

A S S O C I A T I O N

between

THE EUROPEAN ECONOMIC COMMUNITY

and

TURKEY

TENTH ANNUAL REPORT OF THE

ASSOCIATION COUNCIL

TO THE PARLIAMENTARY COMMITTEE OF THE ASSOCIATION

(1 January to 31 December 1974)

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L E T T E R
FROM THE PRESIDENT OF THE ASSOCIATION COUNCIL
TO THE PRESIDENT OF THE TURKISH GRAND NATIONAL ASSEMBLY
AND TO THE PRESIDENT OF THE EUROPEAN PARLIAMENT
FORWARDING THE REPORT

1 August 1975

In accordance with Article 2 of Association Council Decision No 1/65 on the Parliamentary Committee of the EEC-Turkey Association, I am pleased to forward herewith the tenth annual report of the Association Council.

This report covers the period 1 January - 31 December 1974.

For the Association Council

I.S. ÇAĞLAYANCI
President in Office

I. INTRODUCTION

1. On 1 January 1974, the Association entered into its tenth year. On the same date, the Interim Agreement, which was signed in Ankara on 30 June 1973 at the same time as the Supplementary Protocol (enlargement), and which provides for the advance implementation of the trade provisions of the latter Protocol, also came into effect. Since then, trade between Turkey and the three new Member States of the Community (Denmark, Ireland and the United Kingdom) has thus likewise been governed by the arrangements laid down under the Association Agreement. Finally, 1 January 1974 was also the date on which a number of concessions which the Community granted to Turkey under the first agricultural review became operational.
2. The figures for trade between the partners to the Association in 1974 show that trade between Turkey and the Nine has continued to progress. However, Turkey's exports to the Nine increased less rapidly than its imports from its Common Market partners, thus aggravating the trade deficit.
3. Financial co-operation between the Community and Turkey was pursued successfully in 1974. Soft loans worth a total of 71.5 million UA were granted during the year, thus bringing the European Investment Bank's transactions under the Second Financial Protocol up to a value of 147.9 million UA on 31 December 1974. Furthermore, it proved possible during 1974 to allocate the entire sum of 25 million UA which the EIB was entitled to supply from its own resources, pursuant to Article 9 of the Financial Protocol, for the purpose of financing private enterprise projects showing a normal return.

4. In addition to information on the actual application of the Association Agreement, this report - like those which have preceded it - also contains, for information, a series of statistics (see Annex A II) on general economic trends in Turkey.

II. INSTITUTIONS OF THE ASSOCIATION

5. 1974 saw only one meeting of the Association Council, which was held at ministerial level in Luxembourg on 14 October. This meeting first afforded the Ministers an opportunity to hold a wide-ranging discussion on the state of the Association relating, among other things, to the results obtained as regards trade between the partners to the Ankara Agreement. Under the same item on the agenda, the Turkish Foreign Affairs Minister gave an extremely comprehensive account of the problems arising in the context of Turkey's industrialization.

Under the following item on the agenda, the Turkish delegation expressed its views and concern in connection with the work which had to be done on the Community's concessions under the second section of the agricultural review. The Association Council agreed that this work should begin as soon as the Community's negotiations with the countries concerned by the overall Mediterranean approach progressed sufficiently to permit thereof.

The next matter to be discussed was that of the implementation of Article 39 of the Additional Protocol regarding social security. The Association Council was unanimous in emphasizing the importance it attached to the earliest possible adoption of the relevant provisions. It noted that the Turkish Government was in the process of defining its position on the Community proposals submitted to it in June 1974.

Finally, the Association Council discussed the request submitted by Turkey in October 1973 to be authorized to maintain fiscal duties for a number of products, on the grounds that their replacement by an internal tax would be likely to create serious difficulties. At the end of its discussion, it instructed the Association Committee to examine the case of cars, which was the only one still outstanding.

6. For its part, the Association Committee - which has the job of assisting the Association Council in carrying out its tasks and of ensuring that the co-operation essential to the proper functioning of the Agreement is continued in the intervals between the Council's meetings - met on three occasions in 1974. The agenda for its meetings included certain questions connected with the correct application of the trade provisions of the Agreement, while the October meeting was largely devoted to preparations for the ministerial Association Council on 14 October.
7. Finally, the Customs Co-operation Committee held a meeting on 13 December 1974 to examine a series of questions within its competence.

8. As is customary, the President of the Association Council attended the two meetings held by the Joint Parliamentary Committee in 1974. The meeting in Berlin (24 to 28 March) was attended by Mr Hans APEL, then Secretary of State at the Ministry for Foreign Affairs of the Federal Republic of Germany, while Mr B. DESTREMAU, Secretary of State at the Ministry for Foreign Affairs of the French Republic attended the parliamentary meeting in Istanbul/Tarabya (6 - 11 October).

Their active participation in the debates and their readiness to give immediate answers to the numerous questions put to them at these meetings once again bore witness to the value which the Association Council attaches to the proceedings of the Joint Parliamentary Committee which, since the Association first began, has always represented one of its chief driving forces.

Furthermore, the Association Council has not failed to take account of the recommendations adopted at the end of these two meetings when examining the various questions to which they relate.

III. ENTRY INTO FORCE OF THE INTERIM AGREEMENT (ENLARGEMENT)

9. The Interim Agreement which was signed in Ankara on 30 June 1973 entered into force on 1 January 1974 at the same time as the Supplementary Protocol concluded for the purpose of extending the Association to the three new Member States of the Community. This Interim Agreement provided for the advance implementation of the provisions on trade in goods as contained in the Supplementary Protocol and trade between Turkey and the Three has thus likewise been governed by preferential arrangements since the beginning of 1974.

Since neither Turkey nor all Member States of the Community had completed the procedures for ratifying this Supplementary Protocol by the end of 1974 and since none of the Contracting Parties to the Interim Agreement had indicated that they were opposed to its renewal, it was renewed by tacit consent for another year, in accordance with the third paragraph of Article 13 thereof.

IV. AGRICULTURAL QUESTIONS

A. Turkish request that discussions be commenced on the "second section" of the first agricultural review

10. It will be recalled that, when the Community concessions granted under the first agricultural review referred to in Article 35 of the Additional Protocol ⁽¹⁾ were being worked out, the Association Council agreed that it would subsequently return to the question of those aspects of the Turkish request which related to agricultural products giving rise to problems in the context of the Community's negotiations under its overall Mediterranean approach. The Community, in fact, promised that as soon as solutions had been worked out under that approach, it would present Turkey with detailed proposals taking account both of those solutions and of Turkey's particular situation.

At the meeting of the Association Council on 14 October 1974, the Community delegation said that, in view of delays in the Mediterranean negotiations, it could not yet make the offers which were needed before work on the "second section" of the first agricultural review could begin. For its part, the Turkish delegation drew the Community's attention to the detrimental effect this delay was having on the Turkish economy and pointed out that the list of agricultural products covered by this incomplete section of the first review included some of Turkey's principal exports, the competitiveness of which on the markets of the Nine therefore remained impaired.

⁽¹⁾ See the 9th Annual Report, Chapter V, point A, pages 23 and 24.

The Association Council concluded its discussions by agreeing that work on this "second section" of the first agricultural review would be commenced as soon as the Community's negotiations with the countries concerned by the overall Mediterranean approach progressed sufficiently to permit thereof. The Association Council also took note of the undertaking given by the Community that, pursuant to Article 53 of the Additional Protocol, Turkey would be kept regularly informed of progress in the negotiations under the Mediterranean approach.

B. Wines

11. The provisional arrangements for Turkish wines which the Community has been applying unilaterally since 1 January 1972 and which entail the partial suspension of tariffs to 60% of the CCT duties and the absence of any quantitative restrictions, provided the Community reference price is adhered to, were extended for another year, until 31 August 1975 ⁽¹⁾.

These arrangements are being applied by the Community pending the Association Council's adoption of the definitive preferential arrangements for the import into the Community of wines originating in Turkey, in accordance with Article 11 of Annex No 6 to the Additional Protocol.

⁽¹⁾ See Council Regulation (EEC) No 1942/74 of 22 July 1974, as set out in Annex B to this report, page 68.

V. GENERALIZED PREFERENCES

12. At the end of 1974 and the beginning of 1975, in accordance with the position it adopted in response to Turkey's request to be included on the list of countries covered by Community generalized preferences, the Community, as in previous years, adopted certain unilateral measures in favour of Turkey. The purpose of these measures was to ensure that, in the few sectors where the arrangements under the Association are less favourable than those under the Community's generalized preferences, Turkey in fact enjoyed equivalent advantages for its exports to the Community. As in the past, these unilateral measures related to the cotton products and machine-loomed carpets mentioned in Annex 2 to the Additional Protocol and also to certain agricultural products, processed or otherwise, covered by the Community generalized preferences either customarily or for the first time.

As regards the Turkish request which was submitted in the same context, namely that the arrangements for the petroleum products listed in Annex 1 to the Additional Protocol should be changed from the system of quotas provided for therein to a system of ceilings, this was still being examined by the competent Community bodies at the end of 1974.

VI. IMPLEMENTATION OF ARTICLE 53 OF THE ADDITIONAL PROTOCOL
(INFORMATION/CONSULTATION)

13. The procedure for informing and consulting Turkey on matters connected with Article 53 of the Additional Protocol continued to be applied in 1974. A notable example of its application involved the concessions granted by the Community in the content of the GATT negotiations under Article XXIV/6.

As regards the Community's negotiations with certain Mediterranean countries in the context of the overall approach, Turkey was kept informed of their progress throughout the whole of 1974. The problems arising for Turkey in connection with these negotiations, particularly in the agricultural sector, were highlighted at the ministerial Association Council on 14 October 1974. On that occasion, the Turkish delegation said how concerned it was that, owing to the delays in the Mediterranean negotiations, the advantages which Turkey had been anticipating under the "second section" of the first agricultural review had not yet been defined. It also once more drew attention to its misgivings regarding the development of the competitive position of Turkish exports to the Nine, in view of the way in which the margin of preference enjoyed by these exports on Community markets was being gradually eroded.

VII. IMPLEMENTATION OF THE PROVISIONS OF THE ADDITIONAL PROTOCOL
RELATING TO THE CUSTOMS UNION

A. Implementation of Article 16 of the Additional Protocol
(fiscal duties)

14. At the end of October 1973, with reference to Article 16 of the Additional Protocol, the Turkish delegation sent the Association Council two lists indicating the products which were subject to customs duty of a fiscal nature in Turkey. The first of these lists contained 24 products in respect of which Turkey requested Association Council authorization for the maintenance, up till the end of the transitional stage, i.e. until 31 December 1984, of the customs duties of a fiscal nature applicable to them, on the grounds that their replacement by an internal tax would create serious administrative and budget difficulties.

The second list indicated the other products subject to fiscal customs duties in Turkey and which the Turkish Government henceforth intended to subject to an internal tax, in accordance with Article 16(3) of the Additional Protocol.

15. Turkey's request for authorization to maintain certain fiscal duties was subsequently the subject of technical discussions between experts from the Turkish delegation and the Commission of the Community. In the light of the results of these discussions, it was suggested by the Community at the meeting of the Association Council on 14 October 1974 that the latter should grant the requested authorization for all the products on the Turkish list except cars, the latter exception being justified, in the Community's opinion, on the grounds that the 75% ad valorem duty - or at least a large proportion thereof - on cars imported into Turkey should be seen as protective, since cars produced on assembly lines in Turkey were not subject to an internal tax of the same magnitude.

Since the Turkish delegation could not subscribe to the Community view and insisted on authorization also being granted for cars, the Association Council instructed the Association Committee to examine ways of finding a satisfactory solution for the problem. This examination has not yet been concluded. It should be noted that, under the second subparagraph of Article 16(4) of the Additional Protocol, Turkey may provisionally continue to apply the duties in question, until a decision has been taken by the Association Council.

B. Opening of quotas (Article 25)

16. Article 25(2) of the Additional Protocol lays down that one year after the entry into force of the Protocol, quotas in favour of the Community are to be opened for imports of each product which had not been liberalized in Turkey and that these quotas are to be fixed so as to correspond to the average imports from the Community in the three preceding years, excluding the three special categories of imports mentioned in the same paragraph. Pursuant to this provision, Turkey opened a series of specific quotas in 1974 for imports of these non-liberalized products from the Community. However, for certain non-liberalized products, it merely introduced a single quota, for US \$50 million, intending that this be used for imports of any non-liberalized Community product not appearing on the list of specific quotas.

Arguing that the opening of a single quota instead of specific quotas for individual products failed to comply with the relevant provisions of the Additional Protocol, the Community raised this question in the Association Committee where the problem of the application of Article 25 is still being studied.

C. Difficulties encountered in the Contracting Parties as regards imports

17. In 1974, the Association Committee also discussed other difficulties encountered as regards imports both in certain Member States of the Community and in Turkey. Its discussions helped to clarify, and in certain cases to overcome, the problems to which attention was drawn. However, it has not yet proved possible to find a mutually satisfactory solution as regards the difficulties encountered since the end of 1974 following a considerable increase in imports of cotton yarn into the United Kingdom from a number of countries, including Turkey.

D. Protective measures applied to Italian imports

18. When, in May 1974, serious difficulties necessitated the introduction of protective measures applied "erga omnes" to imports into Italy, the Commission of the Community immediately took the initiative of discussing this problem with the Turkish Permanent Delegation in Brussels. It subsequently sent the delegation copies of the Commission Decision of 8 May 1974 authorizing the Italian Republic to take certain protective measures under Article 108 (3) of the EEC Treaty and of the Commission Decision of 5 June 1974 on the arrangements for the import into Italy of certain calves and young bovine animals for fattening ⁽¹⁾.

The Turkish Permanent Delegation took due note of the Decisions sent to it by the Commission, and, in return, emphasized that, since Turkey was not one of the signatories of the Treaty of Rome, the measures in question had been applied to it pursuant to Article 60 (2) of the Additional Protocol.

⁽¹⁾ These protective measures ceased to apply at the end of March 1975.

VIII. QUESTIONS ARISING IN CONNECTION WITH COMMUNITY INVESTMENTS IN TURKEY

19. At the initiative of the Community - which had drawn attention in the Association Committee to the fact that Community investors were experiencing difficulties in certain sectors in Turkey - it was agreed that "informative" contacts would take place at a purely technical level between experts from the Commission and the Turkish delegation, in order to dispel any misunderstandings in this connection. The purpose of these contacts was to supply the Community with factual information regarding the laws and statutory provisions applicable to Community investments in Turkey.

The Community made it clear that it would return to these problems in the Association Committee should difficulties still persist.

IX. SOCIAL QUESTIONS

20. The Community's proposals on the implementation of Article 39 of the Additional Protocol were submitted to Turkey on 10 June 1974. As will be recalled, Article 39 lays down that, before the end of the first year of the Protocol's application (and thus before 31 December 1973), the Association Council has to adopt certain social security measures for Turkish workers.

The Turkish Government immediately started examining the Community proposals, but, on account of the highly technical nature of the matter, its examination had still not been completed at the end of 1974.

At the Association Council on 14 October 1974, the Turkish delegation - while reserving its final position on the substance of the question - stressed that it considered it an encouraging start that the Community proposals should have been prepared on the basis of Council Regulation No 1406/71 on the social security schemes for Community migrant workers.

Concluding its discussions on this point, the Association Council instructed the Association Committee to go ahead with work on this matter as soon as the Turkish counter-proposals were available ⁽¹⁾.

⁽¹⁾ These counter-proposals were sent to the Community on 20 June 1975.

X. TRADE RESULTS ⁽¹⁾

21. Since the Interim Agreement (enlargement), which was signed in Ankara on 30 June 1973, entered into force on 1 January of the following year, 1974 was the first year in which trade between Turkey and the three new Member States of the Community was also governed by preferential arrangements.

(a) Development of Turkey's foreign trade
(see tables A II 1 to A II 5)

22. Turkish foreign trade in 1974 was characterized by an unprecedented increase in total imports, which rose from slightly more than US \$2 thousand million in 1973 to US \$3.8 thousand million in 1974, thus showing an increase of 80% in one year. At the same time, total Turkish exports increased far more slowly (+ 15.3%) in 1974 than they had in the two previous years, when their rate of increase was 31 and 49% respectively. This trend resulted in a sudden drop in the rate of cover of imports by exports (from 63 to 41%) and the trade deficit in 1974 was US \$2.225 thousand million (as compared with US \$781 million in 1973).

23. A comparison of the development of Turkey's trade with the enlarged Community, on the one hand, and with the rest of the world, on the other, demonstrates that the former was more balanced than the latter, since the increase in the price of raw materials, particularly of oil, did not make itself felt in the context of trade within the Association.

⁽¹⁾ The assessment given in this chapter is based on the statistics, supplied by the Turkish delegation, contained in Annex A to this report.

In fact, Turkish exports to the Nine increased from US \$612 million in 1973 to US \$717 million in 1974, a rise of 17.3%. During the same period, Turkish exports to the rest of the world, which increased from US \$707 million in 1973 to US \$815 million in 1974, rose slightly less rapidly (+ 15.3%). The Community's share in total Turkish exports thus also increased very slightly - from 46.4 to 46.8%.

