

9th Meeting of the Joint Economic Commission Switzerland - Turkey

Berne, 3rd December 2019

Protocol

The Joint Economic Commission Switzerland – Turkey held its 9th meeting in Berne on 3rd December 2019.

The meeting was co-chaired on the Swiss side by Ambassador Erwin Bollinger, Head of Bilateral Economic Relations SECO, and on the Turkish side by Mr. Mehmet Tan, Director General of Representations in Foreign Countries and International Activities of the Ministry of Trade.

The 9th Meeting of the Joint Economic Commission was held in a friendly atmosphere, reflecting the interest of both countries to further develop their bilateral economic relations.

Topic
1. Economic situation and perspectives in both countries Both sides informed each other on the current state of the economy in their respective countries.
2. Bilateral economic relations Both sides emphasized the intense economic relations between Switzerland and Turkey. They perceive a considerable potential for an increase in commercial relations and bilateral investment. Both countries are committed to create the best possible framework for economic actors in Switzerland and Turkey.

Swiss issues

The issues raised by Switzerland in the meeting and in the memoranda by *scienceindustries* (pharmaceutical industry) and the *Federation of the Swiss Watch Industry FH* are mentioned below:

- Customs issues (requirement of additional documents, Export Registry Form for direct deliveries of goods from Switzerland to Turkey, application and implementation of the new Turkish REACH law to Swiss watches).
- Revision of the PEM convention (modernizing the rules of origin): As production in Turkey would benefit from it, Swiss companies with strong ties to Turkish suppliers ask Turkish authorities to advocate for a fast conclusion of the PEM negotiations.
- IPR protection (Pharma: patent protection, 6-year regulatory data protection. Watches: measures against counterfeits).
- Health care issues (localization requirements: threat to delist imported products from the reimbursement list; low level of drug prices; price erosion caused by the EUR/TRY ratio and the cross-exchange rate; time-consuming regulatory approval procedures of drugs).

Turkey responded to the aforementioned issues raised by the Swiss side during the meeting and indicated that it would also send the answers in writing.

Switzerland welcomed the outcome of the negotiations at the ICAO Services Negotiation Conference (ICAN 2015). Switzerland is pleased that Swiss airlines now have the opportunity to serve up to 6 points in Turkey. However, Switzerland would welcome a complete opening of the

Topic
<p>air transport markets, which would enable airlines to serve all points in both countries. The Turkish side took note of this proposal.</p>
<p>Switzerland brought forward the bankruptcy case of <i>Asya Bank</i> and asked for a rapid solution to this important problem for SERV. The Turkish side replied that a solution is only possible through judicial proceedings within Istanbul Bankruptcy Office and that the Savings Deposit Insurance Fund of Turkey could be contacted for further information.</p>
<p><u>Turkish issues</u></p>
<p>Turkish construction companies are interested to participate in public tenders in Switzerland. Switzerland emphasizes that secured access to public procurement is only possible on a mutual basis. The EFTA-Turkey FTA provides a review clause allowing experts to discuss market access issues in the field of public procurement.</p>
<p>The Turkish side raised the issue of road transit costs through Switzerland and asked about the cost of possible alternatives such as transport of trucks by rail. The Swiss side will submit this question to the Swiss Federal Office of Transport and will convey its answer to the Turkish side.</p>
<p>3. Multilateral economic cooperation</p>
<p>Switzerland informed on the conclusion of the parliamentary approval procedure of the modernized free trade agreement EFTA - Turkey. In Turkey, the FTA has been submitted to the parliament. After the consultation in the parliamentary committee, it will subsequently be submitted to the General Assembly for approval.</p>
<p>Switzerland expressed the expectation that Turkey will comply with all the provisions contained in the FTA. Switzerland paid particular attention to the respect of ILO core conventions concerning the right to organize and freedom of association that are reflected in the FTA chapter on trade and sustainable development.</p>
<p>In view of the current challenges in the WTO, both sides underlined the importance of strengthening the rule-based multilateral trading system. They hope for positive impulses from the next WTO Ministerial Conference in Nur-Sultan in June 2020.</p>
<p>4. Regional relations/relations with EU</p>
<p>Both sides provided information on their relations with the European Union. The future economic relations with the UK after Brexit are very important for both countries. UK is Turkey's second most important trading partner. A working group currently examines the question of how bilateral market access can be maintained in the short term.</p>
<p>Switzerland outlined Switzerland's "<i>Mind the Gap-Strategy</i>" and mentioned the new bilateral agreements with the UK. They are intended to avoid legal gaps in the regulatory framework between Switzerland and the UK once the UK has left the EU.</p>
<p>Turkey expressed its interest in the Swiss experience with shaping the future bilateral economic relations with the UK and would welcome an exchange with experts on this subject.</p>

Berne, 13. January 2020

**Co-Chair of the
Swiss Delegation**


Erwin BOLLINGER
Ambassador

Ankara, 13 February 2020

**Co-Chair of the
Turkish Delegation**


Mehmet TAN
Director General