey has implemented a series of measures related to international resource management and conservation agreements such as ICCAT, CITES etc.
Basic Rules between Turkey and EU on the Fisheries Products:

12. The current basic rules on agriculture and fish products trade between Turkey and European Union are being arranged in the framework of Decision No. 1/98 of the EC-Turkey Association Council and its origin protocol. In this respect, in order to get the benefits of the current trade regime valid for the products originating from Turkey for the exportation of agricultural and fish products to EU, it is obligatory to obey the origin criteria as defined in Decision No. 1/98 of the EC-Turkey Association Council. It is because a processed fish product can only get Turkish origin, if it is produced totally in Turkey and/or European Community, or if it is produced out of Turkey or European Community or if it is fished by the Turkish or European Community flagged ships. Therefore, according to Council Directives No. 91/492/EEC and 91/493/EEC, the importation procedure of the fishery products from the third countries as a raw material, should be performed from approved countries by the European Union.

Import quotas

13. There are no import quotas.

Governmental financial transfer

Incentives, Protection and Exemptions

According to Fisheries Law no. 1380

14. Article 17- Regarding the investments of real and juridical persons related to production, preservation, processing and shipment, the rate of investment discount is 100% as mentioned in Article 3 of Chapter 8, which is added to the Income Tax Law no. 193, 31/12/1960 by Article 16 of Law no. 202.

(The amendment of the 2. Paragraph by Law no. 3288)

15. Utilisation right for fishermen shelters and their super-structural facilities are leased to the fishery cooperatives or cooperative unions for at least 10 years by the Ministry of Finance and Customs after getting the approval of MARA without being subject to provisions of the State Tender Law and through bargaining. In accordance with the State Tender Law no. 2886, this right is given to the real and juridical persons through a tender by the Ministry of Finance and Customs, if there was no request from fishery cooperatives or cooperative unions within 30 days after announcement.

Government Subsidies, Incentives and Support

16. The government provides the sector the following services:

- Construction of fishing vessels ports (currently there exists 274 shore constructions for fishing, 165 of them being fishing vessels ports)
- Protection and control services
- Research activities conducted on seas and internal waters
Credits granted by the Agricultural Bank to producers. Such credits can be grouped into three: fishing credits, credits for aquaculture and industrial credits. Under these credits, the expenses of the producers necessary for investment (fishing vessel, unmovable materials for facilities), operation (fry, fish feed, rent, staff, etc) and marketing of products are met.

**Investment in Turkey’s fisheries industry by foreigners**

17. The General Directorate of Foreign Investments (GDFI) operates as a one stop agency within the Undersecretariat of Treasury to assist the foreign investors. The GDFI is authorized to:

- Guide and assist foreign investors in exploring investment opportunities in Turkey
- Receive and process foreign investment applications and grant investment incentives
- Register license, know-how and management agreements
- Review and authorise work permits for expatriates
- Negotiate bilateral investment promotion and protection agreements

**Investment Incentives**

18. The current legislation concerning investment incentives is shaped by the decree published on March 25th, 1998, and its related communiqué published on May 6th, 1998. Accordingly, the incentive tools granted to investors are:

- Exemption from customs duties and fund levies
- Investment allowance
- VAT (Value Added Tax) exemption for imported and locally purchased machinery and equipment
- Exemption from taxes, duties and fees

For more detailed information about investment in Turkey, see the web page of General Directorate of Foreign Investments:

http://www.treasury.gov.tr/english/ybsweb/

**Prohibition on Fishing for Foreigners**

*According to Fisheries Law no. 1380*

19. **Article 21**- It is prohibited for non-Turkish citizens to enter the fishing areas and inland waters mentioned in Article 8 of the Territorial Waters Law No. 476, and to practise fishing activities in these areas.

20. However, foreign tourists mentioned in the 7th Paragraph of Article 3, 7th Paragraph of Article 3, Turkish citizens and foreigners who will catch fish for non-commercial or sportive purposes with small scale gears in the areas where fishing is not prohibited and are not obliged to get a fishing licence. The
matters concerning the methods and principles of this type of fishing are arranged by a regulation.) and those who will participate in research and studies mentioned in Article 14 (Article 14; Ministry of Agriculture and Rural Affairs is authorized to carry out (or make the others carry out) all the investigations concerning fishery products.) with the permission of the Ministry of Agriculture and Rural Affairs which is exempted from this provision