Turkish imports from the Community were substantially higher in 1974 than in 1973 (US \$1.708 thousand million as compared with US \$1.155 thousand million = 48% increase), but the upward trend was far more marked for imports from countries outside the Association. These imports increased from US \$944 million in 1973 to US \$2.069 thousand million in 1974, thus more than doubling in one year. This development can to a large extent be explained by the considerable rôle played by Turkish imports of raw materials (including oil), which rose from some US \$1 thousand million in 1973 to more than US \$2.3 thousand million in 1974, thus accounting for roughly two-thirds of Turkey's total imports in 1974.

24. As for the structure of exports, Table A II2 shows that the increase in exports of agricultural products, which rose from US \$832 million in 1973 to US \$852 million in 1974, was far slower than in previous years. Exports of

mining products virtually doubled (from US \$41.7 to 80 million), while those of industrial products continued to rise steadily from US \$443.4 to 600 million), although at a slower pace than in previous years. The breakdown of total Turkish exports in 1974 into these three categories of products is therefore as follows:

- agricultural products: 55.6%
- mining products : 5.2%
- industrial products : 39.2%

As regards the development of Turkish imports, the most striking point is the very substantial increase recorded in the value of imports of raw materials, which rose from US \$1,005.8 million dollars in 1973 to US \$2,331.5 million in 1974. The rate of increase for this category of imports was 132% and their share in total imports, which amounted to only 48% in 1973, rose to 62% in 1974. Imports of consumer products, which rose from US \$90.4 million in 1973 to US \$157.1 million in 1974, also increased faster than in previous years (+ 74%). On the other hand, the increase in imports of capital goods slowed down: they increased from US \$1,002.8 million dollars in 1973 to US \$1,289 million in 1974 and thus increased only by 29%, while their share in total imports dropped from 48% in 1973 to 34% in 1974.

It is therefore undeniable that the development of Turkey's situation as regards imports is a matter for some concern.

(b) Development of Turkish exports of the four "traditional" agricultural products (table A I 2)

25. Table A I 2 shows that the development from 1973 to 1974 of Turkish exports of the four agricultural products in question was generally favourable, particularly as regards the revenue they brought in.

As regards tobacco, total exports increased only slightly by weight (rising from 108,499 to 112,371 metric tons), but considerably in value (from US \$ 132.9 to 204.5 million). The quantity of tobacco sold to the Community of the Nine increased from 30,061 to 37,898 metric tons, while the revenue from it amounted to some US \$ 66 million in 1974.

As regards raisins, the downward trend in exports, which became apparent in 1973, continued in 1974. Total exports dropped from 89,803 metric tons in 1973 to 67,266 metric tons in 1974, while export revenue dropped from US \$ 58.4 to 55 million. However, if one examines the figures for trade with the Community of the Nine, one finds that, although these exports dropped in volume from 66,108 to 58,694 metric tons, the revenue earned by them rose from US \$ 43.8 million in 1973 to US \$ 49.1 million in 1974.

As regards dried figs, one finds that 1974 saw a drop in the volume of Turkish exports both towards the world (24,588 metric tons as compared with 33,773 in 1973) and towards the Nine (14,682 metric tons as compared with 20,395 in 1973). However, on account of the increase in the price of this product, revenue remained virtually stable for exports to the Nine (US \$ 10.7 million in 1974 as compared with US \$ 10.5 million in 1973) and even rose slightly for the rest of the world (from US \$ 16.3 to 17.2 million).

Finally, as regards hazel nuts, which are the biggest foreign currency earner of these four "traditional" agricultural products, the trend was very satisfactory. Total Turkish exports rose from 96,445 metric tons in 1973 to 120,184 metric tons in 1974 and from US \$ 121.7 million to 182 million in value. Exports of hazel nuts to the Nine rose even faster, increasing from 61,148 metric tons to 80,894 in volume and from US \$ 80.4 to 124.6 million in value.

- (c) Development of Turkish exports to the Community of the industrial products referred to in Annexes Nos 1 and 2 to the Additional Protocol which enjoy tariff preference within the limit of quotas
(see table A I 3)

26. The statistics available show that Turkish exports of cotton yarn to the Six were lower in 1974 than in 1973 (17,353 metric tons as compared with 21,588), but that they increased substantially towards the three new Member States of the Community, rising from 635 metric tons to 3,002, thus giving rise to certain difficulties on the Community market (see above page 21, paragraph 17). In the opinion of Turkey certain measures were taken which cannot be regarded as compatible with the provisions of the Interim Agreement of 30 June 1973. On the other hand, Turkish exports of cotton fabrics to the Community dropped considerably (from 3,781 to 2,195 metric tons), both towards the Six (from 3,640 to 2,192 metric tons) and towards the three new Member States (from 141 to 3 metric tons).

XI. FINANCIAL QUESTIONS

27. This chapter outlines the action taken in 1974 in the context of financial co-operation between the Community and Turkey pursuant to the Second Financial Protocol which was signed on 23 November 1970 and came into force on 1 January 1973 ⁽¹⁾.

A. Soft loans

I. Loans granted in 1974

28. In 1974 the European Investment Bank concluded five contracts for soft loans totalling 71.5 million UA to Turkey. They were made to the Turkish Government and carried a 30-year term, including an 8-year grace period. The interest rate was 2.5% per annum in the case of the 68 million UA earmarked for projects showing an indirect or long-term return, and 4.5% per annum in the case of the 3.5 million UA earmarked for projects showing a normal return.

Actual lending operations are summarized below. Additional details are given in the tables appended to this report (Annexes A I 4 to A I 6).

(a) Projects showing an indirect or long-term return (infrastructure)

29. The EIB granted two loans for infrastructure projects in 1974 totalling 68 million UA.

⁽¹⁾ It should be noted that the ratification of the Supplementary Protocol (enlargement), signed on 30 June 1973 and increasing financial aid to Turkey on special terms from 195 to 242 million UA, had still not been completed in Turkey and some Member States by the end of 1974.

The first loan for 10 million UA went towards a land reclamation project in the Gediz valley, north of Izmir. The project formed part of a 12-year programme first financed by the EIB in 1966 with a loan of 15 million UA ⁽¹⁾. The project involves irrigation, drainage, reallocation and levelling work over an area of some 107,000 ha and will serve both to diversify crops, by adding wheat, fruit and vegetables to the existing cotton crop, and to improve yields. The project's economic benefits are clear, given that the Gediz valley, with a population of 200,000, is one of the most fertile regions in the country and that in Turkey agriculture accounts for almost a quarter of GDP, provides 60% of the country's exports and employs 6% of the working population.

The second loan for 58 million UA was for financing the opening up of a lignite deposit at Elbistan (200 km to the North-East of Adana) and the construction of a power station ⁽²⁾. This project, which is exceptional by virtue of its size (extraction of 20 million metric tons of lignite a year and generation of 1,200 MW of electricity) is to benefit from considerable foreign contributions (IBRD, Federal Republic of Germany, France, Italy, etc.), which can currently be estimated as totalling the equivalent of some 377 million UA.

As regards the economic merits and benefits of the project, it should be noted that long-term energy planning in Turkey is based on an average increase in electricity demand of 12% a year up

⁽¹⁾ See First Annual Report, page 22, paragraph 3

⁽²⁾ A second Bank loan worth 19 million UA was signed for the same project at the beginning of 1975.

to 1987. The Turkish Government has decided to put into effect a vast investment programme tailored to meet forecast demand (38,000 GWh in 1982, 63,000 GWh in 1987) and geared to drawing maximum advantage from local energy resources, such as lignite which is one of the country's major natural energy assets. When completed the Elbistan project will meet 20% of demand in 1982 and 12% in 1987, and as such constitutes one of the key elements in the above investment programme. Again, the project looks even more worthwhile in the light of the present oil crisis.

The project is being promoted by two public undertakings: Turkish Coal Enterprises (T.K.I.) for the mine and the Turkish Electricity Authority (T.E.K.) for the power station.

(b) Projects showing a normal return (industry)

30. The sole projects financed by the Bank under this heading in 1974 related to the private sector to which the EIB allocated a total 3.5 million UA.

11.5 million UA had already been allocated in 1973 under the 15 million UA Frame Financing Contract between the EIB and the Industrial Development Bank of Turkey (TSKB) which was signed on 12 February 1973 ⁽¹⁾, and the balance was allocated in 1974.

The first project financed by a sub-loan for 1.98 million UA under this facility in 1974 was a combined cotton-textile complex to be built at Edirne in Thrace.

⁽¹⁾ See 9th annual report, paragraph 38, pages 40 and 41.

This project is in keeping with the objectives of the third Turkish Five-Year Plan (1973-1977), one of which is the establishment of industries using modern production methods. It will help to meet the requirements of Turkish domestic consumption, which is growing faster than capacity. It will also have a favourable effect on the Turkish balance of payments, by leading to an increase in exports, although this increase will be limited by steadily expanding domestic demand. Finally, it will have a significant effect on employment, by creating 600 new jobs in an area where unemployment is running at more than 10%.

The second project which received a sub-loan of 1.13 million UA from the Bank, involved the construction of a tableware factory at Kütahya, the traditional centre of the earthenware and terra cotta industry situated halfway between Ankara and Izmir. Plans are to produce 2,300 metric tons a year of various types of tableware for the Turkish market.

This project is in keeping with the objectives of the third Turkish Five-Year Plan (1973-1977), which provided for the expansion of tableware production capacity in order to satisfy rapidly expanding local demand. This new factory will provide 255 new jobs.

The balance of 0.4 million UA remaining after transaction of these two loans was added to the 6 million UA global loan facility which had been made available to TSKB in 1973 within the Frame Financing Contract. The full allocation of sub-loans granted under this arrangement is illustrated in Annex A15.

II. Revolving fund operations

31. The first revolving fund operation conducted in favour of a combined forestry/paper project on the Mediterranean coast (¹) for the sum of TL 150 million was supplemented by a second: in agreement with the EIB, the Turkish State granted a global loan of TL 50 million to the Agricultural Bank of Turkey.

The latter institution is a public bank founded in 1863. It is one of Turkey's major financial establishments with deposits totalling the equivalent of more than 1,000 million UA, a staff of 18,000 and 830 branches scattered throughout the country. Its chief function is to grant loans for the development of agriculture. The above global loan will finance industrial projects allied to the agricultural sector such as canning plants and factories for producing animal feed.

III. Project implementation and operation

32. The two most important milestones in this connection were the inauguration of the Keban dam and power station and the opening of the Golden Horn Bridge.

Although some of the work has not been finished, both the dam and the power station (²) were inaugurated in September 1974 and the first two generating sets were started up.

(¹) In 1973, this project received an EIB loan of the equivalent of 20 million UA (see 9th Annual Report, page 40, paragraph 37, second subparagraph.)

(²) See First Annual Report

Following the opening to traffic in 1973 of the suspension bridge over the Bosphorus, (1) 1974 saw the Golden Horn Bridge come into service; both bridges form part of the "Bosphorus bridge and peripheral motorway" project. A few sections of the motorway still have to be constructed before the project's scheduled completion in 1975.

As in the past, the Bank, in co-operation with the promoters and the Turkish authorities, has been following the development of projects financed under the first and second Financial Protocols. Whenever problems of implementation or operation arise, an attempt is always made to arrive at mutually satisfactory solutions.

IV. Disbursements

33. At 31 December 1974 the Bank had made the following disbursements under the heading of soft loans (million UA):

	<u>Loans granted</u>	<u>Disbursements</u>	
		<u>1974</u>	<u>Total</u>
First Financial Protocol	175.0	4.5	172.4
Second Financial Protocol	147.9	19.3	46.7
	322.9	23.8	219.1

(1) See 5th Annual Report

B. Ordinary loans

34. At the Association Council held on 30 June 1973 in Ankara, the Community informed Turkey that it could agree to the implementation of the provisions of Article 9 of the second Financial Protocol. Under these provisions the amount of 195 million UA laid down in Article 3 (1) of the Second Financial Protocol (funds obtained from the budgetary resources of the Member States) could be supplemented by loans of up to 25 million UA, to be granted by the European Investment Bank from its own resources and on prevailing market terms. These loans are designed to finance projects showing a normal return, to be carried out in Turkey by undertakings in the private sector.

Pursuant to these provisions, the European Investment Bank carried out two loan operations in 1974 for the maximum amount provided for under Article 9 of the Second Financial Protocol (25 million UA). One of these operations was a frame contract worth 20 million UA for the financing of projects through the TSKB (Industrial Development Bank of Turkey). The EIB and the TSKB, which is the largest private Turkish development institute, have been collaborating as regards the financing of projects in the private sector since 1965 (1).

The EIB also granted a global loan of 5 million UA for the financing of projects through the SYKB (Industrial Investment and Credit Bank). The latter was founded in 1963 by five major Turkish commercial banks for the purpose

(1) See in this connection 3rd Annual Report, pages 31 to 33, paragraph 27.

of providing working and investment capital loans to private sector industries. Although it does not rate on a par with TSKB (in 1973 for example its balance sheet total stood at 55 million UA compared with TSKB's 215 million UA), its staff is dynamic and well-qualified and most of its business is conducted with smaller firms and it thus usefully complements the facilities offered by TSKB.

The global loan for 5 million UA represents the EIB's first financing operation with SYKB. The purpose of the loan is to provide SYKB with foreign exchange resources supplementing funds already received from the American Government in the form of two US AID loans totalling US \$ 14 million. The additional funds will enable SYKB to step up its foreign exchange operations and also, as the AID finance is tied, to finance projects which involve foreign exchange other than US dollars.

XII. OTHER BUSINESS

35. As in previous reports, the purpose of this last chapter is to present information, for the attention of the Parliamentary Committee, on certain activities which, although not directly based on explicit provisions of the Association Agreement, are nonetheless connected with relations between Turkey and the Community.

(a) Information

36. A Press and Information Office of the European Communities was opened in Ankara at the end of 1974. During its meetings in Istanbul and Copenhagen, the EEC-Turkey Joint Parliamentary Committee had an opportunity to hear a detailed account of the structure and objectives of this Office, which is open to all interested groups or individuals in Turkey.

The Office's numerous activities include the publication, in Turkish, of a monthly bulletin entitled "Avrupa Topluluğu".

37. The President of the European Commission, Mr ORTOLI, and its Vice-President, Mr SCARASCIA MUGNOZZA, visited Turkey in April and October 1974 respectively. In addition, senior Commission officials took part in an international seminar on monetary questions held in Ankara in April 1974.

For their part, a number of Turkish personalities visited Brussels, where they had an opportunity to meet the competent Ministers and Commissioners of the Council and the Commission of the European Communities. Of particular note were the visits by the Prime Minister Mr ECEVIT (June 1974), the Minister for Foreign Affairs, Mr GUNES (August 1974) and Senator INAN (August 1974), leader of the delegation of the Turkish Grand National Assembly to the EEC-Turkey Joint Parliamentary Committee.

Finally, the Commission continued to welcome Turkish trainees to its departments and, as usual, organized various fact-finding visits for journalists (March 1974), businessmen (May 1974) and Turkish university lecturers (July 1974).

(b) Food aid

38. In the context of the Community food aid programme for 1973/1974, the Community decided to supply Turkey with 5,000 metric tons of soft wheat.

(c) Campaign against foot and mouth disease

39. In 1974, the Community decided to make a million doses of foot and mouth vaccine available to the Food and Agriculture Organization, in order to enable it to conclude a campaign against the disease in certain Eastern Mediterranean countries, including Turkey.
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Annex A ⁽¹⁾

STATISTICAL ANNEX

Chapter I

Data on the application of
the Association Agreement

(¹) Data provided by the Turkish delegation.

Table A I 1

EXPORTS TO THE EEC
OF TURKEY'S FOUR MAIN AGRICULTURAL
EXPORT PRODUCTS (1)

- Figures for 1973/1974 -

(in metric tons)

PRODUCT	DESTINATION	1973	1974
<u>TOBACCO</u> (24.01)	BLEU	3.119	5.304
	Germany	9.938	23.209
	France	12.684	4.071
	Italy	1.944	1.711
	Netherlands	2.247	2.861
	United Kingdom	26	196
	Denmark	101	546
	Ireland	2	-
	<u>EEC TOTAL</u>	<u>30.061</u>	<u>37.898</u>
<u>RAISINS</u> (ex 08.04)	BLEU	3.290	2.218
	Germany	10.027	14.824
	France	5.256	3.362
	Italy	11.269	7.780
	Netherlands	10.804	10.879
	United Kingdom	21.956	16.853
	Denmark	220	49
	Ireland	3.286	2.729
	<u>EEC TOTAL</u>	<u>66.108</u>	<u>58.694</u>
<u>DRIED FIGS</u> (ex 08.03)	BLEU	1.189	714
	Germany	4.615	3.610
	France	8.698	6.204
	Italy	3.352	1.872
	Netherlands	288	326
	United Kingdom	1.394	1.311
	Denmark	849	645
	Ireland	10	-
	<u>EEC TOTAL</u>	<u>20.392</u>	<u>14.682</u>
<u>HAZEL NUTS</u> (ex 08.05)	BLEU	802	1.084
	Germany	48.104	62.755
	France	4.865	6.355
	Italy	860	1.850
	Netherlands	3.656	5.074
	United Kingdom	2.816	3.733
	Denmark	20	43
	Ireland	25	-
	<u>EEC TOTAL</u>	<u>61.148</u>	<u>80.894</u>

(1) These are the four products which have enjoyed advantages since the Association Agreement entered into force in 1964 (under Article 2 of the Provisional Protocol)

Table A I 2

EXPORTS TO THE EEC (1) AND THE REST OF THE WORLD
OF TURKEY'S FOUR MAIN AGRICULTURAL EXPORT PRODUCTS

Figures for 1973-1974

<u>PRODUCT</u>	<u>YEAR</u>	<u>WORLD</u>		<u>EEC</u>		<u>EEC'S SHARE IN</u> <u>TOTAL EXPORTS (2)</u> (as %)
		<u>in metric tons</u>	<u>in 1,000 \$</u>	<u>in metric tons</u>	<u>in 1,000 \$</u>	
<u>TOBACCO</u>	1973	108,499	132,959	30,061	20,951	15.8
	1974	112,371	204,475	37,898	66,017	32.8
<u>RAISINS</u>	1973	89,803	58,026	66,108	43,768	74.9
	1974	67,266	55,026	58,694	49,058	89.0
<u>DRIED FIGS</u>	1973	33,773	16,252	20,395	10,470	64.4
	1974	24,588	17,244	14,682	10,746	62.3
<u>HAZEL NUTS</u>	1973	94,445	121,685	61,148	80,380	66.1
	1974	120,184	182,049	80,894	124,579	68.3

(1) These figures are for the Community of the Nine. For the figures for these exports prior to 1973, see 9th Annual Report, table A I 2, p. 49.

