

PROTOCOL OF THE SECOND SESSION OF THE TURKEY- PORTUGAL JOINT ECONOMIC AND TRADE COMMISSION

The Turkey-Portugal Joint Economic and Trade Commission, established with "the Declaration on the Establishment of Joint Economic and Trade Commission (JETCO)" signed in Lisbon on May 6, 2013, held its second meeting in Istanbul on October 24, 2014.

The Turkish Delegation was headed by H.E. Nihat Zeybekci, Minister of Economy of the Republic of Turkey and the Portuguese Delegation was headed by H.E. Paulo de Sacadura Cabral Portas, Deputy Prime Minister of the Portuguese Republic.

The members of the two Delegations are listed in Annexes I and II, respectively.

The results of the discussions are summarized as follows:

I - TRADE RELATIONS

1. Bilateral Trade

Both Sides underlined the positive developments in bilateral trade and agreed that there is still a great potential to be explored in trade both in services and goods trade.

The Portuguese Side presented the main current difficulties that Portuguese companies face in the Turkish market, namely the safeguard investigation against imports of paper, which is a subject of the utmost importance and concern to the Portuguese paper industry; the local content requirements on the utilization of renewable energy sources for the generation of electricity; public procurement regime - namely in infrastructure and transports – granted to foreign companies; the extra-tax imposed on certain textile and clothing imported from the EU but originating in the third countries.

In view of addressing these difficulties, both Sides underlined the importance of continuing to promote a bilateral agenda and of high level reciprocal visits and contacts.

In this context, both Sides expressed their satisfaction on the occasion of the visit of H.E. Nihat Zeybekci, the Minister of Economy of the Republic of Turkey, to Lisbon on June 27, 2014.

2. European Union Issues

2.a. Update of the Customs Union

Both Sides welcomed the informal contacts which were being held between the European Commission and Turkish authorities on the Update of the Customs Union.

Both Sides stressed that priorities of both Turkey and the EU should be adequately addressed within this process and underlined that the World Bank Study on the Evaluation of the Customs Union provided a fair basis for discussions.

2.b. Accession Negotiations

The Turkish Side stressed that smooth continuation of accession negotiations to the EU, without being obstructed by political motivations, would contribute to further development of economic and trade relations. The Turkish side stated its expectation of support from Portugal on this issue.

Both sides underlined that accession negotiations provides the most appropriate framework for taking advantage of the full potential of EU-Turkey relations and a benchmark for sustainable reforms. The Portuguese side highlighted Turkish commitment and determination to maintain accession process as a strategic objective for Turkey and stated its support to keep up this positive climate, in order to accelerate the pace of negotiations.

2.c. Free Trade Agreements (FTA) with the Third Countries

Both Sides recognized the importance of maintaining the existing good cooperation between the European Commission and Turkey to find a solution on the FTA's issues.

The Turkish Side highlighted the problems encountered by Turkey regarding free trade agreement negotiations with the third countries, pose an obstacle for the smooth functioning of the Customs Union and have negative effects not only on the Turkish firms but also on the EU firms operating in Turkey. The Turkish Side stated its expectation of support from the Portuguese Side on this issue.

The Turkish side stressed the importance of concluding an FTA with the US in parallel with the Transatlantic Trade and Investment Partnership (TTIP) due to its Customs Union with the EU. Hence, Turkey expects continued collaboration and support from Portugal to this end.

The Portuguese side took note of the Turkish concern and confirmed its willingness to continue cooperation with Turkey on pursuit of this aim.

2.d. Transport Quotas Imposed on Turkish Commercial Vehicles

The Turkish Side expressed that transport quotas imposed on the Turkish commercial vehicles by some EU member states have negative effect on trade and hinder free trade principles.

The Turkish side requested from the Portuguese side for their support on the liberalization of transit transport operations based on the Freedom of Transit Principle as regulated by Article V of the GATT 1994.

The Portuguese Side noted the prevalence of a significant imbalance in traffic flows performed under the Bilateral Agreement on Road Transport, and reaffirmed its willingness to promote the establishment of cooperation agreements between Portuguese and Turkish hauliers, thus enabling a more balanced use of the agreed quota and the creation of more business opportunities for both Turkish and Portuguese undertakings.

2.e. Visa Issues

Both Sides underlined the importance of reciprocal visits for the development of the bilateral trade, investment relations and tourism between two countries.

In this regard, both Sides welcomed the positive developments in "the EU-Turkey visa dialogue" where Turkey and the EU have launched a process towards visa exemption for Turkish citizens.

