

**PROTOCOL OF THE FOURTH SESSION OF
THE JOINT COMMISSION FOR TRADE, ECONOMIC AND
TECHNICAL COOPERATION BETWEEN
THE REPUBLIC OF TURKEY AND
THE PEOPLE'S REPUBLIC OF BANGLADESH**

The Fourth Session of the Turkey-Bangladesh Joint Commission for Trade, Economic and Technical Cooperation (JEC) was held in Dhaka on November 11-12, 2012, which was established through the "Agreement on Economic and Technical Co-operation between Turkey and Bangladesh" on March 9th, 1979.

Both Sides, confirming their interests in supporting and facilitating the development of commercial and economic relations, as well as technical cooperation, decided to follow up the provisions closely in order to attain their common goals on a mutually beneficial basis.

The Turkish delegation was led by H.E. Mr. Faruk ÇELİK, Minister of Labor and Social Security of the Republic of Turkey and host Bangladeshi delegation was headed by H.E. Mr. Abul Maal A. Muhith, MP, Minister for Finance of the People's Republic of Bangladesh. The lists of the two delegations attached as Annex I & Annex II respectively.

At the Plenary Session, H.E. Faruk ÇELİK, Minister of Labor and Social Security of the Republic of Turkey, referring to the brotherhood emanating from deep cultural ties between two countries, explained that there is a large potential to expand the bilateral commercial and economic relations. He also gave information about the developments recorded in the Turkish economy and current status of bilateral trade. In this regard, he emphasized the similarities between two countries which indicate the complementarities of both economies. He also expressed the gratitude of the Republic of Turkey for the support extended by Bangladesh for the victims of the earthquake took place in the province of Van, and underlined the importance of developing commercial and economic relations in parallel to good political ties between two countries.

H.E. Abul Maal A. Muhith, in his speech, stated that the close and friendly relations between the two countries continued to strengthen over decades. He also viewed the JEC as a forum for taking holistic appraisal of all bilateral cooperation between the two countries. He mentioned that since the current Government came to office, relations between the two countries deepened. He highlighted the importance of expansion of trade between two countries up-to US\$ 3 billion which was also proposed by Prime Minister of Turkey during his visit to Bangladesh in 2010. He also mentioned that both countries managed well the hardship during the global financial crisis. He informed the meeting that Bangladesh exports are being diversified from its dependency on RMG. He urged Turkish Side to consider importing Bangladeshi pharmaceutical products. He underscored the need of creating employment for additional Bangladeshi workforce of about two million every year where Turkey can assist Bangladesh by employing Bangladeshi workforce in overseas projects managed by Turkish companies. He appreciated the Eximbank of Turkey for extending US\$ 300 million credit line

and he encouraged private entrepreneurs to utilize that credit. Hon'ble Minister also emphasized to expand cultural and educational links between the two countries.

The Agenda of the 4th Session of JEC, as discussed and adopted by the two Heads of Technical Delegations, attached as Annex-III.

The discussions took place in a cordial atmosphere reflecting the friendly relations between the two countries and their desire to strengthen and further develop bilateral economic and commercial relations on the basis of mutual benefit. During the meeting, various issues of mutual interest were discussed, and the outcomes of these deliberations are summarized as follows:

I. BILATERAL TRADE AND ECONOMIC RELATIONS

Both sides reviewed the developments in bilateral trade and noted that despite the increasing trend in trade volume since the 3rd Session of the Bangladesh-Turkey JEC, the present level of trade volume did not satisfy either Side's expectations and was below the economic potential of both countries.

In this respect, both sides emphasized the need for further efforts to increase and diversify the trade between the two countries. The Turkish Side also drew attention to the existing imbalance in bilateral trade. In this respect, both sides expressed their satisfaction at the opening of the office of Commercial Counselor of Turkey in Dhaka.

Trade Promotion Activities

Both sides underlined the importance of reciprocal visits by businessmen in promoting bilateral trade, economic and technical cooperation and agreed to encourage both public and private business sectors and relevant organizations of their respective countries to get into closer contact with each other. In this regard, both sides agreed to encourage their chambers of commerce for organizing reciprocal business visits as well as other organizations.

Both sides also expressed their belief that participation in fairs and exhibitions in each other's country would pave the way for enhancing bilateral trade and economic relations, and decided to make every effort to promote such trade promotion activities.

