

PROTOCOL OF THE THIRD SESSION OF THE TURKEY- PORTUGAL JOINT ECONOMIC AND TRADE COMMISSION

The Turkey-Portugal Joint Economic and Trade Commission, established with "the Declaration on the Establishment of Joint Economic and Trade Commission (JETCO)" signed in Lisbon on 6 May 2013, held its third meeting in Lisbon on 8 March 2018.

The Turkish Delegation was headed by H.E. Nihat Zeybekci, Minister of Economy of the Republic of Turkey and the Portuguese Delegation was headed by H.E. Augusto Santos Silva, Minister of Foreign Affairs of the Portuguese Republic.

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

The results of the discussions are summarized as follows:

I - TRADE RELATIONS

Both Sides reviewed the bilateral trade relations and agreed that there is room for further development and deepening cooperation in this field.

Both Sides noted that the soundness of bilateral trade relations is supported by the frequency of mutual exchange of high level visits, as well as with the number of legal documents signed in recent years.

Both Sides noted with satisfaction the signing of the following memoranda during the third session of JETCO:

- Memorandum of Understanding between the Ministry of Culture and Tourism of the Republic of Turkey on Cooperation and the Ministry of Economy of the Portuguese Republic in the Field of Tourism.
- Memorandum of Understanding between the Turkish Standards Institution (TSE), of the Republic of Turkey and the *Instituto Português da Qualidade*, I.P. of the Portuguese Republic in the Fields of Standardization and Metrology.

- Memorandum of Understanding between the Scientific and Technological Research Council of Turkey, National Metrology Institute of the Republic of Turkey and the *Instituto Português da Qualidade*, I.P. of the Portuguese Republic in the Field of Metrology.

Both Sides expressed their satisfaction that a business forum is organized as a parallel event to JETCO by DEİK from Turkey and AICEP from Portugal and provided an excellent platform for the business circles of the two countries for business-to-business (B2B) exchanges.

Both Sides decided to continue to promote a bilateral agenda comprised of high level contacts and visits, and stressed the importance to bring together the Turkish and Portuguese businessmen through B2B meetings and participation in fairs and exhibitions, both in Turkey and Portugal.

Both Sides, in order to develop bilateral cross-border e-commerce, agreed to explore possibilities of cooperation between their respective institutions and organizations in the fields such as logistics, payment systems and customs procedures.

Both Sides agreed to further encourage their private sectors to seek opportunities in order to foster bilateral investment flows. Both Sides agreed to encourage Turkish and Portuguese investors to benefit from the Investment Incentive programs and invest more in Turkey and Portugal respectively.

Both Sides made a very positive assessment of the dialogue and the deliverables of the third session of the JETCO, and recognized that this mechanism proved to be a very useful institutional tool to identify fields of economic and trade cooperation.

Both Sides expressed their desire to strengthen their cooperation in third country markets, utilizing their experiences on trade and investment.

The Portuguese Side expressed a number of market access issues that Portuguese companies face in Turkey, in particular: (i) the payment of a compensatory duty applied on importation of textile and clothing products originating in some third countries; (ii) the requirements for imports of pharmaceutical products into Turkey (iii) the compensatory duty applied on importation of ceramic isolators originating in some third countries;

(iv) and restrictions on imports of reconditioned tires. The Turkish side took note and provided a brief information on relevant parts of import regime.

The Turkish and Portuguese authorities addressed the surveillance system and its potential to create negative implications and impacts on the bilateral trade relations. To that end, Both Sides agreed to continue to share information with regard to specific surveillance implementations having trade disturbing effects with a view to amend or eliminate them to foster mutual and favorable trade flows between the two countries.

Both Parties will continue to cooperate on the EU accession process of Turkey, in accordance with the Negotiating Framework of 2005.

Both Sides agreed that it is key to maintain a constructive dialogue on issues of mutual concern and underlined the importance of fully implementing the engagements specified in the Turkey-EU Statement of 18 March 2016.

The Turkish Side expressed the fact that the updating of the Customs Union will have a positive overall economic impact on both the EU and Turkey. Both Sides will continue to cooperate on this issue.