Both Sides welcomed the entry into force, on October 1, 2014, of the Readmission Agreement between the EU and Turkey, and expressed their commitment in looking forward to its full and effective implementation.

Both Sides also expressed their satisfaction for the solution presented by the Turkish authorities regarding the visa and residence permit issue for INOV Contact trainees. This solution ensures that the necessary authorizations are analysed and decided within a week's time and granted a maximum quota of 8 trainees per year in the context of this program.

3. Free Zones

The Turkish Side made a presentation of the advantages provided by the Free Zones located in Turkey and expressed the view on the need of cooperating in the field of free zones with the aim of further developing the bilateral economic and commercial relations between the two countries. The Turkish Side also invited the Portuguese firms to operate in the Turkish Free Zones in order to make use of the opportunities offered in these zones.

The Portuguese Side took note of the proposal.

II - ECONOMIC AND TECHNICAL COOPERATION

1. Investments and Contracting and Consultancy Services

Both Sides noted with satisfaction of the recent investment of the Turkish holding company "Global Yatırım/Global Ports" and the signing of the concession contract.

In this regard, both Sides underlined the importance of the investment on tourism cruise activities between both countries, recognizing that the exchange of know-how and best practices is of mutual interest. Both Sides also committed to sign a Protocol of Cooperation in this field.

Both Sides expressed their satisfaction with the signing of "Maritime Cooperation Agreement", on the 23rd October, 2014, in Ankara and considered that it would contribute for the reinforcement of maritime traffic and cargo lines between the two countries.

The Portuguese side briefed the Turkish side on investment opportunities in Portugal and invited Turkish firms to invest more in Portugal.

Both Sides agreed to promote the exchange of technical and investment delegations visits and investment conferences in order to inform their public and private sectors about investment opportunities in their respective countries.

In this regard, both Sides appreciated the Turkish-Portuguese Business Forum and B2B Meetings, simultaneously held with the visit of H.E. Paulo Portas, the Deputy Prime Minister of the Portuguese Republic and reaffirmed that such visits undoubtedly pave the way for further development of bilateral commercial and economic cooperation.

Both Sides agreed to encourage the Turkish and Portuguese firms and businessmen to cooperate to identify benefit from investment and trade opportunities, both in Turkey and in Portugal, as well as in third countries.

In addition, Both Sides agreed to encourage the promotion of trilateral investments involving Portuguese and Turkish companies in Africa, Latin America, Central Asia, the Caucasus and the Middle East, where Portuguese and Turkish companies have developed a business contact network.

Both Sides agreed on the importance of the know-how and best-practices in experimenting and implementing new technologies in the field of contracting and consultancy services and decided to encourage their private sectors to establish regular contacts with a view to exploiting the opportunities existing in these fields in global markets.

They also agreed that the Instrument for Pre-Accession Assistance (IPA) projects financed by the EU, as well as projects financed by the World Bank, could be explored by joint ventures between Portuguese and Turkish companies.

2. Energy

Both Sides decided to promote cooperation in mineral exploration and ore dressing technologies and renewable energy.

3. Small and Medium Sized Enterprises (SMEs)

The Turkish Side underlined the readiness of the Small and Medium Sized Enterprises Development Organization of Turkey (KOSGEB) to cooperate with its Portuguese counterpart.

Both Sides agreed to encourage the relevant actors, public or private, in both countries to collaborate in view of strengthening relationships and capacity building of SMEs through joint activities.

4. Agriculture and Fisheries

Both Sides agreed to enhance bilateral cooperation in the fields of agriculture, fisheries, rural development and food safety and expressed their will to reinforce technical cooperation in agriculture, forestry and sea economy.

Moreover, the two Sides have expressed their interest in sharing experience in the fields of veterinary, sanitary issues, irrigation, fisheries and aquaculture.

Both Sides stressed the importance of reinforcing cooperation between research centers, universities and experts in order to foster joint experience exchange and training activities in the aforementioned areas. They also reaffirmed their commitment to exchange experience and information regarding food safety, food products and laboratories.

Both Sides expressed their willingness to agree on a MoU to deepen the cooperation between the two countries in veterinary and phytosanitary areas to be signed very soon. Through this agreement, both Sides await to streamline procedures and the sharing of information between the competent authorities in the process of import certification of agri-food products, namely cattle.