In this respect, both sides noted with satisfaction that the Turkish Ministry of Economy supported and promoted Turkish participation in 9 fairs in 2011 and 6 fairs in 2012 organized in Bangladesh and a sector-specific Trade Mission from Turkish steel industry visited Bangladesh on March 6-12, 2012.

Both sides also noted with satisfaction organizing several Bangladesh business delegations to Turkey during 2011 and 2012, including holding of the Bangladesh Business and Investment Forum in Istanbul in April 2012 and the first ever Bangladesh Pharmaceutical delegation to Turkey in 2011.

Joint Trade Committee –JTC

The Bangladesh Side requested for activation of the Joint Trade Committee referring to the trade agreement signed in 1976. After discussion, both sides agreed to continue their deliberation on JEC platform which was formed later in 1979. They also state that sub-committees under JEC framework could be formed when deemed necessary.

Eximbank Credits

Both sides expressed their satisfaction with the opening of a credit line to Bangladesh's private sector for an amount of US\$ 300 million by Export Credit Bank of Turkey (Turkish EXIMBANK) to finance the Turkish exports of goods and services to Bangladesh.

The Turkish Side requested the Bangladesh Side to assign a Bangladeshi bank as soon as possible that will act as the debtor of the letters of credits to be opened by the EXIMBANK of Turkey and to inform the EXIMBANK for their approval.

The Bangladesh Side apprised that the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) would soon propose the name of the designated bank to EXIMBANK of Turkey.

Free Trade Agreement

The Bangladesh Side referred to the proposal of the Prime Minister of Bangladesh to sign a free trade agreement between Bangladesh and Turkey in view of the negative trend being experienced in Bangladesh's apparel export to Turkey since 2011 due to additional duty imposed by Turkey on apparel import. The Turkish Side stated that the prospect of signing a Free Trade Agreement (FTA) between Turkey and Bangladesh would be evaluated in light of Turkey's commitment to the Customs Union with the European Union.

Both Sides decided to continue their initiatives with European Commission regarding their willingness to conclude an FTA between the two countries.

D-8 Countries Preferential Trade Regime

Both Sides, emphasizing the significance of enhancing intra-D-8 Trade, agreed to exert every effort for implementing the D-8 Preferential Trade Agreement (PTA).

Bangladesh Side sought support in favour of lowering the present minimum requirement of 40 percent of national value added in rules of origin to 30 percent in the upcoming meeting of D-8. In this respect, the Turkish Side expressed its satisfaction at the signing of D-8 PTA by Bangladesh, and also underlined the importance of approval by Bangladesh of the Protocol on Rules of Origin.

Investments

Recognizing the importance of joint ventures and investments in strengthening bilateral economic and commercial relations, both Sides agreed to explore the possibilities of cooperation in the form of joint ventures between Bangladeshi and Turkish companies.

Both Sides expressed their satisfaction with the signing of the “Agreement on Reciprocal Protection and Promotion of Investments” on the occasion of the visit to Turkey by H.E. Sheikh Hasina, Prime Minister of the People’s Republic of Bangladesh in April 2012, which replaced the previous Agreements signed in 1987. Both Sides agreed to expedite the ratification process of the Agreement.

Turkish Official Development Assistance to Bangladesh

Turkish Side expressed their keen interest in investing in health, agriculture, industries, energy, capacity building, training, education and related fields. With regard to the construction of 10 community clinics, as a pilot project, the Turkish Side informed that they require all the land acquisition deeds to expedite the implementation process.

Both Sides welcomed the decision by the Turkish International Cooperation and Coordination Agency (TIKA) to open a Program Coordination Office in Dhaka. TIKA expressed its readiness to support development projects in Bangladesh and the Turkish Side underlined the importance of accelerating the implementation of the following projects in Bangladesh:

- Construction of 10 Community Health Care Centers and Supplying of Furniture and Medical Equipment
- In the Capacity Building Area, Providing Technical Vocational Course Items and Materials to the Ministry of Expatriate Welfare and Overseas Employment,
- In the Capacity Building Area, Providing Technical Vocational Course Items and Materials to the Directorate of Secondary & Higher Education, Ministry of Education of Bangladesh,
- In Chittagong, providing equipment to vocational training in the areas of “Ship Welding and Fabrication” and “Industrial Sewing Machine Operating Skills”,
- Cox’s Bazaar Municipality Project: Establishing a Computer Lab with 100 computers for training, 500 sewing machines to be distributed to poor girls, and construction of a primary school with 8 classrooms in a slum area of Cox’s Bazaar.