(2) In terms of value.

Table A. I. 3

Turkish exports to the EEC of the four industrial products for which concessions are granted within Community tariff quotas pursuant to Annexes 1 and 2 to the Additional Protocol

- Figures for 1973-1974 -

PRODUCTS	1973			1974 ⁽¹⁾		
	<u>The Six</u>	<u>The Three</u>	<u>The Nine</u>	<u>The Six</u>	<u>The Three</u>	<u>The Nine</u>
Cotton yarn (55.05)	21,588	635	22,223	17,353	3,002	20,355
Woven fabrics of cotton (55.09)	3,640	141	3,781	2,192	3	2,195
Machine-loomed carpets (ex 58.01 A)	(not known)	(not known)	(not known)	(not known)	(not known)	(not known)
Petroleum products (ex 27.10 to 27.14)	247,936	-	247,936	(not known)	(not known)	(not known)

Source: Permanent Delegation of Turkey

⁽¹⁾ The figures for 1974 are provisional.

SOFT LOANS TO TURKEY
 UNDER THE SECOND FINANCIAL PROTOCOL
 IN 1974

<u>Project and promoter</u>	<u>Date</u>	<u>(million UA)</u>	
		<u>Cost of project</u>	<u>EBT loan</u>
1. Land reclamation in the Gediz valley, north of Izmir Promoters: Directorate-General for State Hydraulic Works (DSI) and Directorate- General for Land Reclamation (TOPRAKSU)	20.02.74	40.6	10.0
2. Construction of a cotton-textile mill at Edirne in Thrace Promoter: Kartaltepe Mensucat Fabrikasi TAS	3.05.75	14.6	1.975**
3. Addition to TSKB global loan (see table 1)	21.06.74	-	0.4**
4. Construction of a tableware factory at Kütahya (Western-Central Region) Promoter: Kütahya Porselon ve Gıda Sanayi AŞ	27.06.74	4.0	1.125**
5. Mining of a lignite deposit and construction of a thermal power station at Elbistan in the North-East of Adana (1st loan) Promoters: Turkish Coal Enterprises (TKI) and Turkish Electricity Authority (TEK)	30.12.74	758.0	58.0
			71.5

** Private sector industrial projects

ALLOCATIONS MADE FROM THE TSKB GLOBAL LOAN OF 6.4 MILLION UA
(1973 - July 1974) (1)

<u>Project and promoter</u>	<u>(million UA)</u>		
	<u>Cost of project</u>	<u>EIB loan</u>	<u>Jobs created</u>
1. Construction of a factory at Konya to produce aluminium tubes for packaging Promoter: Konaltas, Konya Alüminyum Sanayi ve Ticaret AŞ	2.5	0.860	71
2. Construction of a factory at Ayvalik to produce olive- and sunflower oil Promoter: Komili Yağ, Sabun, Gliserin Sanayi ve Ticaret AŞ	2.5	0.875	122
3. Construction of a factory at Bilecik to produce cast iron radiators and baths Promoter: Odüksan, Osmaneli Döküm Sanayi ve Ticaret AŞ	3.1	0.625	385
4. Construction of a factory at Göğnük to produce sinter and lime Promoter: Göğsan, Göğnük Gıda Sanayi ve Ticaret AŞ	2.4	0.765	230
5. Construction of a factory near Izmir to produce woollen carpets and rugs Promoter: Sezik, Tekstil Sanayi AŞ	2.6	0.890	120
6. Eskişehir Çimento project (see table 1) Supplementary loan to compensate for exchange adjustments	-	0.060	-
7. Expanding capacity of a factory for producing water and gas pipes in Istanbul Promoter: Altılar Sanayi AŞ	1.4	0.452	64
8. Expansion and modernization of a cotton-textile mill in Istanbul Promoter: Akfil Sanayi AŞ	7.8	1.000	79
9. Expansion of a sunflower processing plant in Istanbul Promoter: Ayeks Yağ Sanayi ve Ticaret AŞ	1.5	0.715	5
10. Construction of a dairy at Malatya Promoter: Mr Nurettin Soykan	0.9	0.158	40
	<u>24.7</u>	<u>6.400</u>	<u>1116</u>

(1) This table up-dates Table A 1 5 on page 52 of the 9th Annual Report.

BANK OPERATIONS IN TURKEY
UNDER THE SECOND FINANCIAL PROTOCOL

(Total amounts lent)

	<u>(million UA)</u>
<u>Soft loans granted in 1973</u>	76.4
<u>Soft loans granted in 1974</u>	<u>71.5</u>
<u>Soft loans total</u>	147.9
comprising:	
- for projects showing a normal return 41.4 (28%)	
- for projects showing an indirect return 106.5 (72%)	
<u>Ordinary loans</u>	<u>25.0</u>
<u>Total</u>	<u>172.9</u>

CHAPTER II

Data on

economic trends

in Turkey

TURKEY'S FOREIGN TRADE
(1973-1974)⁽¹⁾

- Development in terms of value -

(in mill. \$)

PERIODS	EXPORTS				IMPORTS				IMPORT/EXPORT COVER AS %			
	EC	Rest of the world	World	EC's share	EC	Rest of the world	World	EC's share	EC	Rest of the world	World	EC's share
1973	The Six	493.5	824.5	1,318.0	37.4%	923.7	1,175.2	2,098.9	44.0%	53.4%	70.2%	62.3%
	The Nine	611.5	706.5		46.4%	1,155.1	943.8		55.0%	52.9%	74.8%	
1974	The Six	619.9	912.2	1,532.1	40.5%	1,419.4	2,358.1	3,777.5	37.6%	43.6%	38.6%	40.6%
	The Nine	717.2	814.9		46.8%	1,708.1	2,069.4		45.2%	41.9%	39.3%	
Change from 1973 to 1974	The Six	+25.6%	+10.6%	+16.3%		+53.6%	+100.6%	+80%				
	The Nine	+17.3%	+15.3%			+47.8%	+119.2%					

(¹) For development of Turkish foreign trade from 1964 to 1973, see 9th Annual Report, table A II 1, p. 54

Table A II 2

STRUCTURE OF EXPORTS AND IMPORTS

(in mill. \$)

YEARS	AGRICULTURAL PRODUCTS (1)	MINING PRODUCTS	INDUSTRIAL PRODUCTS	TOTAL
<u>EXPORTS</u>				
1963	284.2	10.5	73.3	368.0
1964	311.3	15.0	84.3	410.8
1965	351.9	21.0	90.8	463.7
1966	379.0	23.2	88.3	490.5
1967	420.7	20.7	81.2	522.6
1968	406.6	26.1	63.6	496.3
1969	402.7	34.5	99.6	536.8
1970	442.6	45.4	100.5	588.5
1971	491.3	48.9	136.4	676.6
1972	607.4	35.0	242.5	884.9
1973	832.0	41.7	443.4	1,317.1
1974	851.9	79.8	600.3	1,532.1
<u>IMPORTS</u>				
1963	256.0	327.4	104.2	687.6
1964	197.3	295.9	44.2	537.4
1965	197.0	313.1	62.0	572.0
1966	260.0	373.0	85.0	718.0
1967	260.0	380.0	44.7	684.6
1968	366.6	360.7	36.3	763.6
1969	350.9	395.6	54.7	801.2
1970	446.0	454.3	47.3	947.6
1971	511.2	600.7	58.9	1,170.8
1972	782.7	707.1	72.8	1,562.6
1973	1,002.8	1,005.8	90.4	2,099.0
1974	1,289.0	2,331.4	157.0	3,777.5

Source : Ministry of Trade, ANKARA

(1) : Agricultural products also include industrial plants, such as cotton.

Table A II 3

IMPORTS BY PRODUCTS (1)

Token entry

(1) This table is not available this year.

Table A II 4

EXPORTS BY PRODUCTS

- Breakdown by sectors -

PRODUCTS	1 9 7 3			1 9 7 4		
	Value (in 1,000 \$)	% of total exports	% growth as compared with previous year	Value (in 1,000 \$)	% of total exports	% growth as compared with previous year
TOTAL	1,317,082	100.00	+ 48.9	1,532,181	100.00	+ 16.3
AGRICULTURAL AND STOCK- BREEDING PRODUCTS	831,968	63.16	+ 37.1	851,958	55.60	+ 2.4
PRODUCTS OF EXTRACTING INDUSTRIES	41,714	3.17	+ 18.9	79,831	5.21	+ 91.4
INDUSTRIAL PRODUCTS	443,400	33.67	+ 82.9	600,392	39.19	+ 35.4
AGRICULTURAL AND STOCK- BREEDING PRODUCTS:						
Cereals and leguminous plants	64,174	4.87	+ 77.5	25,625	1.67	- 60.1
Fruit and vegetables	258,917	19.66	+ 31.2	293,222	19.14	+ 13.2
Industrial plants	456,830	34.68	+ 35.3	461,868	30.14	+ 1.1
Stockbreeding and products of animal origin	40,918	3.11	+ 51.2	56,490	3.69	+ 38.1
Fisheries products	11,129	0.84	+ 21.0	14,753	0.96	+ 32.6
INDUSTRIAL PRODUCTS:						
Food and beverages	149,111	11.32	+ 70.7	130,418	8.51	- 12.5
Textiles	105,640	8.02	+ 92.6	147,846	9.65	+ 40.0
Forestry products	8,045	0.61	+ 65.3	21,181	1.38	+ 163.3
Skins and hides	45,259	3.44	+ 110.1	73,901	4.82	+ 63.3
Chemical products	19,640	1.49	+ 76.1	36,292	2.37	+ 84.8
Petroleum products	48,898	3.71	+ 119.2	85,891	5.61	+ 75.7
Cement	14,751	1.12	- 2.7	7,991	0.52	- 45.8
Glass and ceramics	6,625	0.50	+ 79.6	12,537	0.82	+ 89.2
Non ferrous metals	22,284	1.69	+ 98.5	38,100	2.49	+ 71.0
Articles of metal and machinery	8,637	0.66	+ 111.5	16,109	1.05	+ 86.5
Electrical machinery	1,524	0.12	+ 73.0	1,103	0.07	- 34.2
Other industrial products	12,986	0.99	+ 143.5	29,123	1.90	+ 124.3

Table A II 5

FOREIGN TRADE BY AREAS

(in 1,000 \$)

	1965	1972	% ⁽¹⁾	1973	% ⁽¹⁾	1974	% ⁽¹⁾
TOTAL EXPORTS	463,738	884,969	+30.8	1,317,083	+48.8	1,532,181	+16.3
I. OECD countries	335,192	648,187	+31	948,838	+46.4	1,081,220	+14.0
a. EEC countries	156,851	347,017	+30	493,464	+42.2	619,923	+25.6
				118,065		97,345	-17.5
				611,529		717,269	+17.3
b. EFTA countries	83,447	163,532	+24	269,135	+64.6	246,634	- 8.4
c. Dollar area	82,805	106,245	+50.5	147,385	+38.7	155,826	+ 5.7
d. Other OECD countries	12,089	31,393	+37	38,854	+23.8	201,646	+119
II. Total for countries with Bilateral agreements	88,704	89,486 ⁽³⁾	+ 6	103,953 ⁽³⁾ +16.2		151,636 ⁽³⁾ +45.9	
a. Eastern bloc countries	68,268	87,115	+ 7	101,493	+16.5	145,336	+43.2
b. Other countries with bilateral agreements	20,436	2,371	-33	2,460	+ 3.8	6,299	+156.1
III. Total exports with other countries	39,842	147,296	+47	264,292	+79.4	299,325	+13.3
TOTAL IMPORTS	571,953	1,562,554	+33	2,098,934	+34.2	3,777,558	+80.0
I. OECD countries	422,453	1,214,464	+34	1,637,685	+34.8	2,683,523	+63.9
a. EEC countries	162,922	652,519	+43	923,662	+41.5	1,419,431	+53.7
				231,395		288,741	+24.8
				1,155,057		1,708,173	+47.9
b. EFTA countries ⁽²⁾	94,875	301,799	+41	412,596	+36.7	606,535	+47
c. Dollar area	162,783	216,182	+ 0.9	206,386	- 4.5	404,485	+96
d. Other OECD countries	1,873	43,964	+38	95,041	+116.2	425,791	+348
II. Total for countries with Bilateral agreements	75,270	168,485 ⁽³⁾	+44	175,111 ⁽³⁾ +3.9		266,426 ⁽³⁾ +52.1	
a. Eastern bloc countries	57,111	162,357	+43	174,440	+ 7.4	257,518	+47.6
b. Other countries with bilateral agreements	18,159	6,128	+74	617	-90.8	8,908	+1344
III. Total imports with other countries	73,905	179,605	+20	286,138	+59.3	827,609	+189.2

Source: Ministry of Trade, Ankara

⁽¹⁾ Variation as compared with previous year.

⁽²⁾ This heading includes the figures for Denmark and the United Kingdom for 1965, 1972 and 1973.

⁽³⁾ Since 1970, Turkey no longer has bilateral agreements with Israel and Yugoslavia.

Table A II 6

BALANCE OF PAYMENTS
(1968/1974)

	1968	1969	1970	1971	1972	1973 ⁽¹⁾	1974 ⁽²⁾
I. CURRENT OPERATIONS							
A. Foreign trade							
a) Imports	- 764	- 801	- 948	- 1,171	- 1,563	- 2,086	- 3,777
b) Exports	496	537	586	677	885	1,317	1,532
<u>Trade balance</u>	- 268	- 264	- 360	- 494	- 678	- 769	- 2,245
B. Invisibles							
a) Interest on loans ⁽³⁾	- 34	- 44	- 48	- 47	- 62	- 59	- 102
b) Tourism and foreign travel	- 9	- 5	4	21	44	78	41
c) Transfers from Turkish workers	107	141	273	471	740	1,183	1,426
d) Other invisibles	- 15	- 56	- 49	- 66	- 82	34	134
<u>Balance of invisibles (net)</u>	49	36	180	379	640	1,236	1,499
C. Services and offshores	10	8	8	6	30	18.5	27
<u>BALANCE OF CURRENT OPERATIONS</u>	- 224	- 220	- 172	- 109	- 8	485	- 719
II. CAPITAL FLOWS							
<u>Private</u>							
Foreign capital	13	24	58	45	43	79	88
Imports not requiring currency transfers	22	20	34	27	39	50	58
<u>Public</u>							
Repayment of loans ⁽³⁾	- 72	- 108	- 174	- 91	- 235	- 72	- 126
Cereal imports in TL ⁽⁴⁾	-	41	83	55	18	-	-
Credits for public projects	127	174	179	219	222	328	237
Credits for programmes ⁽⁵⁾	145	106	251	89	73	48	2.4
<u>BALANCE OF CAPITAL FLOWS</u>	235	257	431	344	160	432	252
<u>GENERAL BALANCE</u>	11	37	259	235	152	918	- 460
III. RESERVE FLOWS ⁽⁶⁾	6	-	- 236	- 345	- 564	- 728	43
IV. ERRORS AND OMISSIONS (net)	- 17	- 37	- 23	99	412	- 190	28.7

Source: State Planning Organisation, Ankara

⁽¹⁾ Definitive figures.

⁽²⁾ Figures for 1974 are provisional.

⁽³⁾ Updating not included - re-financing included.

⁽⁴⁾ All imports in TL are included under the item "capital flows".

⁽⁵⁾ Programme allocation aid granted to implement import programmes including IMF and ERM credits.

⁽⁶⁾ Reserve flows: variation in gold and convertible currency reserves (- = increase).