5. Tourism

Both Sides agreed to investigate the possibilities of cooperation for tourism investments and inform each other about existing investment possibilities recognized the potential for mutually beneficial business opportunities in the Turkish and Portuguese tourism sector, and agreed to explore possibilities to increase the bilateral flows of tourists, within the framework of their national legislations, as well as about mutual investment incentives.

In this context, the Portuguese side was informed that Public immovable in Turkey are to be allocated to local and foreign investors for tourism investments pursuant to the Provisions of Tourism Incentive Law No: 2634 and Article 8 of the "Regulations for Public Immovable Allocation for Tourism Investments" enacted on the basis of said law.

Both Sides also decided to explore the possibilities to organize reciprocal familiarization trips for tour operators, journalists and travel writers.

The Portuguese Side reinforced its willingness to cooperate in the fields of training and submitted a draft text of a Protocol of Cooperation during the Second Session of the JETCO.

6. Health

Both Sides highlighted the opportunity for;

- Mutual cooperation, exchange of information and experience on e-health, health.NET, electronic health records (EHR) and health informatics systems,
- Mutual cooperation and exchange of information regarding the experiences and first aid trainings on health services in disasters and emergency,

Moreover, both Sides agreed to encourage contacts between Portuguese and Turkish firms and authorities in order to explore mutually beneficial business or cooperation opportunities on health tourism.

In the specific area of pharmaceutical products, both Sides agreed to promote bilateral contacts between competent authorities to define a baseline for technical cooperation in the areas of good manufacturing practices, price setting mechanisms and good regulatory practice.

The Portuguese Side invited the Turkish Authorities to visit the INFARMED – National Authority of Medicines and Health Products, IP, which objective is to monitor, assess and regulate all activities relating to human medicines and health products for the protection of Public Health, during the first quarter of 2015.

7. Environment

Both Sides agreed to explore the cooperation possibilities in areas such as;

- waste management,
- cleaner production, environmental pollution prevention and hazard mitigation,
- information and experience exchange in identification of sources of the pollution.
- management of domestic and industrial waste water,
- water treatment technologies, recycling and disposal of sewage sludge,
- management of domestic and industrial waste water, including treatment and recycling technologies,
- identification, analysis and treatment of contaminated sites

Both Sides agreed to hold seminars, workshops and training programs in the aforementioned fields.

Both Sides also decided to take the necessary actions in order to exchange and transfer scientific and technical knowledge.

8. Forestry

Both Sides expressed their intent to cooperate on the following areas:

- Monitoring and indicator systems to combat desertification,
- Management techniques to recuperate land degraded areas,
- Prevention of forest fires and recuperation of affected areas.

9. Science, Industry and Technology

Both Sides expressed their intent to cooperate on the following areas:

- Sharing knowledge and experience in organized technological and industrial zones implementations,
- Exchange of knowledge and experience with regard to enhance R&D abilities and the national corporate capacity for innovation.
- Exchanging experts and organizing seminars, workshops and reciprocal working visits on the aforementioned fields.

10. Standardization, Metrology and Training and Information

Both Sides noted the importance of cooperation between their standardization and metrology both at bilateral and multilateral level.

In this regard, the Portuguese Side expressed the readiness of the Portuguese Institute for Quality (IPQ) to revise the 1989 Cooperation Agreement with the Turkish Standards Institute (TSE), and to make a specific proposal for a new Protocol of Cooperation in this regard; and to propose a specific Protocol of Cooperation with the National Metrology Institute of Turkey (UME) as well, both to be signed at the next session of JETCO.

The Turkish Side expressed the readiness of the Turkish Standards Institute (TSE) to cooperate with the Portuguese Institute for Quality (IPQ) and also welcomed the proposal of the Portuguese side in this issue.

The Turkish Side confirmed the interest of the National Metrology Institute of Turkey (UME) in cooperating with Portuguese Institute for Quality (IPQ) through a specific Protocol of Cooperation.

11. Food and Economic Safety

The Portuguese Side expressed the readiness of the Portuguese Authority for Food and Economic Safety to cooperate with its Turkish counterparts in the field of food and economic safety.

For the moment, ASAE already identified a counterpart for the food safety area - General Directorate of Food and Control of Ministry of Food, Agriculture and Livestock - and will identify another one for economic inspection activities field.

12. Education

Both Sides agreed to exchange information about the educational systems in their countries through corresponding institutions with the aim of signing a "Memorandum of Understanding in the Field of Education", ensuring;

- mutual recognition and equivalency of the titles and diplomas issued by their institutions,
- joint research and training activities on education.