The Turkish Side pointed out that the problems encountered by Turkey regarding free trade agreement negotiations with third countries cause difficulties for the smooth functioning of the Customs Union and have negative effects not only on Turkish firms but also on EU firms operating in Turkey.

Both Sides took note of the developments in the "EU-Turkey Visa Liberalization Process" and the Turkish side requested the support of Portugal in this regard.

The Portuguese Side reaffirmed the priority of obtaining short stay visa exemption for Portuguese citizens visiting Turkey, as it is the case for other EU countries. Portugal underlined that this short stay visa exemption would be important to boost investment and trade opportunities.

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II - ECONOMIC AND TECHNICAL COOPERATION

a. Investments and Contracting and Consultancy Services

Both Sides agreed to strengthen cooperation through mutual investments and partnerships.

Both Sides agreed on the importance of the know-how and best practices in experimenting and implementing new technologies in the field of contracting and consultancy services and decided to encourage their private sectors to establish regular contacts with a view to exploiting the opportunities existing in these fields in global markets.

The Portuguese Side expressed the interest of the Portuguese companies in partnerships with the Turkish companies for jointly bidding for public tenders, namely the new channel of Istanbul, metro and railway projects, the PPP hospital projects and metro, water and waste incineration projects of the local Municipalities.

The Turkish Side stated that such joint venture initiatives between the companies of the two countries for such projects would contribute to the expansion of economic cooperation.

The Portuguese Side briefed the Turkish Side about the Portuguese Government's "Strategy to Increase Ports Competitiveness – Horizon 2026", that will affirm Portugal as global hub for port logistics and Liquefied Natural Gas re-export hub, the main energy source for the Green Shipping.

b. Blue Economy and Shipbuilding Industry

Both Sides recognized the potential opportunities in the maritime and port sector between Portugal and Turkey, and agreed to explore possibilities to increase the promotion of cooperation between blue economy clusters (sharing good practices and joint projects between the two countries).

The Portuguese Side proposed to develop technological solutions for the integration of both supply chains of the two countries in the "One Belt One Road" route.

Both Sides highlighted the opportunities for cooperation in the field of shipbuilding and announced their readiness to support cooperation in the following areas;

- Creation and implementation of modern technologies for shipbuilding, yacht construction, ship repair and maintenance, ship recycling and dredging including automation of a process-layout preparation,
- Modernization/construction of shipyards (docks) in Turkey and the Portugal,
- Shipbuilding, yacht construction, ship repair and maintenance, ship recycling and dredging trainings for the engineers and technical personnel.

c. Education and Cultural Cooperation

Both Sides agreed to hold the meeting of the Joint Working Group established in accordance with the Article 8 of the Memorandum of Understanding in the field of Education signed on the 3rd of March 2015 between the Government of the Republic of Turkey and the Government of the Portuguese Republic soon.

Both Sides agreed to promote the exchanges and collaboration between Portuguese and Turkish Universities, Science and Technologic Parks, Startups and Business Angels and to encourage those institutions to organize visits to the counterparts.

Both Sides noted with satisfaction the steps taken towards teaching Portuguese in Turkey and Turkish in Portugal as a foreign language in their Universities respectively.

The Portuguese Side expressed its interest for the possibility of integrating the Portuguese language into the Turkish secondary level, initially through a pilot project in a secondary school.

Both Sides noted with satisfaction the interest in reinforcing cultural cooperation between Portugal and Turkey, namely in the fields of visual and performing arts, cinema, music and literature.

d. Tourism

Both Sides recognized the potential opportunities in tourism sector between Turkey and Portugal, and agreed to explore possibilities to increase the bilateral flows of tourists.

The Portuguese Side expressed its willingness to cooperate in the fields of Tourism Investment, Tourism Promotion and Marketing, Exchange Programs, Information Exchange and Cooperation in the domain of International Organizations, further to the bilateral Memorandum of Understanding in the field of Tourism signed on the margins of this JETCO.

e. Small and Medium Sized Enterprises, Industry, Competitiveness Clusters and Startups

Both Sides expressed their readiness to cooperate in the area of SMEs, namely in the fields of good business practice and deepening of business relations, including joint activities, through the Agency for Competitiveness and Innovation, I.P. (IAPMEI) of Portugal and the Small and Medium Sized Enterprises Development Organization (KOSGEB) of Turkey.