2. SECTORAL AND TECHNICAL COOPERATION

Cooperation in Food Security

The Bangladesh Side expressed its interest in receiving technical assistance in the construction of chilled steel silo storage for rice.

The Turkish Side undertook to convey this request to the relevant authority, namely Soil Products Office of Turkey (TMO) for positive evaluation.

The Bangladesh Side stated that international bids are available in the web site cptu.gov.bd.

Health

The Bangladesh Side expressed its desire to develop cooperation with Turkey in the health sector.

To this end, the Bangladesh Side requested Turkey to participate in the pool financing in the existing "Health, Population and Nutrition Sector Development Program (HPNSDP) of Bangladesh and stated that the total need for the entire five year programme is 3 billion US dollars. The Bangladesh Side would appreciate the participation of Turkey in this program. The Bangladesh Side will provide further information to the Turkish Side about the details of HPNSD Program.

Maritime Transport and Shipbuilding

Turkish Side informed the Bangladesh Side about its intention to sign new Maritime Agreement replacing the current one signed on November 1, 1986 in order to modernize the provisions to current conditions for developing maritime transport. Also, they stated that the preparations in this regard have been initiated by the Turkish Side.

The Turkish Side expressed its readiness to provide the Bangladeshi engineers and technical personnel with training programs on shipbuilding, yacht construction, ship repair and ship-recycling, and further stated that Turkish companies would like to take part in modernization and construction of ports in Bangladesh.

The Bangladesh Side informed the Turkish Side about its policy for encouragement of foreign investment in shipbuilding sector.

The Bangladesh Side invited the Turkish investors to participate in the shipyard building projects in the form of joint ventures with Bangladesh companies.

Mutual Recognition of Certificate of Competency

The Bangladesh Side requested reciprocal recognition of certificates of competency of seafarers. Bangladesh also sought cooperation to engage Bangladesh Seafarers in Turkish vessels. The Turkish Side informed that they would convey the issue to the Ministry of Transport, Maritime Affairs and Communication again for consideration.

Standardization and Metrology

To further enhance the institutional capacity of the standardization and testing institutions of Turkey and Bangladesh, the Turkish Side proposed signing an MOU between Turkish Standards Institution (TSE) and Bangladesh Standards and Testing Institution (BSTI). The Bangladesh Side informed that they have received draft MOU recently and after completing required formalities, it can be signed shortly.

In this connection, to enlarge the scope of cooperation in this field at multilateral level, the Turkish Side underlined the importance of membership by the BSTI to the Standards and Metrology Institute for Islamic Countries (SMIIC). The Bangladesh Side informed that they are favorably disposed towards seeking membership of the SMIIC.

Small and Medium-Sized Enterprises (SMEs)

Both Sides, in order to further promote trade and economic relations, stressed the importance of cooperation between the small and medium sized enterprises (SMEs) of the two countries.

In this respect, the Turkish Side expressed its willingness to sign an MOU between the Small and Medium Enterprises Development Organization of Turkey (KOSGEB) and the relevant institution of Bangladesh as soon as possible. The date and the venue will be decided by the relevant organizations.

International Jute Study Group

Both Sides expressed their satisfaction with the signing of the Declaration of Intent signed in Ankara on April 12, 2012, which will make Turkey a party to International Jute Study Group (IJSG).

Turkish Side informed that the legislation required for Turkey's membership to IJSG was already in ratification process in the Turkish Grand National Assembly.

Water Management

The Turkish Side proposed to provide training programs to the Bangladesh Side to share experience in protection, development and management of water resources, river basin management and control of erosion and floods.

The Bangladesh Side expressed its intention to develop cooperation in the areas of water management including in particular construction of river embankment, siltation, river training and rehabilitation of water resources.

Urbanization

Both Sides decided to take necessary actions to develop cooperation between the relevant organizations and exchange of expertise in spatial planning, urban development, urban renewal projects and risk assessment to maintain sustainable urban development, waste management, earthquake preparedness and combating climate change, and in this connection the Turkish Side expressed its readiness to offer training on these fields.

Energy

Both Sides agreed to exchange technical and administrative experiences in gas, oil and petrochemical industries.

Turkish Side expressed their willingness to export petroleum products to Bangladesh and enquired about export modalities.

Turkish Petroleum Company (TPIC), a state-owned company, expressed its readiness to supply crude oil and petroleum products to meet the needs of Bangladesh under a long-term supply contract with Bangladesh Petroleum Company (BPC) within a Government to Government (G2G) contract to be signed.