Table A II 7

NATIONAL PRODUCT ⁽¹⁾(²)

(in mill. TL)

	1969	1970	1971	1972	1973	1974 ⁽³⁾
1. <u>AGRICULTURE</u>	34,113.3	39,925.2	51,622.0	60,850.8	79,204.6	113,649.2
(a) agriculture	33,054.1	38,842.5	50,144.4	59,332.5	77,150.8	111,084.3
(b) forestry	813.3	846.5	1,160.8	1,126.2	1,557.8	1,817.9
(c) fisheries	245.9	236.2	316.8	392.1	496.0	747.0
2. <u>INDUSTRY</u>	28,471.7	31,715.9	41,525.0	52,641.6	67,073.2	94,558.0
(a) extracting industries	2,360.2	2,492.1	3,234.8	3,794.3	4,197.3	5,502.7
(b) manufacturing industries	24,558.7	27,463.3	35,943.4	45,777.7	59,349.9	83,485.3
(c) gas, water, electricity	1,552.8	1,760.5	2,346.8	3,069.6	3,526.0	5,570.0
3. <u>CONSTRUCTION</u>	8,486.5	9,645.1	10,311.3	12,621.1	16,076.8	20,365.0
4. <u>TRADE</u>	13,793.9	15,901.2	21,257.8	27,007.5	35,750.2	54,376.3
5. <u>TRANSPORT AND COMMUNICATIONS</u>	9,457.4	10,943.4	14,382.0	17,148.3	23,586.9	34,049.0
6. <u>FINANCIAL INSTITUTIONS</u>	3,510.7	4,277.5	5,217.5	6,308.0	8,042.7	11,718.2
7. <u>ACCOMMODATION</u>	6,702.1	7,497.5	8,776.6	10,279.9	12,387.2	15,236.3
8. <u>LIBERAL PROFESSIONS AND SERVICES</u>	6,369.5	7,405.8	9,583.8	11,759.3	15,098.9	21,229.1
9. <u>EXPENDITURE RELATING TO BANKING SERVICES</u>	2,108.6	2,352.0	2,932.3	3,489.4	4,449.0	6,482.2
10. <u>TOTAL INDUSTRY</u>	108,796.5	124,959.6	159,753.7	195,127.1	252,771.5	358,698.9
11. <u>PUBLIC SERVICES</u>	10,827.0	14,113.1	19,419.3	24,398.1	29,201.8	37,815.3
12. <u>TOTAL (10 + 11)</u>	119,623.5	139,072.7	179,173.0	219,525.2	281,973.3	396,514.2
13. <u>DUTIES AND TAXES ON IMPORTS</u>	4,847.3	5,561.8	7,493.6	9,330.8	11,476.9	15,666.0
14. <u>GROSS DOMESTIC PRODUCT (at market price)</u>	124,470.8	144,634.5	186,666.6	228,856.0	293,450.2	412,180.2
15. <u>INCOME FROM ABROAD</u>	+ 422.1	+ 2,285.3	+ 5,469.0	+ 8,694.4	+15,056.8	+17,351.3
16. <u>GROSS DOMESTIC PRODUCT (at market price) (14 + 15)</u>	124,892.9	146,919.8	192,135.6	237,550.4	308,507.0	429,531.5

Source: State Statistical Institute, Ankara

⁽¹⁾ Gross national product at current factor prices, in specific branches of activity.

⁽²⁾ For figures prior to 1969, see 9th Annual Report, table A II 7, page 60.

⁽³⁾ The figures for 1974 are provisional.

Table A II 8

GROSS PER CAPITA NATIONAL PRODUCT

(in TL)

	<u>at 1968 prices</u>	<u>at current prices</u>
1962	2,652	1,990
1963	2,838	2,252
1964	2,882	2,346
1965	2,900	2,463
1966	3,167	2,860
1967	3,121	3,004
1968	3,344	3,344
1969	3,437	3,619
1970	3,537	4,149
1971	3,817	5,290
1972	3,973	6,334
1973	4,087	8,015
1974 (1)	4,264	10,880

Source: State Planning Organization, Ankara

(1) The figures for 1974 are provisional.

Table A II 9

NUMBER OF TURKISH WORKERS ENTERING EEC COUNTRIES
THROUGH OFFICIAL TURKISH BODIES (1)
(1969 - 1974)
(cumulative figures)

COUNTRY	1969	1970	1971	1972	1973	1974
Germany	315,741	412,677	478,361	544,236	648,029	649,257
Belgium	13,917	14,348	14,931	15,044	15,309	15,864
France	279	9,315	17,212	27,822	45,366	55,943
Netherlands	10,925	15,768	20,621	21,365	23,359	24,862
EEC (The Six)	340,862	452,108	531,125	608,467	732,063	745,926
Denmark:	51	3,568	3,640	3,667	4,921	5,081
United Kingdom	12	575	1,864	1,946	2,062	2,175
EEC (The Nine)	340,935	456,826	536,629	614,080	739,046	753,182

N.B. The number of workers who have returned to Turkey is not included in these figures

Source: Turkish Ministry of Labour

(1) For figures prior to 1969, see 9th Annual Report, Table A II 9, page 62.

DISTRIBUTION BY COUNTRY OF TURKISH
WORKERS EMPLOYED ABROAD AT THE
END OF 1972, 1973 and 1974

	<u>1972</u>	<u>1973</u>	<u>1974</u>
Federal Republic of Germany	544.236	648.029	649.257
Netherlands	21.365	23.359	24.862
Belgium	15.044	15.309	15.864
France	27.822	45.366	55.943
<u>EEC (The Six)</u>	<u>608.467</u>	<u>732.063</u>	<u>745.926</u>
Denmark	3.667	4.921	5.081
United Kingdom	1.946	2.062	2.175
<u>EEC (The Nine)</u>	<u>614.080</u>	<u>739.046</u>	<u>753.182</u>
Austria	27.216	34.459	36.960
Switzerland	5.048	6.360	7.130
Australia	3.782	4.668	5.806
Other	4.181	5.754	7.420
<u>World total</u>	<u>654.307</u>	<u>790.287</u>	<u>810.498</u>

Source: Turkish Ministry of Labour.

TRANSFER OF
TURKISH WORKERS' SAVINGS

(in dollars)

1964	8,114,000
1965	69,781,884
1966	115,334,365
1967	92,436,246
1968	107,355,811
1969	140,636,057
1970	273,020,778
1971	471,370,427
1972	740,205,694
1973	1,183,255,037
1974	1,426,306,906

Source: Turkish Ministry of Labour

Annex B

COLLECTED ACTS ADOPTED IN 1974

Acts relating to the EEC-Turkey Association
adopted by the Council of the European Communities

REGULATION (EEC) No 353/74 OF THE COUNCIL

of 4 February 1974

opening, allocating and providing for the administration of a Community tariff quota for certain petroleum products falling within Chapter 27 of the Common Customs Tariff (1974), refined in Turkey

(OJ No L 48, 20.2.1974)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof;

Having regard to the proposal from the Commission;

Whereas, pending the entry into force of the Supplementary Protocol signed in Ankara on 30 June 1973 containing the adjustments to be made to the Agreement establishing an Association between the European Economic Community and Turkey and to the Additional Protocol (*) consequent on the accession of new Member States, the Community has undertaken, in an Interim Agreement (**) which runs only for the period prior to the entry into force of that Supplementary Protocol but which, in any case, may not extend beyond 31 December 1974, to implement certain provisions of the Supplementary Protocol relating to trade in goods; whereas, under Article 6 of the Interim Agreement amending the first paragraph of the Sole Article of Annex 1 to the Additional Protocol, the Community must, as from 1 January 1974, totally suspend the customs duties applicable to certain petroleum products falling within Chapter 27 of the Common Customs Tariff, refined in Turkey, within the limit of an annual Community tariff quota of 340 000 metric tons; whereas, pursuant to Article 2 of the abovementioned Interim Agree-

ment, the new Member States must apply zero duties to the products concerned;

Whereas equal and direct access to the said quota by all importers and the uninterrupted application of the rate laid down for the said quotas to all imports of the products in question into all Member States should be guaranteed until the quotas are exhausted; whereas utilization of this quota, based on allocation between Member States, would appear to safeguard the Community character of the said quota as regards the principles described above; whereas in order to ensure that such allocation takes as much account as possible of the actual development of the market of the products concerned, the allocation of shares should be in direct proportion to the needs of Member States, calculated, on the one hand, on the basis of statistics relating to imports from Turkey during a given representative period and, on the other, on the basis of the economic prospects for the quota period considered;

Whereas, during the past three years for which complete statistics are available, imports of these products from Turkey into the various Member States were as follows:

	(metric tons)		
	1970	1971	1972
Germany	0	42 304	300 000
Benelux	0	0	96 222
France	0	0	0
Italy	15 750	0	110 162
Denmark	19 780.4	0	0
Ireland	0	0	0
United Kingdom	35 350	0	0

(*) OJ No L 293, 29. 12. 1972, p. 4.

(**) OJ No L 277, 3. 10. 1973, p. 2.

whereas this information indicates that imports of these products are very irregular and that the calculation of the percentages which they represent in relation to the total imports into the Community of the same products from Turkey would not therefore be significant; whereas the calculation of the imports from Member States in question for the quota period considered proves difficult as a result of the irregularity noted in imports during the foregoing years; whereas the foreseeable import figures put forward by the Member States for the quota period concerned leads to the quota concerned being allocated according to the percentages indicated hereafter:

Germany	42.1
Benelux	16.5
France	8.3
Italy	12.4
Denmark	4.2
Ireland	4.2
United Kingdom	12.3

Whereas to take into account the uncertainty in the development of imports of the said products into Member States, the quota volume should be divided into two portions, the first portion being allocated between the Member States, and the second portion forming a reserve intended to meet subsequently the needs of the Member States which have exhausted their original share of the quota; whereas in order to ensure some security to importers in each Member State, the first portion of the Community quota should be fixed at a relatively high level which, under the circumstances, might amount to approximately 85% of the quota volume;

Whereas the initial quota shares of those Member States may be used up at different times; whereas, in order to take this fact into account and avoid any break in continuity, it is important that any Member State having used up almost the whole of its initial quota share should draw an additional quota share from the reserve; whereas this must be done by each Member State as and when each of its additional quota shares is almost entirely used up, and repeated as many times as the reserve allows; whereas the initial and additional quota shares must be available for use until the end of the quota period, whereas such method of administration calls for close co-operation between Member States and the Commission, which must, in particular, be able to observe the extent to which the quota amounts are used and inform Member States thereof;

Whereas if at a specified date in the quota period, a considerable balance of one of the initial shares remains in one or other Member State, it is essential

that that Member State pay a certain percentage of it back into the reserve, in order to avoid a part of the Community quota remaining unused in one Member State when it could be used in others;

Whereas it does not seem possible for the moment, taking into account the differences still existing in the national provisions governing the market of the products in question, to lay down a single method of administration;

Whereas since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united in and represented by the Benelux Economic Union, all transactions concerning the administration of shares granted to the abovementioned Economic Union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

Article 1

1. Subject to any measures taken under paragraphs 2 and 4 of the single article of Annex 1 to the Additional Protocol between the European Economic Community and Turkey, a Community tariff quota of 340 000 metric tons shall be opened until 31 December 1974 for the following petroleum products, refined in Turkey and falling within Chapter 27 of the Common Customs Tariff:

CCT heading No	Description
27.10	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing not less than 70% by weight of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations: A. Light oils: III. For other purposes B. Medium oils: III. For other purposes C. Heavy oils: I. Gas oil: c) For other purposes II. Fuel oil: c) For other purposes

CCT heading No	Description
27.10 (cont'd)	III. Lubricating oils; other oils c) To be mixed in accordance with the terms of Additional Note 7 to Chapter 27 (a) d) For other purposes
27.11	Petroleum gases and other gaseous hydrocarbons: B. Other: I. Commercial propane and commercial butane: c) For other purposes
27.12	Petroleum jelly: A. Crude: III. For other purposes B. Other
27.13	Paraffin wax, micro-crystalline wax, slack wax, ozokerite, liguite wax, peat wax and other mineral waxes, whether or not coloured: B. Other: I. Crude: c) For other purposes II. Other
27.14	Petroleum bitumen, petroleum coke and other residues of petroleum oils or of oils obtained from bituminous minerals: C. Other

(a) Entry under this subheading is subject to conditions to be determined by the competent authorities.

2. Within the Community tariff quota, Common Customs Tariff duties shall be totally suspended.

Within the limits of the quota, the new Member States shall also exempt the petroleum products concerned from duty.

Article 2

1. The tariff quota referred to Article 1 (1) shall be divided into two instalments.

2. The first instalment, amounting to 290 000 metric tons, shall be shared among the Member States;

the proportions which, subject to Article 5, shall be valid until 31 December 1974, shall consist of the following amounts:

Germany	122 000 metric tons
Benelux	48 000 metric tons
France	24 000 metric tons
Italy	36 000 metric tons
Denmark	12 000 metric tons
Ireland	12 000 metric tons
United Kingdom	36 000 metric tons

3. The second instalment, amounting to 50 000 metric tons, shall make up the reserve.

Article 3

1. If 90% or more of one of the initial shares of a Member State, as laid down in Article 2 (2), or 90% of that share less the amount returned into the reserve, where the provisions of Article 5 have been applied, has been exhausted, that Member State concerned shall proceed without delay, by notifying the Commission to draw a second share equal to 20% of its initial share, where appropriate rounded up to the next figure, to the extent that the amount in the reserve allows.

2. If, after its initial share has been exhausted, 90% or more of the second share drawn by a Member State has been used, that Member State shall proceed under the conditions laid down in paragraph 1 to draw a third share equal to 10% of its initial share, where appropriate rounded up to the next figure.

3. If, after its second share has been exhausted, 90% or more of the third share drawn by a Member State has been used, that Member State shall proceed, under the same conditions, to draw a fourth share equal to the third.

This procedure shall be followed until the reserve has been exhausted.

4. Notwithstanding the provisions of paragraphs 1, 2 and 3, Member States may proceed to draw shares smaller than those fixed in those paragraphs if there is reason to believe that those shares might not be used up. They shall inform the Commission of the reasons which led them to apply this paragraph.

Article 4

Additional shares drawn pursuant to Article 3 shall be valid until 31 December 1974.

Article 5

If, on 15 September 1974, a Member State has not used up its initial quota share, it shall, not later than 10 October 1974, return to the reserve the unused portion of its share in excess of 20% of the initial amount. It may return a larger quantity if there are reasons to consider that such quantity might not be used.

The Member States shall, not later than 10 October 1974, notify the Commission of the total imports of the products concerned effected up to and including 15 September 1974, and charged against the Community quota and, where appropriate, the proportion of their original quota share that is being returned to the reserve.

Article 6

The Commission shall keep account of the initial share opened by Member States in accordance with Articles 2 and 3 and shall inform each of them of the extent to which the reserves have been used as soon as it receives the notifications.

The Commission shall, not later than 15 October 1974, notify Member States of the state of the reserve after the return of quota shares pursuant to Article 5.

The Commission shall ensure that any drawing which uses up the reserve is limited to the balance available and, for this purpose shall specify the amount thereof to the Member State which makes the final drawing.

Article 7

1. The Member States shall take all measures necessary to ensure that when additional quotas are drawn

pursuant to Article 3, it is as possible for charges to be made without interruption against the accumulated shares of the Community tariff quota.

2. The Member States shall take all measures necessary to guarantee free access to the quotas allocated to them by all importers established on their territory.

3. The extent to which the quota shares of the Member States have been used up shall be established on the basis of imports of the products concerned submitted to the customs authorities under cover of a declaration that they have been made available for consumption.

Article 8

The Member States shall inform the Commission at regular intervals of imports of the products in question actually charged against their quota shares.

Article 9

The Member States and the Commission shall cooperate closely to ensure that this Regulation is respected.

Article 10

The tariff quota laid down in this Regulation shall be opened for 1974.

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 4 February 1974.

For the Council

The President

W. SCHEEL

REGULATION (EEC) No 354/74 OF THE COUNCIL

of 4 February 1974

opening, allocating and providing for the administration of Community tariff quotas for certain textile products falling within heading Nos 55.05 and 55.09 and subheading No ex 58.01 A of the Common Customs Tariff (1974), coming from Turkey

(OJ No L 48, 20.2.1974)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof;

Having regard to the proposal from the Commission;

Whereas, pending the entry into force of the Supplementary Protocol signed in Ankara on 30 June 1973 containing the adjustments to be made to the Agreement establishing an Association between the European Economic Community and Turkey and to the Additional Protocol⁽¹⁾ consequent on the Accession of new Member States, the Community has undertaken, in an Interim Agreement⁽²⁾ which runs only for the period prior to the entry into force of this Supplementary Protocol but which, in any case, may not extend beyond 31 December 1974, to implement certain provisions of the Supplementary Protocol relating to trade in goods; whereas, under Article 6 of this Interim Agreement amending Article 1 of Annex 2 to the Additional Protocol, the Community must, as from 1 January 1974, reduce by 75% the customs duties on imports from Turkey of certain textile products falling within heading Nos 55.05 and 55.09 of the Common Customs Tariff, within the limit of annual Community tariff quotas of 390 metric tons for cotton yarn and 1 390 metric tons for woven fabrics of cotton, whereas the above-mentioned Article 6 allocates these Community tariff quotas as follows:

— for cotton yarn:

300 metric tons to the Community as originally constituted, 40 metric tons to Denmark, 10 metric tons to Ireland and 40 metric tons to the United Kingdom;

— for woven fabrics of cotton:

1 000 metric tons to the Community as originally constituted, 20 metric tons to Denmark, 10 metric tons to Ireland and 360 metric tons to the United Kingdom;

Whereas, moreover, it appears desirable to provide for a provisional adjustment of the tariff advantages for these goods:

— for the Community as originally constituted by a total suspension of the customs duties of the Common Customs Tariff, and an increase of 50% of the volume of quotas allocated to these Member States;

— for the new Member States by a total suspension of the duties applicable within the limits of the quotas fixed above, increased by 50%;

Whereas pursuant to Article 1 of Annex No 2 to the Supplementary Protocol together with Article 2 of the Interim Agreement, for the duration of 1974 in particular, the Community must reduce by 25% the duties applicable in respect of third countries to carpets, carpeting and rugs, knotted (made up or not) of wool or of fine animal hair, (with the exception of hand-made carpets) imported from Turkey; whereas it also appears advisable to improve this tariff advantage provisionally by means of a total suspension of the duties applicable to the products in question within a Community tariff quota of 160 metric tons allocated in accordance with the same percentages as those adopted under the generalized tariff preferences;

Whereas, in order to comply with the special provisions of the Interim Agreement, different systems should be provided for the Member States of the Community as originally constituted and for the new Member States;

Whereas, as regards the Community as originally constituted:

— it is necessary to guarantee to all Community importers equal and uninterrupted access to the

(1) OJ No L 293, 29. 12. 1972, p. 4.

