

	Barrier	Description	Priority actions
1	Additional duties on a wide and expanding range of products, customs implementation issues (12260)	<p>In 2011, Turkey started to introduce tariff increases or so-called ‘additional duties’ above the Common Customs Tariff that the EU-Turkey Customs Union agreement obliges Turkey to apply. Since then, Turkey has expanded the scope of these additional duties to an ever increasing number of products, from initially certain textile and garments products to cover i.a. footwear, cosmetics, household appliances, certain machinery and motorcycles. Turkey has made numerous individual Decisions, in some cases amending previous ones, covering a new set of products designated by HS codes to be subject to such duties at a rate varying anywhere from 2.5% up to 50%.</p> <p>Products originating in the EU or FTA partners of Turkey are not subject to these additional duties. However, products originating in third countries are subject to additional duties even when imported via the EU and in free circulation in the EU after completing import procedures in a Member State. A concurrent problem is therefore the requirement for a proof of origin document addressed below.</p> <p>The application of such duties is in breach of Articles 4, 13 and 16 of the EU-Turkey Customs Union Decision 1/95 and, more in general, of the very principle of the EU-Turkey Customs Union. However, Turkey is staying below its WTO bound rates in those tariff lines it has committed to any.</p> <p>Particularly worrisome is the trend towards higher value-added products, potentially affecting assembly and thus jobs in the EU. In one such case, Turkey on 14 June 2019 repealed the extension of this measure to several tariff lines after the Commission shared its specific concern in this regard. Additional duties of 10% on the relevant six tariff lines of heading 8528.72 on TVs (with LCD and plasma screens) were deleted from the list in the original decree dated 9 December 2018.</p> <p>These additional duties lead to a need for the Turkish customs to establish the origin of goods that fall under these tariff lines, and therefore a requirement for a non-preferential certificate of origin even when exporting goods in free circulation to Turkey with an A.TR movement certificate as provided for in the Customs Union agreement. On 24 May 2019, Turkey abolished the previous communique regarding the implementation of additional duties – that had required EU exporters to submit an</p>	<ul style="list-style-type: none"> - Customs Union Joint Committee - Bilateral meetings with the Turkish authorities, primarily the Ministry of Trade - Customs Cooperation Committee - Exploring further available avenues of rebalancing

		<p>exporters' declaration form stating EU origin and the name of the producer company – and introduced a general requirement for a certificate of origin for goods subject to additional duties in its customs implementing regulation. Imports from the EU with an A.TR document are said to be in principle excluded subject to a risk assessment. However, after numerous requests for clarification there is still no reliable information as to the exemption criteria. All such imports therefore de facto need to have certificates of origin, which lead to a surge in the issuance of such certificates by Member State authorities at a significant cost to all operators concerned.</p>	
--	--	--	--

2	<p>Surveillance regime for certain products (11226) and registration requirements for exporters of textile products (14545)</p>	<p>The Turkish import surveillance certificate regime consists of a requirement to obtain a surveillance license prior to the import of different products if their price is below a certain threshold defined by the authorities via various communiqués. Turkey applies import surveillance measures since 2004 to imports of a large group of products across all sectors (including agricultural or industrial products), without any time limitation and hence differing from the usually temporary and trade defence related nature of these measures. The scope of this mechanism is broad, and Turkish authorities regularly put in place communiqués through which different products enter in the scope of this measure. A decision to apply surveillance measures to specific imports can be taken either on the basis of a complaint by domestic industry or on an autonomous basis. In the process of assessment, the Ministry takes into account the conditions under which imports take place and the impact on the domestic industry.</p> <p>The Turkish authorities often argue, including in Customs Union Joint Committee meetings, that when determining minimum prices, attention is paid to avoid the negative effects on EU exports and that their main objective is to target cheap imports coming from Asia. Specific complaints by EU industries had earlier been received regarding three product groups: paper, certain pipe fittings and PVC floor coverings; Turkey removed paper products from the scope of Turkey’s import surveillance scheme, and excluding other products of EU origin imported from the EU with an A.TR document in June 2018, following discussion at the CUJC.</p> <p>However, the systemic problem remains, creating obstacles to imports and leads to overpayments of VAT, which are never recovered, de facto protecting Turkish domestic industries. The EU therefore considers this practice to be a non-automatic licensing mechanism, which is in contradiction with Articles 5 and 50 of the Customs Union agreement that prohibits quantitative restrictions and measures having equivalent effect.</p> <p>Regarding textiles in particular, a requirement imposing additional documentation on apparel and footwear from third countries entered into force on 31 January 2019. Under the system of surveillance by registration, all EU exports to Turkey are now required to submit an additional documentation and information on risk basis. The Exporter Producer Information Form is required in case the concerned importer firms cannot meet the risk criteria relating to production, export, import and employment data. It is not clear what exactly this risk refers to and what the required conditions are. This requirement imposes burdensome and far-reaching requirements on EU operators purchasing from Asian vendors.</p>	<ul style="list-style-type: none"> - Customs Union Joint Committee - Bilateral meetings with the Turkish authorities
---	---	--	--

