

AGREED MINUTES

**OF THE FIRST SESSION OF THE
JOINT ECONOMIC AND TRADE
COMMISSION**

BETWEEN

THE KINGDOM OF SPAIN

AND

TURKEY

AGREED MINUTES OF THE FIRST SESSION OF THE JOINT ECONOMIC AND TRADE COMMISSION BETWEEN TURKEY AND THE KINGDOM OF SPAIN

The First Session of the Joint Economic and Trade Commission between the Republic of Turkey and the Kingdom of Spain (hereinafter referred to as the "JETCO") was held on July 23, 2020 on virtual platform via video conference.

The Turkish Delegation was headed by H.E. Ruhsar PEKCAN, Minister of Trade of the Republic of Turkey and the Spanish Delegation was headed by H.E. Maria Reyes MAROTO ILLERA, Minister of Industry, Trade and Tourism of the Kingdom of Spain.

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

Both Sides recognized that the establishment of the JETCO in 2014 set up a high-level dialogue and framework for the development of economic and trade relations between Turkey and Spain.

During the Session, the following decisions and recommendations were reached:

1. BILATERAL TRADE RELATIONS

1.1. Bilateral Trade

Both Sides reviewed the development of bilateral trade between the two countries. It was agreed that the volume of bilateral trade does not reflect the economic potential and level of cooperation between the two countries.

Both Sides recognized the impact the Covid-19 pandemic and related trade measures have had at global and regional level. In this context, both Sides discussed mechanisms for boosting economic activities disrupted by COVID-19 pandemic in their respective countries, as well as the effect the pandemic has had on the bilateral economic and commercial relations between Turkey and Spain.

Both Sides expressed their common desire to seek opportunities to strengthen and diversify their bilateral relations in various areas within the framework of effective and mutually advantageous conditions.

Both Sides underlined the importance of supporting cooperation among their private sectors and vitalizing promotion activities towards enhancing bilateral economic and commercial relations between the two countries.

The Spanish Side asked the Turkish Side to carry out necessary works including developing a mechanism or holding online inspections when physical site visit or inspection is not possible so that more Spanish beef slaughterhouses will realize exportation to Turkey.

The Turkish Side informed the Spanish Side that relevant Turkish authorities continue their assessments about the said request of the Spanish Side and undertook to reply at the earliest possible time.

Both Sides stressed the importance of a transparent and open public procurement market towards the further development of bilateral economic and commercial relations. In this framework, the Spanish Side raised specific issues of Spanish companies in this area to the consideration of the Turkish Side.

The two Sides stated their satisfaction with the online "Turkish-Spanish Business Forum" organized within the margin of the First Session of the JETCO with the participation of leading companies and investors of both countries.

Both Sides also decided to hold this kind of Business Forums, Investment Events and similar private sector activities face to face on a regular basis with the wide participation of business circles and relevant firms in coming terms.

Both Sides, in line with this, also expressed their willingness to launch common initiatives, encourage the participation of their private sectors to fairs and exhibitions to be organized in their respective countries and arrange visits of business delegations in potential sectors with a view to achieve higher level of bilateral trade volume.

1.2. Investments

Both Sides underlined the importance of increasing and levelling out the investments between Turkey and Spain.

To this end, the Turkish Side briefed about investment environment in Turkey and underlined the efforts of the Investment Office of the Presidency of the Republic of Turkey towards attracting more investments to the Turkish market.

Both Sides agreed on exchanging information about investment opportunities, related regulations and investment incentives in their respective countries in order to enhance bilateral investment flows.

Both Sides agreed to launch the technical negotiations between their related Ministries and institutions towards the revision of the "Agreement on Reciprocal Promotion and Protection of Investments between Turkey and Spain" signed on 15.02.1995, as soon as possible and decided that the Spanish Side would submit the Turkish Side the draft text of the said revising Agreement.

1.3. Cooperation in Third Countries

Both Sides, emphasizing the importance of investments, joint projects and joint ventures towards the development of bilateral economic and commercial relations, as well as the significance of foreign investments for achieving the "Sustainable Development Goals", agreed to encourage more cooperation between Turkish and Spanish businesses through identifying specific joint commercial and investment opportunities in third markets, particularly Africa, Latin America, Central Asia, the Caucasus and the Middle East.