(2) OJ No L 277, 3. 10. 1973, p. 2.

abovementioned quotas and uninterrupted application of the rate laid down for those quotas to all imports of the product concerned into all Member States until the quota has been used up.

- in the light of the principles mentioned above, the Community nature of the quotas can best be respected by allocating the Community tariff quotas among the Member States; whereas, in order to reflect most accurately the actual development of the market in the product concerned, such allocation shall be in proportion to the needs of the Member States, assessed by reference

both to the statistics of each State's imports from Turkey over a representative period and to the economic outlook for the quota period concerned; whereas, in spite of the limited need for imports from Turkey of the products concerned, as shown by the statistics for the majority of the Member States the Community character of the tariff quotas concerned should be safeguarded by making provisions to cover needs which might arise in these Member States;

- imports into the various Member States from Turkey were as follows during the past three years for which complete statistics are available:

	1970		1971		1972	
	metric tons	%	metric tons	%	metric tons	%
<i>Cotton yarn</i>						
Germany	4 167	34.91	8 458	49.19	11 736	48.35
Benelux	2 071	17.35	4 626	26.90	6 144	25.31
France	244	2.04	242	1.41	412	1.70
Italy	5 455	45.70	3 867	22.50	5 982	24.64
<i>Other woven fabrics of cotton</i>						
Germany	419	20.17	371	13.99	570	21.17
Benelux	207	9.97	848	31.97	995	36.96
France	449	21.62	603	22.74	747	27.75
Italy	1 002	48.24	830	31.30	380	14.12

- in view of these figures and foreseeable market trends for the products concerned during 1974, the initial shares may be fixed approximately at the following percentages:

	<i>Cotton yarn</i>	<i>Other woven fabrics of cotton</i>
Germany	43.8	23.1
Benelux	19.7	30.8
France	5.2	34.6
Italy	31.3	11.5

second held as a reserve intended ultimately to cover the requirements of those Member States which have used up their initial shares; whereas, in order to ensure a certain degree of security to importers, the first instalment should be determined at a relatively high level, which, under present circumstances, may be about 80% of each quota volume;

- in order to take into account the uncertainty of the import trends for the products concerned in the Member States, the quota volumes should be divided into two instalments, the first instalment being allocated to the Member States, and the

- the initial quota shares of the Member States may be used up at different times; whereas, in order to take this fact into account and avoid any break in continuity, it is important that any Member States having used up almost the whole of one of its initial quota shares should draw an additional quota share from the corresponding reserve; whereas, this must be done by each Member States as and when each of its additional quota shares is almost entirely used up, and re-appeared as many times as each of the reserves allows; whereas each of the initial and additional

quota shares must be available for use until the end of the quota period; whereas this method of administration calls for close cooperation between Member States and the Commission, which must, in particular, be able to observe the extent to which the quota amount is used and inform Member States thereof;

CCT heading No	Description	Quota
55.05	Cotton yarn, not put up for retail sale	885 metric tons
55.09	Other woven fabrics of cotton	2 085 metric tons
58.01	Carpets, carpeting and rugs (made up or not): ex A. Of wool or of fine animal hair with the exclusion of hand-made carpets	160 metric tons

— if, at a specified date in the quota period, a considerable balance remains in one or other Member State it is essential that that Member State pays a percentage of it back into the corresponding reserve, in order to avoid a part of one or other of the Community quotas remaining unused in one Member State when it could be used in others;

2. The quotas shall be allocated and administered in accordance with the following provisions.

— since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united in and represented by the Benelux Union, all transactions concerning the administration of shares granted to the above-mentioned Economic Union may be carried out by any one of its members;

SECTION 1

Provisions relating to the Community as originally constituted

Whereas as regards the new Member States in particular:

Article 2

1. Within the quota Customs Tariff duties shall be totally suspended within the limit of 750 metric tons for cotton yarn not put up for retail sale, 1 500 metric tons for other woven fabrics of cotton, and 112 metric tons for carpets made of wool or fine animal hair.

— the quota volumes to be allocated to those new Member States under Article 6 of the Interim Agreement as well as the duties to be applied in those Member States for the purposes of these quotas determined in accordance with Article 2 of the said Agreement, are to be adjusted as set out below;

Article 3

1. The quotas referred to in Article 2 shall be divided into two instalments.

2. The first instalment of each of these quotas shall be shared amongst the Member States; the shares which, subject to Article 6, shall be valid until 31 December 1974, shall be as follows:

— equal and uninterrupted access to the quotas should be ensured to all importers and the duties should be applied without interruption to all imports of the products concerned until the quotas have been used up,

(in metric tons)

	CCT heading No		
	55.05	55.09	ex 58.01 A
Germany	252	240	34.7
Benelux	113	320	12.9
France	30	360	24.4
Italy	180	120	18.0

HAS ADOPTED THIS REGULATION:

Article 1

1. Until 31 December 1974, Community tariff quotas shall be opened for the following products coming from Turkey, as shown below:

The second instalment of each quota, amounting to 175, 460 and 22 metric tons respectively, shall make up the corresponding reserve.

Article 4

1. If 90% or more of one of any Member State's initial shares, as laid down in Article 3 (2) or 90% of that share less the amount returned into the corresponding reserve, where Article 6 has been applied, has been used up, that Member State shall without delay, by notifying the Commission, draw a second share in the quota equal to 15% of its initial share, rounded up to the next unit where appropriate, to the extent that the amount in the reserve allows.

2. If, after one or other of its initial shares has been used up, 90% or more of the second share drawn by one of the Member States has been used up, that Member State shall, in the manner provided for in paragraph 1, draw a third share equal to 7.5% of its initial share.

3. If, after one or other of its second shares has been used up, 90% or more of the third share drawn by a Member State has been used up, the latter shall, in the same manner, draw a fourth share equal to the third.

This procedure shall be followed until the reserve has been exhausted.

4. Notwithstanding paragraphs 1, 2 and 3, Member States may draw smaller shares than those fixed in those paragraphs if there is reason to believe that those shares might not be used up. They shall inform the Commission of their reasons for applying this paragraph.

Article 5

Each of the additional shares drawn pursuant to Article 3 shall be valid until 31 December 1974.

Article 6

If, on 15 September 1974, a Member State has not used up one or other of its initial shares, it shall, not later than 10 October 1974, return to the reserve the unused portion of this share in excess of 20% of the initial amount. It may return a larger quantity if there are reasons to consider that this may not be used.

The Member States shall, not later than 10 October 1974, notify the Commission of the total imports of the products concerned effected under the Community quotas up to and including 15 September 1974 and, where appropriate the proportion of each of their initial shares that they are returning to each of the reserves.

Article 7

The Commission shall keep account of the shares opened by Member States in accordance with Article 3 and 4, and shall inform each of them of the extent to which the reserves have been used as soon as it receives the notifications.

It shall, not later than 15 October 1974, notify the Member States of the state of each of the reserves, after the return of shares pursuant to Article 6.

It shall ensure that any drawing which uses up a reserve is limited to the balance available and, for this purpose, shall specify the amount thereof to the Member State which makes the final drawing.

Article 8

The Member States shall take all measures necessary to ensure that, when additional shares are drawn pursuant to Article 4, it is possible for imports to be counted without interruption against their accumulated shares of the Community tariff quotas.

SECTION II

Provisions relating to the new Member States

Article 9

1. Within the tariff quotas referred to in Article 1, the following shares shall be allocated to the new Member States:

	<i>(in metric tons)</i>		
	55.05	55.09	ex 58.01 A
Denmark	60	30	11.2
Ireland	15	15	1.6
United Kingdom	60	540	35.2

2. Within the limits of these quotas, the new Member States shall apply zero duties for the textile products concerned.

SECTION III

General provisions

Article 10

1. The Member States shall take all measures necessary to ensure for importers of the products concerned established in their territory free access to the shares allocated to them.

2. The Member States shall count imports of the products concerned against their shares as and when such products are presented for customs clearance under cover of a declaration that they have been made available for consumption.

3. The extent to which the Member States' shares have been used up shall be established on the basis of imports counted in accordance with paragraph 2.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 4 February 1974.

Article 11

Member States shall inform the Commission at regular intervals of imports of the products concerned actually counted against their shares.

Article 12

The Member States and the Commission shall cooperate closely in order to ensure that this Regulation is respected.

Article 13

The tariff quotas laid down in this Regulation shall be opened for 1974.

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

For the Council

The President

W. SCHEEL

I

(Acts whose publication is obligatory)

REGULATION (EEC) No 1942/74 OF THE COUNCIL
of 22 July 1974

extending for the third time Regulations (EEC) No 2313/71 and (EEC) No 2823/71 partially and temporarily suspending Common Customs Tariff duties applicable to wines originating in and coming from Algeria, Morocco, Tunisia and Turkey
(OJ No L 204, 26.7.1974)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas Council Regulations (EEC) No 2313/71 ⁽¹⁾ and (EEC) No 2823/71 ⁽²⁾, as last extended by Regulation (EEC) No 2012/73 ⁽³⁾, pending the adoption of a definitive system, established a provisional system for the importation of wines from Algeria, Morocco, Tunisia and Turkey into the Community; whereas since the definitive system has not yet been adopted, the provisional system must be extended under the same conditions as those which applied when it was set up,

HAS ADOPTED THIS REGULATION:

Sole Article

In the second paragraph of Article 2 of Regulations (EEC) No 2313/71 and (EEC) No 2823/71 '31 August 1974' shall be replaced by '31 August 1975'.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 22 July 1974.

For the Council

The President

J. SAUVAGNARGUES

⁽¹⁾ OJ No L 244, 30. 10. 1971, p. 10.

⁽²⁾ OJ No L 285, 29. 12. 1971, p. 51.

⁽³⁾ OJ No L 206, 27. 7. 1973, p. 5.

REGULATION (EEC) No 2924/74 OF THE COUNCIL

of 18 November 1974

opening, allocating and providing for the administration of a Community tariff quota for certain petroleum products falling within Chapter 27 of the Common Customs Tariff, refined in Turkey (1975)

(OJ No L 315, 26.11.1974)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof;

Having regard to the proposal from the Commission;

Whereas, pending the entry into force of the Supplementary Protocol signed in Ankara on 30 June 1973 containing the adjustments to be made to the Agreement establishing an Association between the European Economic Community and Turkey and to the Additional Protocol (*) consequent on the accession of new Member States, the Community has undertaken, in an Interim Agreement (**) which runs only for the period prior to the entry into force of this Supplementary Protocol, which is applicable until 31 December 1974 but which has been extended for 1975 in accordance with the terms laid down in Article 13 thereof to implement certain provisions of the Supplementary Protocol relating to trade in goods; whereas under Article 6 of the Interim Agreement amending the first paragraph of the single Article of Annex 1 to the Additional Protocol, the Community must totally suspend the customs duties applicable to certain petroleum products falling within Chapter 27 of the Common Customs Tariff, refined in Turkey, within the limit of an annual Community tariff quota of 340 000 metric tons; whereas, pursuant to Article 2 of the abovementioned Interim Agreement, the new Member States must apply zero duties to the products concerned;

Whereas equal and direct access to the said quota by all importers and the uninterrupted application of the rate laid down for the said quotas to all imports of the products in question into all Member States should be guaranteed until the quotas are exhausted; whereas utilization of this quota, based on allocation between Member States, would appear to safeguard the Community character of the said quota as regards the principles described above; whereas in order to ensure that such allocation takes

as much account as possible of the actual development of the market of the products concerned, the allocation of shares should be in direct proportion to the needs of Member States, calculated, on the one hand, on the basis of statistics relating to imports from Turkey during a given representative period and, on the other, on the basis of the economic prospects for the quota period considered;

Whereas, during the last three years for which complete statistics are available, imports of these products from Turkey into the various Member States were as follows:

	<i>(metric tons)</i>		
	1971	1972	1973
Benelux	—	96 222	—
Denmark	—	—	12 000
Germany	42 304	300 000	300 000
France	—	—	—
Ireland	—	—	—
Italy	—	110 162	134 035
United Kingdom	—	38 200	40 000

Whereas this information indicates that imports of these products are very irregular and that the calculation of the percentages they represent in relation to the total imports into the Community of the same products from Turkey would not therefore be significant; whereas the calculation of the imports from Member States in question for the quota period considered proves difficult as a result of the irregularity noted in imports during the foregoing years; whereas the foreseeable import figures put forward by the Member States for the quota period concerned leads to the quota considered being allocated according to the percentages indicated hereafter:

Benelux	15.55
Denmark	4.14
Germany	42.07

(*) OJ No L 293, 29. 12. 1972, p. 4.

(**) OJ No L 277, 3. 10. 1973, p. 2.

France	8:28
Ireland	4:14
Italy	12:41
United Kingdom	12:41

Whereas to take into account the uncertainty in the development of imports of the said products into Member States, the quota amount should be divided into two tranches, the first tranche being allocated between the Member States, and the second tranche forming a reserve intended to meet subsequently the needs of the Member States which have exhausted their original share of the quota; whereas, in order to ensure some security to importers in each Member State, the first tranche of the Community quota should be fixed at a relatively high level which, under the circumstances, might amount to approximately, 85% of the quota volume;

Whereas the initial quota shares of those Member States may be used up at different times; whereas, in order to take this fact into account and avoid any break in continuity, it is important that any Member State having used up almost the whole of its initial quota share should draw an additional quota share from the reserve; whereas this must be done by each Member State as and when each of its additional quota shares is almost entirely used up, and repeated as many times as the reserve allows; whereas the initial and additional quota shares must be available for the whole of the end of the quota period; whereas such method of administration calls for close cooperation between Member States and the Commission, which must, in particular, be able to observe the extent to which the quota amounts are used and inform Member States thereof;

Whereas if, at a specified date in the quota period, a considerable balance of one of the initial shares remains in one or other Member State, it is essential that that Member State pay a certain percentage of it back into the reserve to prevent a part of the Community quota from remaining unused in one Member State when it could be used in others;

Whereas it does not seem possible for the moment, taking into account the differences still existing in the national provisions governing the market of the products in question, to lay down a single method of administration;

Whereas since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united in and represented by the Benelux Economic Union, all transactions concerning the administration of shares granted to the abovementioned Economic Union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

Article 1

1. Subject to any measures taken under paragraphs 2 and 4 of the single Article of Annex 1 to the Additional Protocol between the European Economic Community and Turkey, a Community tariff quota of 340 000 metric tons shall be opened from 1 January to 31 December 1975 for the following petroleum products, refined in Turkey and falling within Chapter 27 of the Common Customs Tariff:

CCT heading No	Description
27.10	<p>Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing not less than 70% by weight of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations:</p> <p>A. Light oils: III. For other purposes</p> <p>B. Medium oils: III. For other purposes</p> <p>C. Heavy oils: I. Gas oil: c) For other purposes</p> <p>II. Fuel oil: c) For other purposes</p> <p>III. Lubricating oils; other oils: c) To be mixed in accordance with the terms of Additional Note 7 to Chapter 27 (a) d) For other purposes</p>

(a) Entry under this subheading is subject to conditions to be determined by the competent authorities.

CCT heading No	Description
27.11	Petroleum gases and other gaseous hydrocarbons: B. Other: I. Commercial propane and commercial butane: c) For other purposes
27.12	Petroleum jelly: A. Crude: III. For other purposes
27.13	Paraffin wax, micro-crystalline wax, slack wax, ozokerite, lignite wax, peat wax and other mineral waxes, whether or not coloured: B. Other: I. Crude: c) For other purposes II. Other
27.14	Petroleum bitumen, petroleum coke and other residues of petroleum oils or of oils obtained from bituminous minerals: C. Other

2. Within the Community tariff quota, Common Customs Tariff duties shall be totally suspended.

Within the limits of the quota, the new Member States shall also exempt the petroleum products concerned from duty.

Article 2

1. The tariff quota referred to Article 1 (1) shall be divided into two tranches.

2. The first tranche of 290 000 metric tons, shall be shared among the Member States; the shares which, subject to Article 5, shall be valid until 31 December 1975 shall consist of the following amounts:

Benelux	48 000 metric tons
Denmark	12 000 metric tons
Germany	122 000 metric tons
France	24 000 metric tons
Ireland	12 000 metric tons
Italy	36 000 metric tons
United Kingdom	36 000 metric tons

3. The second tranche of 50 000 metric tons shall constitute a reserve.

Article 3

1. If 90% or more of one of the initial shares of a Member State, as laid down in Article 2 (2), or 90% of that share less the amount returned into the reserve where the provisions of Article 5 have been applied, has been exhausted, that Member State concerned shall proceed without delay, by notifying the Commission, to draw a second share equal to 10% of its initial share, where appropriate rounded up to the next figure, to the extent that the amount in the reserve allows.