Both Sides also agreed to develop cooperation through the exchange of experiences in the organization and implementation of technological parks and industrial/business areas; promotion of cooperation between clusters (sharing good practices and joint projects between clusters of the two countries); and sharing success cases of Portuguese startups and startups of Turkey, addressing their respective public policies, including measures relating to issues within the entrepreneurial ecosystem, funding and internationalization of startups, as well as the Portuguese experience in the field of the "StartUP Visa".

f. Energy and Mining

The Portuguese Side expressed its willingness to develop cooperation in the field of energy, focused on identifying opportunities for joint projects in the field of renewable energy and network management, energy efficiency and alternative fuels, storage and lithium; the sharing of knowledge on smart energy consumption and use of renewable energy sources, the production of electricity, and information on the heating and cooling sectors; the exchange of information on biomass and new

biomass heat generation facilities; as well as the exchange of information on energy infrastructures, including interconnections.

The Portuguese Side also underlined the importance of increasing investment of private companies in both countries, with a special emphasis on industrial minerals, ornamental stone and base metals.

g. Environment

Both Sides decided to take necessary actions in order to develop cooperation between the related organizations and exchange of expertise in the fields of upper-scaled spatial planning, urban development policies for sustainable cities, rural area planning, urban renewal projects and risk assessment.

Both Sides agreed that bilateral cooperation on "integrated pollution prevention and control" and "sustainable development and cleaner production and consumption" between Turkey and Portugal should be shared knowledge and experience, should be common projects on integrated pollution prevention and control sectors.

Both Sides, considering the exchange of technology related to the prevention of environmental pollution and the hazard mitigation, decided to cooperate on the following activities:

- Exchange of scientific and technical knowledge and experience,
- Exchange of new technology,
- Organization of seminars, workshops,
- Training courses.

Both Sides agreed to explore the cooperation possibilities in areas such as:

- Cleaner production, environmental pollution prevention and hazard mitigation. Scientific and technical cooperation in the fields of sustainable water management, water and wastewater treatment technologies,
- Training activities on design of water and wastewater treatment plants,
- Preparation of flood and drought management plans,
- Impacts of climate change on water resources,
- Coastal and transitional water management.

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h. Standardization, Metrology

Both Sides agreed to cooperate and support each other in the fields of standardization and metrology, as follows:

- Scientific and technical assistance, training and information initiatives, mutual consultation and support at national, regional and international platforms;
- Mutual exchange of documents on standardization and metrology;
- Bilateral comparisons;
- Organization of joint meetings and conferences.

The Turkish Side provided information on the Halal Accreditation Council (HAK), which was established for the accreditation of halal conformity assessment bodies functioning in Turkey and all around the world based on OIC/SMIIC standards adopted by the Standards and Metrology Institute for Islamic Countries (SMIIC).

i. Food Safety

Both Sides agreed to further improve cooperation in the field of food and economic safety between the Portuguese Authority for Food and Economic Safety (ASAE) and the Turkish Ministry of Food, Agriculture and Livestock General Directorate of Food and Control (GDFC).

The Portuguese Side underlined that ASAE has sent an invitation to Turkish counterpart GDFC to be an Observer Institution of the Forum of Inspections of Food Security and Economic Activities (FISAAE) of the Community of Portuguese-Speaking Countries (FISAAE).

Both Sides expressed their interest in strengthening cooperation between the Directorate General for Food and Veterinary (DGAV) of the Ministry of Agriculture, Forestry and Rural Development of Portugal and the Ministry of Food, Agriculture and Livestock of Turkey concerning Animal Health and Food Safety.

j. Health

Both Sides underlined the collaboration between the relevant health authorities of the two countries through their joint project on eHealth, called proEmpower, which will have a joint meeting of the consortium in April 2018 in Lisbon.

The Portuguese Side expressed the Portuguese Institute of Medical Emergency's willingness to cooperate with the Turkish counterpart in the field of medical emergency.

k. Pharmaceutical Industry

The Portuguese Side proposed the improvement of bilateral contacts between the Portuguese National Authority of Medicines and Health Products (INFARMED) and the Turkish Medicines and Medical Devices Agency (TITCK), possibly through meetings between the parties, to identify areas of work of common interest

l. Air Transport

The Portuguese Side underlined the importance of the air transport sector for the economic and touristic development of both countries and stressed the need of giving legal certainty to the Portuguese and Turkish airlines.