Both Sides also expressed their interest in establishing a mechanism between their respective countries to enable the exchange and flow of information among related organizations and firms of the two countries on investment possibilities and regulations and legislation in force of third countries, as well as tenders to be issued in potential third markets.

In this connection, the Turkish Side, in order to foster joint operations of Turkish and Spanish companies in third countries, expressed its willingness and desire to work on a comprehensive form of cooperation (reinsurance/ guarantee agreements) between Türk Eximbank and CESCE.

1.4. Contracting and Technical Consultancy Services

Both Sides emphasized the significance of improving the existing cooperation in the field of contracting and consultancy services, acknowledging the successes of Turkish companies all over the world. The Turkish Side expressed its precise willingness to increase the participation of Turkish construction companies to infrastructure and superstructure projects in Spain.

Both Sides underlined the benefits of a transparent and open public procurement market, designed in conformity with ambitious environmental and labor standards, as well.

Both Sides agreed to encourage the cooperation between relevant Turkish and Spanish business circles and companies in order to identify specific joint

opportunities in their respective countries and vitalize promotion activities towards enhancing bilateral economic and commercial relations between the two countries in the field of contracting and technical consultancy services.

Concerning tenders of interest, the Spanish Side expressed the desire of Spanish companies further collaborating in Turkish ambitious infrastructure modernization plans.

2. ECONOMIC AND TECHNICAL COOPERATION

2.1. Transportation and Logistics

Both Sides underlined the essential aspect and primary importance of transportation towards the further development of economic and trade relations and transactions.

Both Sides recognized the potential of cooperation in transports and logistics sector and expressed their interest in enhancing bilateral cooperation in this area.

The Turkish Side underlined the unique geographical location of Turkey as a gateway and transportation corridor between Europe, Asia, the Middle East and Africa with its modern infrastructure in all four modes of transports.

Both Sides underlined the necessity to intensify mutual collaboration by identifying potential cooperation partners among logistics operators, transportation infrastructure enterprises and cargo owners.

2.1.1 Air Transportation

Both Sides stressed the importance of promoting air transportation between the two countries as a means of fostering bilateral relations and cooperation.

In this framework, the Turkish Side requested the Spanish Side to take the necessary measures to ensure that the scheduled direct flights between Turkey and Spain, particularly those between Turkish Airlines and its Spanish counterparts, are carried out without being subject to any additional limitations, restrictions or procedures. The Turkish Side also requested that the entry of passengers from Turkey with tourist visas or for commercial purposes be facilitated, avoiding the imposition of exceptional preventive measures, provided that they are not subject to any - regular measures including 14 days of quarantine.

The Spanish Side stressed that scheduled air operations between both countries are governed by a bilateral agreement in force that applies reciprocally to the companies of both Parties, without Spain applying more limitations or formalities than those strictly provided for in the agreement. On the other hand, the imposition of specific measures on arriving passengers in the extraordinary circumstances arisen as a result of COVID-19, responds only to epidemiological and health criteria that evolve as the pandemic develops, without the possibility of a prior exception to the application of exceptional measures if the health authorities deem them appropriate.

2.2. Small and Medium Sized Enterprises

Both Sides emphasized the significance of an effective and productive cooperation between their respective small and medium-scaled establishments towards the consolidation of a solid economic and technical collaboration between their two countries.

The Turkish Side, in that vein, stressed the eagerness of the Small and Medium Industry Development Organization of Turkey (KOSGEB) to sign a Memorandum of Understanding and an Action Plan with its Spanish counterpart, which will be detailing activities of cooperation such as exchange of experts, holding seminars, experience and knowledge sharing.

2.3. Tourism

Both Sides expressed their satisfaction with their already existing friendly ties in the field of tourism and agreed to continue and support the vitalization of cooperation opportunities in this field.

Through this aim, both Sides agreed to encourage more collaboration between their related tourism organizations and companies engaged in tourism-related activities.

Both Sides also decided to give due consideration to further steps that would contribute to enhanced cooperation in the field of tourism and increased number of tourists visiting Turkey and Spain.