2. If, after its initial share has been exhausted, 90% or more of the second share drawn by a Member State has been used, that Member State shall proceed under the conditions laid down in paragraph 1 to draw a third share equal to 5% of its initial share, where appropriate rounded up to the next figure.

3. If, after its second share has been exhausted, 90% or more of the third share drawn by a Member State has been used, that Member State shall proceed, under the same conditions, to draw a fourth share equal to the third.

This procedure shall be followed until the reserve has been exhausted.

4. Notwithstanding the provisions of paragraphs 1, 2 and 3, Member States may proceed to draw shares smaller than those fixed in those paragraphs if there is reason to believe that those shares might not be used up. They shall inform the Commission of the reasons which led them to apply this paragraph.

Article 4

Additional shares drawn pursuant to Article 3 shall be valid until 31 December 1975.

Article 5

If, on 15 September 1975, a Member State has not used up its initial quota share, it shall, not later than 10 October 1975, return to the reserve the unused portion of its share in excess of 20% of the initial amount. It may return a larger quantity if there are reasons to consider that such quantity might not be used.

The Member States shall, not later than 10 October 1975, notify the Commission of the total imports of the products concerned effected up to and including 15 September 1975 and charged against the Community quota and, where appropriate, the proportion of their original quota share that is being returned to the reserve.

Article 6

The Commission shall keep account of the initial share opened by Member States in accordance with Articles 2 and 3 and shall inform each of them of the extent to which the reserves have been used as soon as it receives the notifications.

The Commission shall, not later than 15 October 1975, notify Member States of the state of the reserve after the return of quota shares pursuant to Article 5.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 18 November 1974.

The Commission shall ensure that any drawing which uses up the reserve is limited to the balance available and, for this purpose, shall specify the amount thereof to the Member State which makes the final drawing.

Article 7

1. Every Member State shall take all appropriate measures to ensure shares drawn pursuant to Article 3 are opened in such a way that importations may be charged without interruption against its accumulated share of the relevant Community quota.

2. The Member States shall take all measures necessary to ensure that importers of the products in question established in its territory have free access to the shares allocated to it.

3. The extent to which a Member State has used up its quota shares shall be determined on the basis of the importations of the products in question entered with the customs authorities for home use.

Article 8

The Member States shall inform the Commission at regular intervals of imports of the products in question actually charged against their quota shares.

Article 9

The Member States and the Commission shall cooperate closely to ensure that this Regulation is respected.

Article 10

This Regulation shall enter into force on 1 January 1975.

For the Council

The President

Ch. BONNET

REGULATION (EEC) No 2925/74 OF THE COUNCIL

of 18 November 1974

opening, allocating and providing for the administration of Community tariff quotas for certain textile products falling within heading Nos 55.05 and 55.09 and subheading ex 58.01 A of the Common Customs Tariff, coming from Turkey (1975)

(OJ No L 315, 26.11.1974)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof;

Having regard to the proposal from the Commission;

Whereas, pending the entry into force of the Supplementary Protocol signed in Ankara on 30 June 1973 containing the adjustments to be made to the Agreement establishing an Association between the European Economic Community and Turkey and to the Additional Protocol (1) consequent on the accession of new Member States, the Community has undertaken, in an Interim Agreement (2) which runs only for the period prior to the entry into force of this Supplementary Protocol which is applicable until 31 December 1974 but which has been extended for 1975 in accordance with the terms laid down in Article 13 thereof, to implement certain provisions of the Supplementary Protocol relating to trade in goods; whereas, under Article 6 of this Interim Agreement amending Article 1 of Annex 2 to the Additional Protocol, the Community must reduce by 75% the customs duties on imports from Turkey of certain textile products falling within heading Nos 55.05 and 55.09 of the Common Customs Tariff, within the limit of annual Community tariff quotas of 390 metric tons for cotton yarn and 1 390 metric tons for woven fabrics of cotton, whereas the abovementioned Article 6 allocates these Community tariff quotas as follows:

— for cotton yarn:

300 metric tons to the Community as originally constituted, 40 metric tons to Denmark, 10 metric tons to Ireland and 40 metric tons to the United Kingdom;

— for woven fabrics of cotton:

1 000 metric tons to the Community as originally constituted, 20 metric tons to Denmark, 10 metric tons to Ireland and 360 metric tons to the United Kingdom;

Whereas, moreover, it appears desirable to provide for an initial provisional adjustment of the tariff advantages for these goods:

— for the Community as originally constituted, by a total suspension of the customs duties of the Common Customs Tariff, and an increase of 50% of the volume of quotas allocated to these Member States;

— for the new Member States, by a total suspension of the duties applicable within the limits of the quotas fixed above, increased by 50%;

Whereas these adjustments may, if necessary, be reviewed during the quota year;

Whereas pursuant to Article 1 of Annex 2 to the Supplementary Protocol, together with Article 2 of the Interim Agreement, for the duration of 1975 in particular, the Community must reduce by 25% the duties applicable in respect of third countries to carpets, carpeting and rugs, knotted (made up or not) of wool or of fine animal hair, (excluding hand-made carpets, carpeting and rugs) imported from Turkey; whereas it also appears advisable to improve this tariff advantage provisionally by means of a total suspension of the duties applicable to the products in question within a Community tariff quota initially fixed at 160 metric tons and allocated in accordance with the same percentages as those adopted for 1974 under the generalized tariff preferences;

Whereas, in order to comply with the special provisions of the Interim Agreement, different systems should be provided for the Member States of the Community as originally constituted and for the new Member States;

(1) OJ No L 293, 29. 12. 1972, p. 4

(2) OJ No L 277, 3. 10. 1973, p. 2.

Whereas, as regards the Community as originally constituted:

- it is necessary to guarantee to all Community importers equal and uninterrupted access to the abovementioned quotas and uninterrupted application of the rate laid down for those quotas to all imports of the product concerned into all Member States until the quota has been used up;
- in the light of the principles mentioned above, the Community nature of the quotas can best be respected by allocating the Community tariff quotas among the Member States; whereas, in order to reflect most accurately the actual

development of the market in the product concerned, such allocation shall be in proportion to the needs of the Member States, assessed by reference both to the statistics of each State's imports from Turkey over a representative period and to the economic outlook for the quota period concerned; whereas, in spite of the limited need for imports from Turkey of the products concerned, as shown by the statistics for the majority of the Member States, the Community character of the tariff quotas concerned should be safeguarded by making provisions to cover needs which might arise in these Member States;

- imports into the various Member States from Turkey were as follows during the last three years for which complete statistics are available:

	1971		1972		1973	
	metric tons	%	metric tons	%	metric tons	%
<i>Cotton yarn</i>						
Germany	8 458	49.19	11 736	48.35	10 734	42.79
Benelux	4 626	26.90	6 144	25.31	6 795	27.08
France	242	1.41	412	1.70	162	0.65
Italy	3 867	22.50	5 982	24.64	7 397	29.48
<i>Other woven fabrics of cotton</i>						
Germany	371	13.99	570	21.17	677	30.99
Benelux	848	31.97	995	36.96	953	33.67
France	603	22.74	747	27.75	412	14.56
Italy	830	31.30	380	14.12	588	20.78

- in view of these figures and foreseeable market trends for the products concerned during 1975, the initial shares may be fixed approximately at the following percentages:

	<i>Cotton yarn</i>	<i>Other woven fabrics of cotton</i>
Germany	43.8	23.1
Benelux	19.7	30.8
France	5.2	34.6
Italy	31.3	11.5

- in order to take into account the uncertainty of the import trends for the products concerned in the Member States, the quota volumes should be divided into two instalments, the first instalment being allocated to the Member States and the second held as a reserve intended ultimately to cover the requirements of those Member States

which have used up their initial shares; whereas, in order to ensure a certain degree of security to importers, the first instalment should be determined at a relatively high level, which, under present circumstances, may be about 80% of each quota volume;

- the initial quota shares of the Member States may be used up at different times; whereas, in order to take this fact into account and avoid any break in continuity, it is important that any Member State having used up almost the whole of one of its initial quota shares should draw an additional quota share from the corresponding reserve; whereas, this must be done by each Member State as and when each of its additional quota shares is almost entirely used up and repeated as many times as each of the reserves

allows; whereas each of the initial and additional quota shares must be available for use until the end of the quota period; whereas this method of administration calls for close cooperation between Member States and the Commission, which must, in particular, be able to observe the extent to which the quota amount is used and inform Member States thereof;

— if, at a specified date in the quota period, a considerable balance remains in one or other Member State it is essential that that Member State pays a percentage of it back into the corresponding reserve to prevent a part of the Community quota from remaining unused in one Member State when it could be used in others;

— since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united in and represented by the Benelux Economic Union, all transactions concerning the administration of shares granted to the abovementioned Economic Union may be carried out by any one of its members;

Whereas as regards the new Member States in particular:

— the quota volumes to be allocated to those new Member States under Article 6 of the Interim Agreement, as well as the duties to be applied in those Member States for the purposes of these quotas determined in accordance with Article 2 of the said Agreement, are to be adjusted as set out below;

— equal and uninterrupted access to the quotas should be ensured to all importers and the duties should be applied without interruption to all imports of the products concerned until the quotas have been used up,

HAS ADOPTED THIS REGULATION:

Article 1

1. From 1 January to 31 December 1975, Community tariff quotas shall be opened for the following products coming from Turkey, as shown below:

CCT heading No	Description	Quota (metric tons)
55.05	Cotton yarn, not put up for retail sale	885
55.09	Other woven fabrics of cotton	2 085
58.01	Carpets, carpeting and rugs (made up or not) ex A. Of wool or of fine animal hair excluding handmade carpets, carpeting and rugs	160

2. The quotas shall be allocated and administered in accordance with the following provisions.

112 metric tons for carpets made of wool or fine animal hair.

SECTION I

Provisions applicable to the Community as originally constituted

Article 3

1. The quotas referred to in Article 2 shall be divided into two instalments.

Article 2

1. Within the quota customs tariff duties shall be totally suspended within the limit of 750 metric tons for cotton yarn not put up for retail sale, 1 500 metric tons for other woven fabrics of cotton, and

2. The first instalment of each of these quotas shall be shared amongst the Member States; the shares which, subject to Article 6, shall be valid until 31 December 1975 shall be as follows:

	(metric tons)		
	CCT heading No		
	55 05	55 09	ex 58.01A
Germany	252	240	34.7
Benelux	113	320	12.9
France	30	360	24.4
Italy	180	120	18.0

The second instalment of each quota, amounting to 175, 460 and 22 metric tons respectively, shall make up the corresponding reserve.

Article 4

1. If 90% or more of one of any Member State's initial shares, as laid down in Article 3 (2) or 90% of that share less the amount returned into the corresponding reserve where Article 6 has been applied, has been used up, that Member State shall without delay, by notifying the Commission, draw a second share in the quota equal to 15% of its initial share, rounded up to the next unit where appropriate, to the extent that the amount in the reserve allows.

2. If, after one or other of its initial shares has been used up, 90% or more of the second share drawn by one of the Member States has been used up, that Member State shall, in the manner provided for in paragraph 1, draw a third share equal to 7.5% of its initial share.

3. If, after one or other of its second shares has been used up, 90% or more of the third share drawn by a Member State has been used up, the latter shall, in the same manner, draw a fourth share equal to the third.

This procedure shall be followed until the reserve has been exhausted.

4. Notwithstanding paragraphs 1, 2 and 3, Member States may draw smaller shares than those fixed in those paragraphs if there is reason to believe that those shares might not be used up. They shall inform the Commission of their reasons for applying this paragraph.

Article 5

Each of the additional shares drawn pursuant to Article 4 shall be valid until 31 December 1975.

Article 6

If, on 15 September 1975, a Member State has not used up one or other of its initial shares, it shall, not later than 10 October 1975, return to the reserve the unused portion of this share in excess of 20% of the initial amount. It may return a larger quantity if there are reasons to consider that this may not be used.

The Member States shall, not later than 10 October 1975, notify the Commission of the total imports of the products concerned effected under the Community quotas up to and including 15 September 1975 and, where appropriate, the proportion of each of their initial shares that they are returning to each of the reserves.

Article 7

The Commission shall keep account of the shares opened by Member States in accordance with Articles 3 and 4, and shall inform each of them of the extent to which the reserves have been used as soon as it receives the notifications.

It shall, not later than 15 October 1975, notify the Member States of the state of each of the reserves after the return of shares pursuant to Article 6.

It shall ensure that any drawing which uses up a reserve is limited to the balance available and, for this purpose, shall specify the amount thereof to the Member State which makes the final drawing.

Article 8

The Member States shall take all measures necessary to ensure that, when additional shares are drawn pursuant to Article 4, it is possible for imports to be counted without interruption against their accumulated shares of the Community tariff quotas.

SECTION II

Provisions applicable to the new Member States

Article 9

1. Within the tariff quotas referred to in Article 1, the following shares shall be allocated to the new Member States:

	<i>(metric tons)</i>		
	CCT heading No		
	55.05	55.09	ex 58.01 A
Denmark	60	30	11.2
Ireland	15	15	1.6
United Kingdom	60	540	35.2

2. Within the limits of these quotas, the new Member States shall apply zero duties for the textile products concerned.

SECTION III

General Provisions

Article 10

1. The Member States shall take all measures necessary to ensure for importers of the products concerned established in their territory free access to the shares allocated to them.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 18 November 1974.

2. The Member States shall count imports of the products concerned against their shares as and when such products are presented for customs clearance under cover of a declaration that they have been made available for consumption.

3. The extent to which the Member States' shares have been used up shall be established on the basis of imports counted in accordance with paragraph 2.

Article 11

Member States shall inform the Commission at regular intervals of imports of the products concerned actually counted against their shares.

Article 12

The Member States and the Commission shall cooperate closely in order to ensure that this Regulation is respected.

Article 13

This Regulation shall enter into force on 1 January 1975.

For the Council

The President

Ch. BONNET

REGULATION (EEC) No 3294/74 OF THE COUNCIL

of 19 December 1974

on the opening, allocation and administration of a Community tariff quota for hazelnuts falling within subheading ex 08.05 G of the Common Customs Tariff, originating in Turkey

(OJ No L 353, 30.12.1974)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43 and 113 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament (1);

Whereas under Article 1 of Council Regulation (EEC) No 3375/73 (2) of 10 December 1973 concerning the importation into the Community of certain agricultural products originating in Turkey, the Community must reduce by 37.5% the duty applied to the import of fresh or dried hazelnuts, shelled or otherwise, falling within subheading ex 08.05 G of the Common Customs Tariff, within the limit of a Community tariff quota of 21 700 metric tons; whereas the Community tariff quota concerned should therefore be opened for 1975; whereas the application of a 37.5% reduction to the Common Customs Tariff duty would result in a quota duty of 2.5% for the Community as originally constituted; whereas, as regards the new Member States, it should be noted that Article 2 (1) and (3) of the Interim Agreement bringing into force certain provisions of the Supplementary Protocol provides that the reductions of customs duties pursuant to the Association Agreement shall be applied by the new Member States from the entry into force of the Interim Agreement in the proportions and according to the time limits laid down, that the rates on which the new Member States shall base those reductions

shall be those which they apply at any given moment to non-member countries and that the rates fixed as a result of the reductions regarding the products listed, in particular, in Annex 6 to the Additional Protocol — and which include hazelnuts — may in no case be lower than those applied by the new Member States with reference to the Community as originally constituted; whereas the reduction to be applied by the new Member States within the framework of the tariff quota under consideration must therefore, in certain cases, be limited to 40%;

Whereas it is in particular necessary to ensure to all importers of the Member States equal and uninterrupted access to the said quota and uninterrupted application of the rate laid down for that quota to all imports of the products concerned into all Member States until the quota has been used up; whereas having regard to the above principles, the Community nature of the quota can be respected by allocating the Community tariff quota among the Member States; whereas, to reflect most accurately the actual development of the market in the products concerned, such allocation should be in proportion to the needs of the Member States, assessed by reference both to the statistics relating to imports from Turkey over a representative period, and to the economic outlook for the quota period concerned;

Whereas, on the basis of the statistics at present available, imports into the Member States in 1971, 1972 and 1973 of the product concerned originating in Turkey have developed as follows and represent the following percentages of total imports into the Community:

(1) OJ No C 140, 13. 11. 1974, p. 9.

(2) OJ No L 345, 15. 12. 1973, p. 1.

