

Turkey-U.S. Business Council, Session III

Topic 2.

Bilateral Sector Consultation Mechanism

Trade and investment disputes often arise unnecessarily because stakeholders are not aware of foreign market conditions or home market policies and practices. And once a dispute is formally invoked, not only the result but the process itself has distorting effects on markets, distorting free trade principle and creating uncertainty for Turkish and American business partners.

No matter what the outcome of the dispute may be; trade practices are often adversely affected for a lengthy period of time and not only cost the parties millions of dollars for legal and technical consultations but can artificially inflate pricing that adversely affects customers and consumers.

In this regard, we strongly believe that the creation by the US and Turkish Governments of a “consultation mechanism” between Turkish and American business representatives of select sectors, in which general market conditions are discussed, would lead to a better business practices and mitigate the risk of unnecessary transnational disputes arising.

Recommendation:

We propose, for future sessions of the Turkey-U.S. Business Council, that sector-based consultative working groups be established and that private sector membership in the Council be oriented to appointments that would include representatives of the designated sectors from each country.

The Sector Consultative Working Groups would receive and discuss, quarterly, government-generated trade and investment data in order to consider trends and conditions in the respective markets

The Sector Working Groups would discuss sector-wide problems and opportunities, with a particular focus on bilateral trade and investment, and based on these discussions, prepare and deliver reports to the Government Co-Chairs of the Council after each meeting of the relevant Working Group.

The Working Group reports could also help inform bilateral discussions held under the Trade and Investment Facilitation Agreement between the two countries as well as the Framework for Strategic Economic and Commercial Cooperation.