The Portuguese Side reiterates the interest in the establishment of a minor in the University of Ankara and renews the invitation of the president of the related organization in Turkey to visit Portugal. The Portuguese Side also expressed the willingness of the President of the Portuguese International Cooperation and Culture Institute to initiate contacts with the Turkish counterparts.

13. Defense

The Portuguese Side expressed its interest to conclude the negotiations on an Agreement on the mutual protection on the classified information and the material in the field of the Defense Industry which is an essential instrument to give practical effect to the "Cooperation Agreement on Defense Industries" signed on the 7th November 2013 in Ankara.

The Portuguese Side suggested that a negotiating round takes place in the near future in Lisbon in order to reach a final text and simultaneously to promote contacts between the defense representatives of both countries.

The Turkish Side undertook to convey these proposals to the related authorities in Turkey and reply the Portuguese Side by the end of 2014.

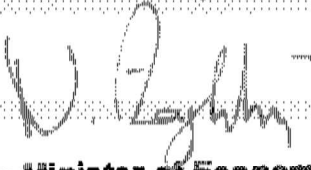
III - THE NEXT SESSION OF JETCO

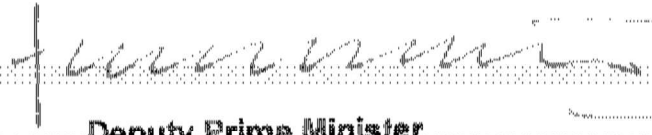
Both Sides agreed that the Third Ministerial Meeting of the JETCO will be held in Lisbon in 2015 on a date to be agreed through diplomatic channels.

Done and signed on October 24, 2014, in Istanbul in two originals in the English language, both texts being equally authentic.

Nihat Zeybekci

**Paulo de Sacadura Cabral
Portas**


**Minister of Economy
of the Republic of Turkey**


**Deputy Prime Minister
of the Portuguese Republic**

ANNEX - I

DELEGATION OF THE REPUBLIC OF TURKEY

Public Sector Participants:

1. H.E. Mr. Nihat Zeybekci, Minister of Economy
2. Mr. Mehmet Işkın, Head of Technical Delegation, Director General of Agreements, Ministry of Economy
3. Mr. Hakan Kızırtıcı, Deputy Director General, General Directorate of Exports, Ministry of Economy
4. Mr. Orhan Çakıroğlu, Head of the Department, General Directorate of Agreements, Ministry of Economy
5. Mr. Murat Albayrak, Head of the Department, General Directorate of Imports, Ministry of Economy
6. Ms. Aysun Ergezer, Foreign Trade Expert, General Directorate of Agreements, Ministry of Economy

Private Sector Participants:

1. Mr. Mustafa Çıkrıkçıoğlu, Deputy Chairman of Turkish Exporters Assembly
2. Mr. Fahri Gökyayla, Co-Chairman of the Turkish-Portuguese Business Council, DEİK
3. Mr. Mehmet Kutman, President, Global Investment Holding
4. Mr. Saygın Narin, CEO, Global Investment Holding
5. Mr. Arpak Demircan, Deputy CEO, Global Investment Holding
6. Mr. Fevzi Tezel, Deputy Director General, TDI
7. Mr. Yunus Çelik, Chief Legal Advisor, TDI

ANNEX - II

DELEGATION OF THE PORTUGUESE REPUBLIC

1. H.E. Mr Paulo Sacadura Cabral Portas, Deputy Prime Minister
2. H.E. Mr Pedro Gonçalves, State Secretary for Innovation, Investment and Competitiveness
3. H.E. Mr. Jorge Cabral, Ambassador in Turkey
4. Ms. Lénia Real, Deputy Director General for European Affairs, Ministry of Foreign Affairs
5. Ms. Madalena Fischer, Chief of Staff of the Deputy Prime Minister
6. Ms. Helena Cristina Horta, Head of Division, Bilateral Relations Department of the MFA
7. Mr. Pedro Ortigão Correia, Member of the Administrative Board of AICEP (Portuguese Trade and Investment Promotion Agency)
8. Mr. Paulo Domingues, Co-ordinator of AICEP's Institutional Relations and External Markets Directorate
9. Ms. Celeste Mota, AICEP Delegate in Turkey / Trade and Commercial Counsellor at the Portuguese Embassy in Ankara
10. Ms. Graça Nunes da Silva, Advisor of the Deputy Prime Minister
11. Mr. Paulo Figueiredo, Press Advisor of the Deputy Prime Minister
12. Mr. Aaron Nommaz, Honorary Consul to Istanbul