	1971		1972		1973	
	metric tons	in %	metric tons	in %	metric tons	in %
Germany	24 166	65.88	36 776	70.59	39 133	72.66
Benelux	4 557	12.42	5 220	10.02	3 323	6.17
France	3 581	9.76	4 906	9.42	6 170	11.45
Italy	148	0.40	197	0.38	150	0.28
Denmark	854	2.33	795	1.53	975	1.81
Ireland	177	0.48	424	0.81	201	0.37
United Kingdom	3 200	8.73	3 777	7.25	3 910	7.26
	36 683		52 095		53 862	

Whereas, taking into account these figures and the foreseeable development of the product concerned during 1975 and, in particular, the forecasts made by some Member States, the initial shares may be fixed approximately at the following percentages:

Germany	65.93
Benelux	10.14
France	8.20
Italy	0.25
Denmark	2.67
Ireland	1.66
United Kingdom	11.15

Whereas in order to take into account the import trends for the product concerned in the Member States, the quota volume should be divided into two instalments, the first instalment being allocated to the Member States, and the second forming a reserve intended ultimately to cover the requirements of the Member States, should their initial share be used up; whereas, in order to ensure a certain degree of security to importers, the first instalment of the Community quota should be determined at a relatively high level, which under present circumstances could be approximately 80% of the quota volume;

Whereas the initial shares may be used up sooner or later; whereas, in order to take this fact into account and to avoid any break in continuity, it is important that any Member State which has used up almost all its initial share should draw an additional share from the reserve; whereas this must be done as and when each of its additional shares in the quota is almost entirely used up, and repeated as often as the reserve allows; whereas the initial and additional shares must be available for use until the end of the quota period; whereas this method of administration calls for close cooperation between

the Member States and the Commission, which must in particular be able to observe the extent to which the quota volume is used up and inform the Member States thereof;

Whereas if, at a specified date in the quota period, a considerable balance remains in any Member State, it is essential that the Member State should return a certain proportion thereof to the reserve, in order to avoid part of the Community quota remaining unused in one Member State when it could be used in others; whereas, taking into account the seasonal nature of imports, it seems appropriate to fix the transfer limit of 40% of the initial share;

Whereas, since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united in and represented by the Benelux Economic Union, all transactions concerning the administration of the shares granted to the abovementioned Economic Union may be carried out by any of its members,

HAS ADOPTED THIS REGULATION:

Article 1

1. During the period from 1 January to 31 December 1975 a Community tariff quota of 21 700 metric tons shall be opened in the Community for fresh or dried hazelnuts, shelled or otherwise, falling within subheading ex 08.05 G, of the Common Customs Tariff, originating in Turkey.

2. Within this tariff quota, the Common Customs Tariff duty is suspended at 2.5%.

3. The new Member States shall apply within this Community tariff quota, the customs duties calculated in accordance with the relevant provisions of the Act of Accession, in the Interim Agreement and in Regulation (EEC) No 3375/73.

4. This tariff quota shall be allocated and administered in accordance with the following provisions.

Article 2

1. The tariff quota referred to in Article 1 (1) shall be divided into two instalments.

2. The first instalment, amounting to 17 700 metric tons, shall be shared amongst the Member States; the shares which, subject to Article 5, shall be valid until 31 December 1975 shall be as follows:

Germany	11 669 metric tons,
Benelux	1 795 metric tons,
France	1 451 metric tons,
Italy	45 metric tons,
Denmark	472 metric tons,
Ireland	294 metric tons,
United Kingdom	1 974 metric tons.

3. The second instalment, amounting to 4 000 metric tons, shall constitute the reserve.

Article 3

1. If 90% or more of any Member State's initial share, as laid down in Article 2 (2), or 90% of that share less the amount returned into the reserve, where Article 5 has been applied has been exhausted, that Member State shall without delay, by notifying the Commission, draw a second share in the quota equal to 15% of its initial share, rounded up to the next unit where appropriate, to the extent that the amount in the reserve allows.

2. If after its initial share has been exhausted 90% or more of the second share drawn by a Member State has been used, that Member State shall, in the manner provided for in paragraph 1, draw a third share equal to 7.5% of its initial share.

3. If after its second share has been exhausted 90% or more of the third share drawn by that Member State has been used, it shall, in the manner provided for in paragraph 1, draw a fourth share equal to the third.

This process shall be applied until the reserve is exhausted.

4. Notwithstanding the provisions of paragraphs 1, 2 and 3, Member States may draw smaller shares than those fixed in those paragraphs if there is reason to believe that those shares might not be used up. They shall inform the Commission of their reasons for applying this paragraph.

Article 4

Additional shares drawn pursuant to Article 3 shall be valid until 31 December 1975.

Article 5

If, by 15 October 1975, a Member State has not used up its initial share, it shall, not later than 31 October 1975, return to the reserve the unused portion of this share in excess of 40% of the initial amount. It may return a larger quantity if there are reasons to consider that such quantity may not be used.

The Member States shall, not later than 31 October 1975, notify the Commission of the total imports of the products concerned effected under the Community quota up to 15 October 1975 inclusive and, where appropriate, the proportion of their initial shares that they are returning to the reserve.

Article 6

The Commission shall keep account of the shares opened by Member States in accordance with Articles 2 and 3, and shall inform each of them of the extent to which the reserve has been used as soon as it receives the notifications.

The Commission shall, not later than 5 November 1975, notify the Member States of the state of the reserve after the return of shares pursuant to Article 5.

The Commission shall ensure that any drawing which uses up the reserve is limited to the balance available and, for this purpose, shall specify the amount thereof to the Member State which makes the final drawing.

Article 7

1. The Member States shall take all measures necessary to ensure that supplementary shares drawn

pursuant to Article 3 are opened in such a way that changes may be made without interruption against their accumulative shares of the Community quota.

2. The Member States shall ensure that importers of the said products established in their territory have free access to the shares allocated to them or drawn from the reserve.

3. The Member States shall charge imports of the said goods against their shares as and when the goods are entered for home use.

4. The extent to which a Member State has used up its share shall be determined on the basis of the imports charged in accordance with paragraph 3.

Article 8

Member States shall regularly inform the Commission of imports actually charged against their shares.

Article 9

The Member States and the Commission shall cooperate closely in order to ensure the correct application of this Regulation.

Article 10

This Regulation shall enter into force on 1 January 1975.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 19 December 1974.

For the Council

The President

J. P. FOURCADE

REGULATION (EEC) No 3295/74 OF THE COUNCIL

of 19 December 1974

on the total or partial suspension of Common Customs Tariff duties on certain agricultural products originating in Turkey

(OJ No L 353, 30.12.1974)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43 and 113 thereof;

Having regard to Council Regulation (EEC) No 1059/69⁽¹⁾ of 28 May 1969 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products, as last amended by Council Regulation (EEC) No 1491/73⁽²⁾, and in particular Article 12 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas under Annex 6 of the Additional Protocol laying down the conditions, procedures and timetables for implementing the transitional phase pursuant to Article 4 of the Agreement establishing an association between the European Economic Community and Turkey, and under Article 1 of the Interim Agreement between the European Economic Community and Turkey on account of the accession of new Member States to the Community: the Community must totally or partially suspend the Common Customs Tariff or duties applicable to certain products; whereas it also appears necessary on a provisional basis to adjust or supplement some of these tariff advantages provided for the abovementioned Annex No 6; whereas the Community should as regards the products originating in Turkey, and contained in the list annexed to this Regulation, suspend from 1 January to 31 December 1975, at the levels indicated for each of them, either the fixed component of the charge applicable to the goods coming under Regulation (EEC) No 1059/69 or the customs duty applicable to the other products;

Whereas, for certain products of Chapters 1 to 24 of the Common Customs Tariff, this scheme would, however, involve in 1975 the application in the new Member States of customs duties higher than or very

close to those which are applied by the new Member States to non-member countries in general on the basis of the provisions of the Act of Accession; whereas in order to maintain an equivalent preferential margin for these products also, reduced customs duties should be applied to them, in accordance with detailed rules based on the principle of maintaining, in the new Member States, a preference proportional to that which exists between the duties of the Common Customs Tariff and the duties given in Annex A to this Regulation; whereas, with a view to granting to Turkey the best possible treatment, in accordance with the objectives of the preference scheme, the duties given in Annex A should also be applied whenever the duties calculated according to the abovementioned detailed rules prove to be higher than them,

HAS ADOPTED THIS REGULATION:

Article 1

1. From 1 January until 31 December 1975, the products originating in Turkey listed in Annex A shall be admitted for import into the Community at the customs duties indicated for each of them.

On importation into Denmark, Ireland and the United Kingdom, there shall be applied to the abovementioned products the customs duties determined by multiplying, by a coefficient equal to the margin of preferences existing between the duties given in Annex A and the Common Customs Tariff duties applicable, the duties obtained by reducing the difference between the lowest duty applied to developing countries on 1 January 1972 and the Common Customs Tariff, by 40% in respect of the products mentioned in Annex B, and by 60% in respect of the other products given in Annex A.

However, the duties given in Annex A shall be applied where the duties resulting from the abovementioned calculation are higher than them.

⁽¹⁾ OJ No L 141, 12. 6. 1969, p. 1.

⁽²⁾ OJ No L 151, 7. 6. 1973, p. 1.

2. For the purposes of application of this Regulation, 'originating products' shall mean those products which fulfil the conditions laid down in Association Council Decision No 4/72 ⁽¹⁾ of 29 December 1972 annexed to Regulation (EEC) No 428/73.

The methods of administrative cooperation which ensure that the products listed in the Annexes benefit from the total or partial suspension shall be those laid down in Association Council Decision No 5/72 of 29 December 1972 annexed to Regulation (EEC) No 428/73, as amended by Association Council Decision No 2/73 of 17 December 1973 annexed to Regulation (EEC) No 3573/73 ⁽²⁾.

Article 2

When the imports of products benefiting from the arrangements provided for in Article 1 come into the Community in quantities or at prices which cause or threaten to cause serious loss to the Community producers of similar products or directly competitive products, the Common Customs Tariff duties may be partially or wholly reintroduced for the products in question. These measures may also be taken in the

event of serious loss or the threat of serious loss limited to a single region of the Community.

Article 3

1. In order to ensure the application of Article 2, the Commission may decide by means of a Regulation to reintroduce Common Customs Tariff duties for a limited period.

2. If the action of the Commission was requested by a Member State, the Commission shall take a decision within a maximum period of 10 working days from receipt of the request and shall inform the Member States of the action taken.

3. Any Member State may remit to the Council the measure taken by the Commission within a period of 10 working days following the day of its notification. The intervention of the Council shall not have a suspensory effect. The Council shall meet without delay. It may by qualified majority modify or annul the measure in question.

Article 4

This Regulation shall enter into force on 1 January 1975.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 19 December 1974.

For the Council
The President
J. P. FOURCADE

⁽¹⁾ OJ No L 59, 5. 3. 1973, p. 73.

⁽²⁾ OJ No L 359, 28. 12. 1973, p. 1.

ANNEX A

List of products falling within Chapters 1 to 24 originating in Turkey for which there are grounds for total or partial suspension of the duties of the Common Customs Tariff

CCT heading No	Description	Rate of duty
1	2	3
02.01	Meat and edible offals of the animals falling within heading No 01.01, 01.02, 01.03, or 01.04, fresh, chilled or frozen: A. Meat: III. Of swine: b) Other	Free
02.04	Other meat and edible meat offals, fresh chilled or frozen: ex B. Furred game, frozen	Free
	C. Other: ex I. Frogs' legs	Free
04.06	Natural honey	26%
04.07	Edible products of animal origin not specified or included elsewhere	7%
05.15	Animal products not elsewhere specified or included; dead animals of Chapter 1 or Chapter 3 unfit for human consumption: A. Fish, crustaceans and molluscs: I. Fish of a length of 6 cm or less and shrimps and prawns, dried	Free
07.04	Dried, dehydrated or evaporated vegetables, whole, cut, sliced, broken or in powder but not further prepared: ex B. Other: — Mushrooms, dried, dehydrated or evaporated, excluding cultivated	10%
	— Mushrooms; horse-radish (<i>Cochlearia armoracia</i>)	8%
07.05	Dried leguminous vegetables, shelled, whether or not skinned or split: B. Other: ex I. Beans (of the species <i>Phaseolus</i>)	Free
08.01	Dates, bananas, coconuts, Brazil nuts, cashew nuts, pineapples, avocados, mangoes, guavas and margosteens, fresh or dried, shelled or not: ex E. Dehydrated coconut	Free

CCT heading No	Description	Rate of duty
1	2	3
08.05	Nuts other than those falling within heading No 08.01, fresh or dried, shelled or not: <ul style="list-style-type: none"> <li data-bbox="376 307 764 330">D. Pistachios Free <li data-bbox="376 338 764 362">E. Pecans Free <li data-bbox="376 370 764 393">F. Areca (or betels) and cola Free <li data-bbox="360 401 764 424">x G. Other, excluding hazelnuts Free 	
08.10	Fruit (whether or not cooked), preserved by freezing, not containing added sugar: <ul style="list-style-type: none"> <li data-bbox="355 487 764 511">ex A. Bilberries and blackberries 10% <li data-bbox="355 519 764 542">ex B. Other: <ul style="list-style-type: none"> <li data-bbox="396 550 764 573">— Quinces 12% <li data-bbox="396 581 764 620">— Fruit falling within heading No 08.01, excluding pineapples, grapefruit and pomelos, whortleberries 10% <li data-bbox="396 628 764 667">— Fruit falling within heading No 08.09 excluding melons and watermelons 10% 	
08.11	Fruits provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption: <ul style="list-style-type: none"> <li data-bbox="376 738 764 762">C. Papaws Free <li data-bbox="376 769 764 793">D. Bilberries 5% <li data-bbox="355 801 764 824">ex E. Other: <ul style="list-style-type: none"> <li data-bbox="396 832 764 856">— Quinces 6% <li data-bbox="396 863 764 911">— Fruit falling within heading No 08.01, excluding pineapples, grapefruit and pomelos, whortleberries, blackberries 5% <li data-bbox="396 918 764 965">— Fruit falling within heading No 08.09 excluding melons and water-melons 5% 	
08.12	Fruit, dried (other than that falling within heading No 08.01, 08.02, 08.03, 08.04 or 08.05): <ul style="list-style-type: none"> <li data-bbox="396 1052 764 1075">E. Papaws Free <li data-bbox="376 1083 764 1107">ex G. Other: <ul style="list-style-type: none"> <li data-bbox="396 1114 764 1138">— Tamarind (pods, pulp) Free 	
08.13	Peel of melons and citrus fruit, fresh, frozen, dried or provisionally preserved in brine, in sulphur water or in other preservative solutions Free	
09.02	Tea: <ul style="list-style-type: none"> <li data-bbox="355 1295 764 1329">A. In immediate packings of a net capacity not exceeding 3 kg Free 	

CCT heading No	Description	Rate of duty
1	2	3
09.09	Seeds of anise, badian, fennel, coriander, cumin, caraway and juniper: A. Neither crushed nor ground: III. Seeds of fennel, coriander, cumin, caraway and juniper: b) Other: 2. Other	Free
12.07	Plants and parts (including seeds and fruit) of trees, bushes, shrubs or other plants, being goods of a kind used primarily in perfumery, in pharmacy, or for insecticidal, fungicidal or similar purposes, fresh or dried, whole, cut, crushed, ground or powdered: B. Licorice roots	Free
12.08	Locust beans, fresh or dried, whether or not kibbled or ground but not further prepared; fruit kernels and other vegetable products of a kind used primarily for human food, not falling within any other heading: B. Locust bean seeds: I. Not decorticated, crushed or ground C. Apricot, peach and plum stones, and kernels thereof	Free Free
15.03	Lard stearin, oleostearin and tallow stearin; lard oil, oleo-oil and tallow oil, not emulsified or mixed or prepared in any way: B. Tallow oil for industrial uses other than the manufacture of foodstuffs for human consumption (a)	Free
15.04	Fats and oils, of fish and marine mammals, whether or not refined: A. Fish-liver oil: I. Of a vitamin A content not exceeding 2 500 international units per gramme	Free
15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified: B. China-wood and oiticica oils, myrtle wax and Japan wax C. Castor oil: II. Other D. Other oils: I. For technical or industrial uses other than the manufacture of foodstuffs for human consumption: a) Crude (a) ex 3. Other, excluding linseed oil, cabbage palm oil, pea-nut oil, sunflower oil and rape seed oil	Free 6% 2.5%

(a) Inclusion in this subheading is subject to terms to be determined by the competent authorities.