Within this context and within the principles of sustainable tourism aiming to limit the footprint of tourism on the environment and ensuring the welfare of the communities that host the activity of tourism, both Sides recognized the potential to develop new business opportunities in the thriving tourism areas of

their two countries other than traditional summer tourism, such as winter tourism, health and spa tourism and cultural and religious tourism.

2.4. Health

Both Sides expressed their desire and determination to further enhance and expand their bilateral relations in the field of health industry.

Both Sides, in this connection, agreed to support productive cooperation and collaboration between health industrial enterprises and organizations of the two countries.

Within this framework, the two Sides outlined the most important areas for potential cooperation as follows:

- Exchange of information with regard to the regulation of trade in health industry sectors;
- Exchange of information and experience in the medical industry fields of pharmaceuticals, medical devices and medical IT;
- Collaboration in research, development and innovation;
- Encouragement of the attendance at health industrial exhibitions;
- Exchange of health industry experts and researchers to share information that based on their experiences.

2.5. Women Entrepreneurship

Both Sides, attributing high importance to the contribution of women to economic and commercial life of Turkey and Spain and to bilateral economic and trade cooperation between the two countries, welcomed the active participation of women in business life and agreed on exerting every necessary efforts towards promoting activities of women entrepreneurs.

Both Sides, in this regard, noted with satisfaction that on the occasion of the First Session of the JETCO, a special roundtable side-event under the name of "Turkey-Spain Women Entrepreneurship Dialogue: Women's Empowerment Through Trade, Country Experiences" was organized with the participation of leading private sector representatives of both countries working in this area and agreed to continue to hold this kind of events regularly in the future, as well.

In this context, the Turkish Side informed the Spanish Side that the "International Women and Trade Conference" which was scheduled to take place on 2 April 2020 but postponed due to pandemic, would be organized in Turkey under the auspices of the Ministry of Trade of Turkey in 2020 or early 2021 at

the earliest possible time that pandemic allows. Hereby, the Turkish Side extended an official invitation to the Spanish Side to participate into the said Conference with a delegation to be headed by H.E. Maria Reyes MAROTO ILLERA, Minister of Industry, Trade and Tourism of Spain.

2.6. Defense Industry

Both Sides, stating their expectation and disposition towards obtaining a highly beneficial and optimum cooperation and collaboration between the two countries in the field of defense industry, reviewed their ongoing relations in this area also through investigating ways and means to diversify their cooperation via launching and vitalizing concrete projects and probable partnerships, as well.

3. EU RELATED ISSUES

3.1. Updating of the Customs Union

Both Sides underlined that the EU member states and Turkey will benefit from the Updating of the Customs Union substantially in economic terms. Both Sides stressed the importance of adequately addressing the priorities of both Parties within this process and the starting of the formal negotiations as soon as the EU and Turkey are ready.

Both Sides discussed the implications of free trade agreement negotiations with third countries in the context of existing Customs Union between the EU and Turkey. The Turkish Side requested the support of the Spanish Side towards inviting the European Commission to further examine the above-mentioned implications with Turkey to identify a possible way forward.

3.2. EU's Safeguard Measures Imposed on Steel Importation

The Turkish Side requested the support of the Spanish Side towards the achievement of a balanced solution that would ensure the continuation of trade flows between Turkey and the EU that would be to the benefit of both Sides' steel sectors.

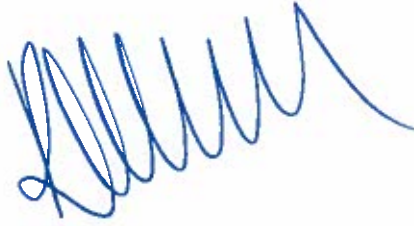
4. THE NEXT SESSION OF THE JETCO

Both Sides agreed to hold the Second Session of the JETCO on a date and with a format both to be determined through diplomatic channels.

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Done and signed on July 23, 2020 during the videoconference of the First Session of the JETCO, followed by exchange of letters in two originals in the English language, both texts being equally authentic.

For the Turkish Side



RUHSAR PEKCAN

**Minister of Trade
of the Republic of Turkey**

For the Spanish Side

María Reyes MAROTO ILLERA

**Minister of Industry, Trade and
Tourism of the Kingdom of Spain**