

**Committee on Regional Trade Agreements  
Twenty-Sixth Session**

**EXAMINATION OF THE FREE TRADE AGREEMENT  
BETWEEN TURKEY AND BULGARIA**

Note on the Meeting of 7 July 2000

*Chairman: Mr. Jae Gil Lee (Korea)*

1. The meeting was convened in document WTO/AIR/1339.
2. Under Agenda Item D.VII of its Twenty-sixth Session, the Committee on Regional Trade Agreements (CRTA) took up the examination of the Free Trade Agreement (FTA) between Turkey and Bulgaria. The following topics were discussed.

- A. GENERAL REMARKS
- B. SECTION II - TRADE PROVISIONS

A. GENERAL REMARKS

3. The Chairperson noted that was the second round of examination of the Agreement, which had already been examined on 30 March 2000 during the Twenty-fifth Session of the CRTA, under his Chairmanship. The proceedings of that meeting had been distributed under document symbol WT/REG72/M/1. The written replies by the Parties to questions made during the first round of examination had also been recently distributed as document WT/REG72/6. Prior to that, additional information had been provided by the Parties in documents WT/REG72/4 and Corr.1, and WT/REG72/5. In addition, statistical information on "Imports of Bulgaria from Turkey, 1996-99, by different levels of duty" was available in the meeting room that day; they had been misplaced and because of that were being circulated at a late stage.<sup>1</sup> The Committee had the Standard Format, document WT/REG72/3, to guide the debate.

4. The representative of Turkey said that the first round of examination conducted on the basis of the Standard Format had covered every aspect and significant progress had been made through oral questions. The Parties had supplied answers to the written questions submitted by Members, which had also been distributed. Based on the examination and the written questions, he wished to summarize a few topics, which were most debated. First, he underlined that the Agreement covered trade in all industrial products. In addition, within the context of the Agreement, the Parties had granted each other preferential market access possibilities on a number of agricultural and processed agricultural products under the positive list. Moreover, an open-ended liberalization of trade in agricultural products was an important component of the Agreement: the Parties were committed to grant further concessions within the Joint Committee. Therefore, an interpretation that the agricultural sector was excluded from the coverage of the Agreement was not justifiable. Regarding the application of safeguard measures, the related provisions of the Agreement were in full conformity

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<sup>1</sup> The statistical information was subsequently circulated in document WT/REG72/4/Add.1

with GATT Article XXIV and with the WTO Agreement on Safeguards. Considering that the Agreement under examination fully complied with the principles of the multilateral trading system, and that while facilitating trade between the parties, it did not raise barriers to third parties, the factual part of the examination could be considered complete. Still, they were prepared to answer any additional questions.

B. SECTION II - TRADE PROVISIONS

5. The representative of Australia said that despite the remarks of the representative of Turkey, his delegation continued to be concerned about the treatment of agriculture in the Agreement. In the period immediately after the Agreement had entered into force, only 13 per cent of Turkey's agricultural imports from Bulgaria received duty-free access to Turkey, while 68 per cent faced the MFN rate. In paragraph 17 of document WT/REG72/M/1, the representative of Turkey had stated that in 1998, Turkey's total agricultural imports from Bulgaria had accounted for 14 per cent of total imports, which in his delegation's view was not as significant as the Parties claimed. Furthermore, there did not appear to be a time-table for the Parties to undertake further liberalization to meet the requirement of "substantially all the trade". Article 12 of the Agreement only stated that the Parties should examine the possibilities of granting each other further concessions on agricultural products depending on developments in future WTO negotiations, among other factors. His delegation was disappointed by the answer provided in response to the concerns expressed about the treatment of agriculture. He wondered how the Parties could meet the requirement for "substantially all the trade" when the Agreement essentially only covered industrial products, and asked what concrete steps the Parties could take to undertake further liberalization in the agriculture sector. While the representative of Turkey had alluded to that in his introductory remarks, he would appreciate some further elaboration.

6. The representative of the United States noted that the Agreement provided for non-zero, better than MFN, treatment for certain products at full implementation, which his delegation did not believe was provided for in GATT Article XXIV. He also stated that he might submit additional questions on the statistics provided that day.

7. The representative of Turkey said that the total coverage of the Agreement was more than 90 per cent and that agricultural products were partly covered at the time of the examination. However, an open-ended liberalization of trade in agricultural products was an important component of the Agreement and was going to be discussed in the Joint Committee meetings, depending on the Parties' agricultural policies. In the future, all products would be covered.

8. The representative of the United States asked whether there was a commitment by the Parties to complete the open-ended agricultural liberalization within the ten year period contemplated by the *Understanding on the Interpretation of Article XXIV of the GATT 1994*. The representative of Turkey replied that there was no such commitment; however, in the future, depending on the agricultural policies of the Parties, these products would mostly be covered.

9. The Chairman said that the Committee had concluded the second round of examination of the Agreement. There were a number of questions, particularly on agriculture, which would be submitted in writing. He suggested that outstanding questions be submitted to the Secretariat by 21 July 2000 and that Parties submit replies before 13 September 2000. That would enable the Committee to retain momentum in the examination process. The examination of the Agreement could then be resumed at a later date.

10. The Committee took note of the comments made.

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