CCT heading No	Description	Rate of duty
1	2	3
15.12	Animal or vegetable oils and fats, wholly or partly hydrogenated, or solidified or hardened by any other process, whether or not refined, but not further prepared: A. In immediate packings of a net capacity of 1 kg or less ... B. Other	16% 12%
15.17	Residues resulting from the treatment of fatty substances or animal or vegetable waxes: B. Other: I. Oil foots and dregs; soapstocks II. Other	Free Free
16.02	Other prepared or preserved meat or meat offal: A. Liver: I. Goose or duck liver B. Other: II. Game or rabbit meat or offal: Game Rabbit III. Other: b) Other: ex 1. Containing bovine meat or offal: — Prepared or preserved bovine tongue ... 2. Not specified: aa) Bovine meat or offal bb) Other	14% 10% 14% 18% 18% 18%
16.04	Prepared or preserved fish, including caviar substitutes: A. Caviar and caviar substitutes: I. Caviar (sturgeon roe) II. Other B. Salmonidas ex F. Bonito and mackerel G. Other: I. Fillet, raw, coated with batter or breadcrumbs, deep frozen II. Other	13% 18% 7% 21% 12% 12%
16.05	Crustaceans and molluscs, prepared or preserved: A. Crabs ex B. Other, excluding shrimps of the 'Crangon' sp.p. type and whelks	8% 7%

CCT heading No	Description	Rate of duty
1	2	3
18.06	Chocolate and other food preparations containing cocoa:	
	A. Cocoa powder, not otherwise sweetened than by the addition of sucrose	6% + vc
ex 19.04	Tapioca and sago excluding tapioca and sago substitutes obtained from potato or other starches	7% + vc
20.01	Vegetables and fruit, prepared or preserved by vinegar or acetic acid, with or without sugar, whether or not containing salt, spices or mustard:	
	ex B. Other, prepared or preserved by vinegar or acetic acid, with or without salt, spices or mustard but with sugar, except for gherkins, cucumbers, 'mixed pickle' or sweet peppers	18%
20.02	Vegetables prepared or preserved without vinegar or acetic acid:	
	E. Sauerkraut	16%
20.03	Fruit preserved by freezing, containing added sugar:	
	ex A. With a sugar content exceeding 13% by weight:	
	— Fruit falling within heading No 08.01, excluding pineapples	13% + (L)
	ex B. Other:	
	— Fruit falling within heading No 08.01, excluding pineapples	13%
20.04	Fruit, fruit-peel and parts of plants, preserved by sugar (drained glacé or crystallized):	
	B. Other:	
	ex I. With a sugar content exceeding 13% by weight:	
	— Fruit falling within heading No 08.01, excluding pineapples	12.5% + (L)
	ex II. Other:	
	— Fruit falling within heading No 08.01, excluding pineapples	12.5%
20.05	Jams, fruit jellies, marmalades, fruit purée and fruit pastes, being cooked preparations, whether or not containing added sugar:	
	B. Jams and marmalades of citrus fruit:	
	ex I. With a sugar content exceeding 30% by weight, excluding orange jam and orange marmalade	19% + (L)
	ex II. With a sugar content exceeding 13% but not exceeding 30% by weight, excluding orange jam and orange marmalade	19% + (L)
	ex III. Other, excluding orange jam and orange marmalade	19%

CCT heading No	Description	Rate of duty
1	2	3
20.05 (cont'd)	<p>C. Other:</p> <p>I. With a sugar content exceeding 30% by weight: ex b) Other: — Of fruit falling within heading No 08.01, excluding pineapple</p> <p>ex II. With a sugar content exceeding 13% but not exceeding 30% by weight: — Of fruit falling within heading No 08.01, excluding pineapples</p> <p>ex III. Other: — Of fruit falling within heading No 08.01, excluding pineapples and purée of figs</p>	<p>18% + (L)</p> <p>18% + (L)</p> <p>18%</p>
20.06	<p>Fruit prepared otherwise or preserved; whether or not containing added sugar or spirit:</p> <p>B. Other:</p> <p>I. Containing added spirit:</p> <p>a) Ginger</p> <p>b) Pineapples, in immediate packings of a net capacity:</p> <p> 1. Of more than 1 kg: aa) With a sugar content exceeding 17% by weight</p> <p> bb) Other</p> <p> 2. Of 1 kg or less: aa) With a sugar content exceeding 19% by weight</p> <p> bb) Other</p> <p>c) Grapes:</p> <p> 1. With a sugar content exceeding 13% by weight</p> <p> 2. Other</p> <p>d) Peaches, pears and apricots, in immediate packings of a net capacity:</p> <p> 1. Of more than 1 kg: aa) With a sugar content exceeding 13% by weight</p> <p> bb) Other</p> <p> 2. Of 1 kg or less: aa) With a sugar content exceeding 15% by weight</p> <p> bb) Other</p> <p>e) Other fruits:</p> <p>ex 1. With a sugar content exceeding 9% by weight excluding cherries</p> <p>ex 2. Other</p>	<p>16%</p> <p>16% + (L)</p> <p>16%</p> <p>16% + (L)</p> <p>16%</p> <p>25% + (L)</p> <p>25%</p> <p>25% + (L)</p> <p>25%</p> <p>25% + (L)</p> <p>25%</p> <p>25% + (L)</p> <p>25%</p>

CCT heading No	Description	Rate of duty ¹⁾
1	2	3
20.06 (cont'd)	<p>f) Mixtures of fruit:</p> <p>1. With a sugar content exceeding 9% by weight. 25% + (L)</p> <p>2. Other 25%</p> <p>II. Not containing added spirit:</p> <p>a) Containing added sugar, in immediate packings of a net capacity of more than 1 kg:</p> <p>2. Grapefruit segments 12% + (L)</p> <p>3. Mandarins (including tangerines and satsumas); clementines, wilkings and other similar citrus hybrids 19% + (L)</p> <p>4. Grapes 18% + (L)</p> <p>ex 8. Other fruits:</p> <p>— Fruit falling within heading No 08.01, excluding pineapples 11% + (L)</p> <p>— Tamarinds, (pods, pulp) 11% + (L)</p> <p>b) Containing added sugar, in immediate packings of a net capacity of not more than 1 kg:</p> <p>2. Grapefruit segments 12% + (L)</p> <p>3. Mandarins (including tangerines and satsumas); clementines, wilkings and other similar citrus hybrids 20% + (L)</p> <p>4. Grapes 19% + (L)</p> <p>ex 8. Other fruits:</p> <p>— Fruit falling within heading No 08.01, excluding pineapples 12% + (L)</p> <p>c) Not containing added sugar, in immediate packings of a net capacity:</p> <p>1. Of 4.5 kg or more:</p> <p>ex dd) Other fruits:</p> <p>— Fruits falling within heading No 08.01, excluding pineapples 12%</p> <p>2. Of less than 4.5 kg:</p> <p>ex bb) Other fruits and mixtures of fruit:</p> <p>— Fruit falling within heading No 08.01, excluding pineapples 12%</p>	
20.07	<p>Fruit juices (including grape must) and vegetable juices, whether or not containing added sugar, but unfermented and not containing spirits:</p> <p>A. Of a specific gravity exceeding 1.33 at 15° C:</p> <p>III. Other:</p> <p>ex a) Of a value exceeding 30 u.a. per 100 kg net weight:</p> <p>— Fruits falling within heading No 08.01, excluding pineapples 21%</p>	

CCT heading No	Description	Rate of duty
1	2	3
20.07 (cont'd)	<p>b) Of a value not exceeding 30 u.a. per 100 kg net weight:</p> <p>ex 1. With an added sugar content exceeding 30% by weight:</p> <p>— Fruits falling within heading No 08.01, excluding pineapples 21% + (L)</p> <p>ex 2. Other:</p> <p>— Fruits falling within heading No 08.01, excluding pineapples 21%</p> <p>B. Of a specific gravity of 1.33 or less at 15° C:</p> <p>II. Other:</p> <p>a) Of a value exceeding 30 u.a. per 100 kg net weight:</p> <p>2. Grapefruit juice 10.5%</p> <p>ex 3. Other citrus fruit juices:</p> <p>aa) Containing added sugar 14%</p> <p>bb) Other 15%</p> <p>ex 6. Other fruit and vegetable juices, excluding apricot and peach juices:</p> <p>aa) Containing added sugar 17%</p> <p>bb) Other 18%</p> <p>7. Mixtures:</p> <p>ex bb) Other, excluding mixtures containing either separately or together, over 25% of grape, citrus fruit, pineapple, apple, pear, tomato, apricot or peach juice:</p> <p>11. Containing added sugar 17%</p> <p>22. Other 18%</p> <p>b) Of a value of 30 u.a. or less per 100 kg net weight:</p> <p>2. Grapefruit juice:</p> <p>aa) With an added sugar content exceeding 30% by weight 10% + (L)</p> <p>bb) Other 10%</p> <p>4. Other citrus fruit juices:</p> <p>aa) With added sugar content exceeding 30% by weight 14% + (L)</p> <p>bb) With an added sugar content of 30% or less by weight 14%</p> <p>cc) Not containing added sugar 15%</p> <p>7. Other fruit and vegetable juices excluding apricot and peach juices:</p> <p>ex aa) With an added sugar content exceeding 30% by weight, except apricots and peaches 17% + (L)</p> <p>ex bb) With an added sugar content of 30% or less by weight, except apricots and peaches 17%</p> <p>ex cc) Not containing added sugar, except apricots and peaches 18%</p>	

CCT heading No	Description	Rate of duty
1	2	3
20.07 (cont'd)	8. Mixtures: ex bb) Other, excluding mixtures containing either separately or together, over 25% of grape, citrus fruit, pineapple, apple, pear, tomato, apricot, or peach juice: 11. With an added sugar content exceeding 30% weight 22. With an added sugar content of 30% or less by weight 33. Not containing added sugar	 17% + (L) 17% 18%
21.07	Food preparations not elsewhere stated or included: A. Cereals in grain or ear form, precooked or otherwise prepared	 5% + vc
23.01	Flours and meals, of meat, offals, fish, crustaceans or molluscs, unfit for human consumption; greaves: B. Flours and meals of fish, crustaceans or molluscs	 Free
23.06	Products of vegetable origin of a kind used for animal food, not elsewhere specified or included: B. Other	 Free
23.07	Sweetened forage; other preparations of a kind used in animal feeding: A. Fish or marine mammal solubles	 Free

ANNEX B

List of products in respect of which the difference between the lowest duties applied on 1 January 1972 to the developing countries by Denmark, Ireland and the United Kingdom and the Common Customs Tariff duties must be reduced by 40% in accordance with Article 1 of this Regulation

CCT heading No	Description
07.04	<p>Dried, dehydrated or evaporated vegetables, whole, cut, sliced, broken or in powder but not further prepared:</p> <p>ex B. Other:</p> <ul style="list-style-type: none"> — Mushrooms, dried dehydrated or evaporated, excluding cultivated mushrooms — Horse-radish (<i>Chochlearia armoracia</i>)
08.05	<p>Nuts other than those falling within heading No 08.01, fresh or dried, shelled or not:</p> <ul style="list-style-type: none"> D. Pistachios E. Pecans <p>ex G. Other (excluding hazelnuts)</p>
08.10	<p>Fruit (whether or not cooked), preserved by freezing, not containing added sugar:</p> <p>ex A. Bilberries and blackberries</p> <p>ex B. Others:</p> <ul style="list-style-type: none"> — Quinces — Fruit falling within heading No 08.01, excluding pineapples; grapefruit and pomelos, whortleberries — Fruit falling within heading No 08.09, excluding melons and watermelons
08.11	<p>Fruit provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption:</p> <ul style="list-style-type: none"> C. Papaws D. Bilberries <p>ex E. Other:</p> <ul style="list-style-type: none"> — Quinces — Fruit falling within heading No 08.01, excluding pineapples; grapefruit and pomelos, whortleberries, blackberries — Fruit falling within heading No 08.09 excluding melons and water melons
08.12	<p>Fruit, dried, other than that falling within heading No 08.01, 08.02, 08.03, 08.04 or 08.05:</p> <ul style="list-style-type: none"> E. Papaws <p>ex G. Other:</p> <ul style="list-style-type: none"> — Tamarind (pods, pulp)

CCT heading No	Description
08.13	Peel of melons and citrus fruit, fresh, frozen, dried or provisionally preserved in brine, in sulphur water or in other preservative solutions
16.02 (a)	Other prepared or preserved meat or meat offal: B. Other: III. Other: b) Other: ex 1. Containing bovine meat or offal: — Prepared or preserved bovine tongue 2. Other: aa) Of ovine meat and offal bb) Other
20.01	Vegetables and fruit, prepared or preserved by vinegar or acetic acid, with or without sugar, whether or not containing salt, spices or mustard: ex B. Other: — Prepared or preserved by vinegar or acetic acid, with sugar, excluding gherkins, cucumbers, 'mixed pickles' and sweet peppers
20.02	Vegetables prepared or preserved otherwise than by vinegar or acetic acid: E. Sauerkraut
20.03	Fruit preserved by freezing, containing added sugar: ex A. With a sugar content exceeding 13% by weight: — Fruit falling within heading No 08.01, excluding pineapples ex B. Other: — Fruit falling within heading No 08.01, excluding pineapples
20.04	Fruit, fruit-peel and parts of plants, preserved by sugar (drained, glacé or crystallized): B. Other: ex I. With a sugar content exceeding 13% by weight: — Fruit falling within heading No 08.01, excluding pineapples ex II. Other: — Fruit falling within heading No 08.01, excluding pineapples
20.05	Jams, fruit jellies, marmalades, fruit purée and fruit pastes, being cooked preparations, whether or not containing added sugar: B. Jams and marmalades of citrus fruit: ex I. With a sugar content exceeding 30% by weight, excluding orange jam and orange marmalade ex II. With a sugar content exceeding 13% but not exceeding 30% by weight, excluding orange jam and orange marmalade ex III. Other, excluding orange jam and orange marmalade

(a) This position will be abolished from 1 April 1975

CCT heading No	Description
20.05 (cont'd)	<p>C. Other:</p> <p>I. With a sugar content exceeding 30% by weight: ex b) Other: — Of fruit falling within heading No 08.01, excluding pineapples</p> <p>ex II. With a sugar content exceeding 13% but not exceeding 30% by weight: — Of fruit falling within heading No 08.01, excluding pineapples</p> <p>ex III. Other: — Of fruit falling within heading No 08.01, excluding pineapples and purée of figs</p>
20.06	<p>Fruit, otherwise prepared or preserved, whether or not containing added sugar or spirit:</p> <p>B. Other:</p> <p>I. Containing added spirit:</p> <p>a) Ginger</p> <p>b) Pineapples, in immediate packings of a net capacity:</p> <p>1. Of more than 1 kg: aa) With a sugar content exceeding 17% by weight bb) Other</p> <p>2. Of 1 kg or less: aa) With a sugar content exceeding 19% by weight bb) Other</p> <p>c) Grapes:</p> <p>1. With a sugar content exceeding 13% by weight 2. Other</p> <p>d) Peaches, pears and apricots, in immediate packings of a net capacity:</p> <p>1. Of more than 1 kg: aa) With a sugar content exceeding 13% by weight bb) Other</p> <p>2. Of 1 kg or less: aa) With a sugar content exceeding 15% by weight bb) Other</p> <p>e) Other fruits: ex 1. With a sugar content exceeding 9% by weight, excluding cherries ex 2. Other</p> <p>f) Mixtures of fruit: 1. With a sugar content exceeding 9% by weight 2. Other</p> <p>II. Not containing added spirit:</p> <p>a) Containing added sugar, in immediate packings of a net capacity of more than 1 kg:</p>

CCT heading No	Description
20.06 (cont'd)	<p>2. Grapefruit segments</p> <p>3. Mandarins (including tangerines and satsumas); clementines, wilkings and other similar citrus hybrids</p> <p>4. Grapes</p> <p>ex 8. Other fruits:</p> <p>— Fruit falling within heading No 08.01, excluding pineapples</p> <p>— Tamarind (pods, pulp)</p> <p>b) Containing added sugar, in immediate packings of a net capacity of 1 kg or less:</p> <p>2. Grapefruit segments</p> <p>3. Mandarins (including tangerines and satsumas); clementines, wilkings and other similar citrus hybrids</p> <p>4. Grapes</p> <p>ex 8. Other fruits:</p> <p>— Fruit falling within heading No 08.01, excluding pineapples</p> <p>c) Not containing added sugar, in immediate packings of a net capacity:</p> <p>1. Of 4.5 kg or more:</p> <p>ex dd) Other fruits</p> <p>— Fruits falling within heading No 08.01, excluding pineapples</p> <p>2. Of less than 4.5 kg:</p> <p>ex bb) Other fruits and mixtures of fruit:</p> <p>— Fruit falling within heading No 08.01, excluding pineapples</p>
20.07	<p>Fruit juices (including grape must) and vegetable juices, whether or not containing added sugar, but unfermented and not containing spirit:</p> <p>A. Of a specific gravity exceeding 1.33 at 15° C:</p> <p>III. Other:</p> <p>ex a) Of a value exceeding 30 u.a. per 100 kg net weight:</p> <p>— Fruits falling within heading No 08.01, excluding pineapples</p> <p>b) Of a value not exceeding 30 u.a. per 100 kg net weight:</p> <p>ex 1. With an added sugar content exceeding 30% by weight:</p> <p>— Fruits falling within heading No 08.01, excluding pineapples</p> <p>ex 2. Other:</p> <p>— Fruits falling within heading No 08.01, excluding pineapples</p>

CCT heading No	Description
20.07 (cont'd)	<p>B. Of a specific gravity of 1.33 or less at 15° C:</p> <p>II. Other:</p> <p>a) Of a value exceeding 30 u.a. per 100 kg net weight:</p> <p>2. Grapefruit juice</p> <p>ex 3. Other citrus fruit juices:</p> <p>aa) Containing added sugar</p> <p>bb) Other:</p> <p>ex 6. Other fruit and vegetable juices, excluding apricot and peach juice:</p> <p>aa) Containing added sugar</p> <p>bb) Other:</p> <p>7. Mixtures:</p> <p>ex bb) Other, excluding mixtures containing, either separately or together, over 25% of grape, citrus fruit, pineapple, apple, pear, tomato, apricot or peach juice:</p> <p>11. Containing added sugar:</p> <p>22. Other</p> <p>b) Of a value of 30 u.a. or less per 100 kg net weight:</p> <p>2. Grapefruit juice:</p> <p>aa) With an added sugar content exceeding 30% by weight</p> <p>bb) Other</p> <p>4. Other citrus fruit juices:</p> <p>aa) With an added sugar content exceeding 30% by weight</p> <p>bb) With an added sugar content of 30% or less by weight</p> <p>cc) Not containing added sugar</p> <p>7. Other fruit and vegetable juices, excluding apricots and peaches:</p> <p>ex aa) With an added sugar content exceeding 30% by weight</p> <p>ex bb) With an added sugar content of 30% or less by weight</p> <p>ex cc) Not containing added sugar</p> <p>8. Mixtures:</p> <p>ex bb) Other, excluding mixtures containing, either separately or together, over 25% of grape, citrus fruit, pineapple, apple, pear, tomato, apricot or peach juice:</p> <p>11. With an added sugar content exceeding 30% by weight</p> <p>22. With an added sugar content of 30% or less by weight</p> <p>33. Not containing added sugar</p>