3	Pharmaceuticals: forced localisation (10962)	<p>Starting from the “64th Action Plan of the Turkish government for 2016”, the Turkish Ministry of Health requested foreign suppliers of certain pharmaceutical products to produce locally or through a local Turkish company. Affected companies had been requested to submit a binding “letter of intent” to the Ministry of Health until 1 April 2016, ensuring production in Turkey. For companies which proposals were considered not sufficient, products will be delisted from the reimbursement list of the Turkish Social Security Institute within one year. The first list of 54 products to be delisted has been published in February 2017 and are set to be removed from the reimbursement list by February 2018. A second list is being finalised and is expected to be published in May 2017. There are plans to publish three further lists of products, ultimately covering 75% of the Turkish market. The measure therefore has serious implications for the ability of the EU pharmaceutical industry to operate in Turkey, and ultimately for production facilities within the EU.</p> <p>On 2 April 2019, the EU launched WTO dispute settlement proceedings against Turkey. As WTO consultations with Turkey in May 2019 failed to solve the dispute, the EU has requested that the DSB establish a panel. Proceedings foresee a final report in summer 2021. The EU insists that the localisation measure should be repealed as a whole, which could be done administratively as long as there is political will.</p>	<ul style="list-style-type: none"> - Customs Union Joint Committee - Bilateral meetings with the Turkish authorities - Dispute settlement under WTO auspices
---	--	--	---

4	Amendments to the Cosmetic legislation (14822)	<p>The Turkish Medicines and Medical Devices Agency released an amendment to the Cosmetics Regulation in the Official Gazette no. 25823 of 23/5/2005, in December 2018. The amendments introduce new provisions that would change the framework of the Turkish cosmetic regulatory system, by moving from an in-market control to a pre-registration system. As a result, the new amendments would depart from close harmonisation with the EU regulatory framework. In addition, the amendments introduce new requirements relative to the detailed Cosmetic Product Safety Assessment (SA) and Good Manufacturing Practices (GMP) certificate which also diverge from the EU regulatory framework. An insufficient transition period is given for the companies to comply with the new requirements and the amendments were not notified to the WTO.</p>	<ul style="list-style-type: none"> - Customs Union Joint Committee - Bilateral exchanges with the Turkish authorities, including meetings with specific institutions in Ankara
5	Deficient IPR enforcement (11227)	<p>Length of proceedings and deficient enforcement of the domestic IPR regulations especially with regard to preliminary measures such as search and seizure warrants were identified as the main weaknesses of the current system. IPR infringements are widespread and affect several sectors. They concern particularly trademarks. EU companies are affected by the deficient IPR enforcement both in Turkey and in the EU given that based on the reports on EU Customs enforcement services (further steps are needed to better target and intercept IPR infringing shipments that are entering into, transiting through, and being exported from Turkey), Turkey is the country of origin of a large number of counterfeit goods imported to the EU.</p>	<ul style="list-style-type: none"> - Customs Union Joint Committee - IPR Working Group meeting with the Turkish authorities and Turkish and EU stakeholders
6	Conformity assessment, requirement to provide test reports and TAREKS inspections (10820)	<p>EU products and third countries products entering Turkey via the EU are exempted from conformity assessment checks if they are processed through a risk based import control system called TAREKS. Normally, products in free circulation in the EU with a A.TR. certificate should have direct access to the Turkish market except where checks are justified on the basis of a risk analysis. However, EU companies have experienced excessive requests for documentation and submission of test results when importing into Turkey. In some cases Turkey requires that testing is carried out by the Turkish laboratories refusing to accept test results from accredited EU laboratories. These issues mainly concern machineries, footwear, telecom and electrical equipment sectors.</p> <p>These controls do not appear to be justified in light of any incidents of malfunctions or defects of the products and are also performed on products that are accompanied by A.TR. certificates.</p>	<ul style="list-style-type: none"> - Customs Union Joint Committee - Bilateral meetings with the Turkish authorities in Ankara

7	Export restrictions on scrap of copper (11224)	Copper and aluminium scrap are important raw materials for the steel industry, which is facing in the EU the enormous challenge of global overcapacity. Access to copper from the important Turkish market was restricted since 2006, when Turkey started imposing registration requirements for exports. Further restrictions were put in place in 2010 when a licensing regime kicked in with such strenuous obligations that exports were almost impossible. These measures were extended to aluminium scrap in April 2011. On 11 July 2017, Turkey had ended this long-standing practice, but on 18 April 2019, Turkey reintroduced the export restriction on copper scrap by means of a communique amending the previous communique Export 2006/7.	- Customs Union Joint Committee
---	--	---	---------------------------------

8	Import regime regarding the agricultural component of sweetcorn (12682)	Sweetcorn: In 2016 Turkey increased the agricultural component (EA) applied to imports of sweetcorn products from the EU from 2.91 euro/100kg net to 23.32 euro/100kg net. Such a change can only be made based on a joint decision by the EU and Turkey; it cannot be done unilaterally by Turkey. This increase is not in line with Decision 1/95. The measure had severely reduced EU exports of sweetcorn by as much as 90% in 2016, compared to 2015.	- Customs Union Joint Committee - Sub-committee on Agriculture
---	---	--	---

9	Discriminatory treatment between Turkish and EU-produced of tractors (12902)	The Directive for Production, Modification and Assembling of Vehicles (AITM) foresees that, as of January 2018, EU-produced tractors imported to Turkey will be treated differently to tractors produced and sold in Turkey. In particular, it is foreseen that EU-produced tractors imported to Turkey would need to meet the stricter engine emission requirements of Stage IV (Tier 4 final) while tractors produced in Turkey would only need to meet the less strict emission requirements of Stage IIIB (Tier 4 interim) (Regulation EU 167/2013).	- Customs Union Joint Committee
---	--	--	---------------------------------