

# WORLD TRADE ORGANIZATION

RESTRICTED

**G/STR/Q1/TUR/2**

24 February 1997

(97-0751)

**Working Party on State Trading Enterprises**

Original: English

Replies to Questions Posed by CANADA<sup>1</sup> Concerning  
the Article XVII Notification of TURKEY<sup>2</sup>

The following communication, dated 17 February 1997, has been received from the Permanent Mission of Turkey.

Question

*Turkey's notification was submitted prior to the commencement of the EU-Turkey Customs Union. As a result of this agreement, Turkey has had to align (for the most part) its trade regime with that of the EU. Consequently, many of the State Trading Enterprises appear to have lost their exclusive rights or privileges that would affect imports or exports. In reviewing the new Turkish tariff (effective 1 January 1996), it appears that all references to import monopolies have been removed. However, we understand that the monopolies still exist in practice and are maintained as a result of earlier legislation which pre-dates the new Customs Code.*

*As a result of the Customs Union agreement, all trade-related legislation enacted by Ministerial Decree (as opposed to that enacted by a Law passed through Parliament) has been abolished. This included the granting of an import monopoly to such firms as TEKEL for alcohol and cigarettes, MKEK for small arms, and the Red Crescent Society for some pharmaceuticals in the previous Customs Code. With the abolition of the Ministerial Decrees, references to special status for these agencies do not appear in the new Customs Code. However, where "special status" had been granted because of a Law passed by Parliament, the monopolies remain even if they are not referred to in the Customs Code.*

*For example, until 1996, the monopoly of TEKEL for the import of beer, wine, grape must, vermouth, undenatured ethyl alcohol, compound alcoholic beverages, whiskies and alcoholic drinks produced from agro-products, was reflected in the Turkish Customs Code. In the new Customs Code dealing with these items, no mention of the state monopoly appears. However, the Law establishing TEKEL is still in force and this Law grants TEKEL a monopoly on the importation of the products listed above.*

*Based on our information, we would assume that TEKEL, MKEK and the Red Crescent Society retain their earlier import monopolies. This is not reflected, however, in the new Customs Code and would only be evident when imports of these products by non-state monopoly purchasers are restricted*

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<sup>1</sup>G/STR/W/13.

<sup>2</sup>G/STR/N/1/TUR.

*or forbidden by Turkish Customs authorities. Would Turkey please clarify the current situation regarding import monopolies in the new Turkish trade regime?*

Answer

Within the framework of the Customs Union with the EC, Turkey made important legal and practical arrangements on a very wide variety of fields particularly in commercial and competition policies.

The comprehensive measures taken by Turkey in this context are in the Import Regime of 1996, which was published in the Official Gazette dated 31 December 1995, No. Bis 22510. In this regime, the special and exclusive rights and privileges granted to public enterprises and State monopolies of commercial nature were terminated. The exclusive right granted to the Turkish Soil Product Office (Turkish Grain Board) to import some products free of mass housing fund levies was also abolished. In this respect, I would like to inform you that we shall provide our updating notification as soon as possible.

Regarding the other enterprises in question, namely TEKEL and the Turkish Red Crescent Society, I would like to state that these enterprises retain their exclusive rights granted by the relevant laws passed by the Parliament with regard to imports that were mentioned in the Article XVII notification of Turkey that appeared in document G/STR/N/1/TUR.

In addition to this, I would like to inform you that MKEK does not enjoy any special or exclusive rights or privileges within the meaning of Article XVII:4(a) of the GATT 1994 and paragraph 1 of the Understanding on the Interpretation of Article XVII of the GATT 1994.