TPIC also stated that it can supply fertilizer to Bangladesh Chemical Industries Corporation on G2G basis.

TPIC is willing to discuss and invest in BMRE (Balancing, Modernization, Rehabilitation, Expansion) to enhance the current capacity and efficiency of Eastern Refinery Ltd. under joint venture with BPC on G2G basis.

TPIC also expressed its interest in building facilities for supply of LNG to Bangladesh Oil, Gas and Mineral Cooperation on G2G basis.

To this end, both Sides decided that TPIC delegation will visit Bangladesh before the end of 2012.

The Bangladesh Side stated that they would proactively consider this proposal if the terms and conditions of TPIC are found to be favorable.

Civil Aviation

Both Sides expressed their pleasure with the launch of direct flights between Turkey and Bangladesh.

The Bangladesh Side sought Turkey's views on the possibility of launching a new flight between İstanbul and Chittagong.

Construction and Contracting Services

Both Sides reviewed the cooperation possibilities in the field of construction and contracting services and agreed to advise their relevant authorities and private companies to establish close relations with the aim of studying joint business possibilities in their respective countries.

The Turkish Sides stated the readiness of the Turkish construction and contracting companies to take part in construction and renovation projects especially in the infrastructural projects in Bangladesh.

The Bangladesh Side invited a delegation of Turkish contractors to pay a visit to Bangladesh in early 2013.

Agriculture, Fisheries & Livestock

The Turkish Side proposed to Bangladesh Side the followings as an indication of its readiness to develop cooperation in:

- (i) initiating a training program at technical staff, expert and farmer level on usage of modern irrigation systems, agricultural extension, maintenance and repair of agricultural tools and machinery;
- (ii) developing cooperation on animal husbandry and fisheries by making joint research and development projects, and by introducing exchange programmes for experts, technology, documentation and publication exchange programs;
- (iii) extending a training program at expert level on animal health between research institutions of the two countries;
- (iv) establishing technical cooperation in the field of industrial plants related to agriculture and
- (v) initiating a research program in the field of cooperation on production of seeds, trade and joint ventures in seed sector, developing and strengthening seed supply.

The Bangladesh Side sought cooperation in crop production, particularly in exchanging of germplasm, breeding materials of common crops from Turkey. Bangladesh also requested cooperation in the exchange of scientists and experts in the field of crops.

Customs

The Turkish Side expressed concerns of the Turkish exporters about the long customs procedures in Bangladesh which delays consignments of Turkish goods and requested the Bangladesh Side to address this issue.

The Bangladesh Side assured that the resolution of these issues are under process.

Both Sides agreed to expedite the ratification process of the Agreement on the Cooperation and Reciprocal Assistance in Customs Matters signed between Turkey and Bangladesh on November 12, 2012, on the occasion of the visit by H.E. Sheikh Hasina, Prime Minister of the People's Republic of Bangladesh.

Cultural Co-operation –Renovation of Islamic Relics

The Bangladesh Side appreciated the Turkish initiative of renovating historic Shahi Jame Masjid in Chittagong.

Employment and Labor

The Bangladesh Side requested the Turkish construction companies to consider the employment of skilled, semi-skilled & unskilled labor force from Bangladesh in their projects undertaken in foreign countries including in North Africa, Central Asia and Middle East. The Turkish Side explained that employment of Bangladeshi workers in a third country will be subject to the third country's regulations and also under the initiative of the private companies.

The Bangladesh Side also requested the Turkish Side to undertake Turkish language courses for Bangladeshi doctors for their employment in Turkey. The Turkish Side stated that TIKA could organize Turkish language courses in Bangladesh.

Time and Venue of the Next Session

Both Sides agreed to hold the next meeting of the Turkey-Bangladesh Joint Commission for Trade, Economic and Technical Cooperation in Turkey in 2014 at a date to be specified mutually through diplomatic channels.

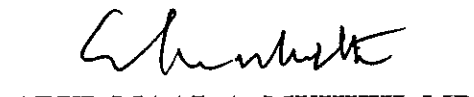
Signed in Dhaka on November 12, 2012 in two originals in English.

**FOR THE GOVERNMENT OF THE
REPUBLIC OF TURKEY**



**FARUK ÇELİK
MINISTER OF LABOR AND
SOCIAL SECURITY**

**FOR THE GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF
BANGLADESH**



**ABUL MAAL A. MUHITH, MP
MINISTER FOR FINANCE**