The Portuguese Side in this sense, reaffirmed its support to the swift conclusion of a comprehensive air transport Agreement between the European Union and its Member States and Turkey.

The Turkish Side stated that the negotiations started in 2016 November and the fourth round of negotiations will be held on the date of 22-23 March 2018.

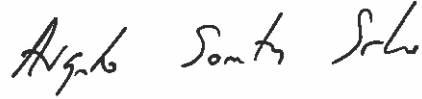
III - THE NEXT SESSION OF JETCO

Both Sides agreed that the next Ministerial Meeting of the JETCO will be held in Turkey on a date to be agreed through diplomatic channels.

Done and signed in Lisbon, on 8 March 2018, in two original copies in the English language.



Nihat ZEYBEKCI
Minister of Economy
of the Republic of Turkey



Augusto SANTOS SILVA
Minister of Foreign Affairs
of the Portuguese Republic

ANNEX - I

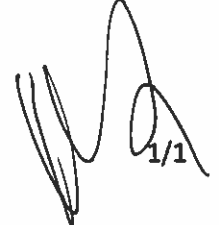
DELEGATION OF THE REPUBLIC OF TURKEY

Public Participants:

1. H.E. Nihat Zeybekci, Minister of Economy
2. H.E. Hasan GÖĞÜŞ, Ambassador to Lisbon
3. Hasan YALÇIN, Head of Technical Delegation, Deputy Director General of Agreements, Ministry of Economy
4. Sebahittin KORKMAZ, President, Turkish Standards Institution
5. Mustafa ÇETİNTAŞ, Manager, TÜBİTAK, National Metrology Institute
6. Aşkın PEKEL, Chief of Cabinet, Ministry of Economy
7. Zeynep KALELİ, First Counsellor, Turkish Embassy in Lisbon
8. Başak SEÇKİN, Commercial Counsellor, Turkish Embassy in Lisbon
9. Aysun ERGEZER, Foreign Trade Expert, General Directorate of Agreements, Ministry of Economy
10. Gamze KAHYAOĞLU, Foreign Trade Expert, General Directorate Investment Incentives and Foreign Investments, Ministry of Economy
11. Engin Kurt, Assistant Foreign Trade Expert, General Directorate of Agreements, Ministry of Economy

Business Participants:

1. Berna İLTER, Chairperson, BRN Bed, DEİK, Turkey-Portugal Business Council
2. Cihan AKIN, Executive Committee Member, Yılport Holding
3. Adnan NAS, Executive Committee Member, Global Holding
4. Fatih Kemal EBIÇLIOĞLU, President of Durable Consumer Goods, KOÇ Holding
5. Ece AKBIYIK, Licensing Executive, Abdi İbrahim Pharmaceuticals
6. Ahu SERTER, Chairperson, Farplas



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**III JETCO
Portugal/Turkey**

Lisbon, 8 March 2018

Portuguese Delegation**H.E. Augusto Santos Silva, Minister of Foreign Affairs of Portugal**

H.E. Eurico Brilhante Dias, Secretary of State of Internationalization of Portugal

Rui Vinhas, Director-General for European Affairs

Luís Castro Henriques, Chairman of AICEP

Filipe Ramalheira, Secretary of State of Internationalization's Head of Cabinet

Fernanda Ferreira Dias, Director-General for Economic Activities

Lénia Real, Deputy Director-General for European Affairs

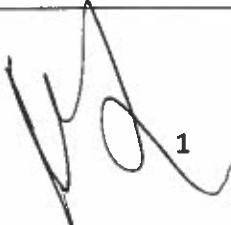
Susana Baptista, Deputy Director-General for Natural Resources

Jorge Oliveira e Carmo, Deputy Director-General for Sea Policy

António Silva, Executive Member of AICEP

Francisco Alegre Duarte, Head of Bilateral Relations Department

Madalena Arroja, Head of Department, Camões IP


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Maria Alice Rodrigues, Director of International Trade/ Ministry of Economy
Celeste Mota, Director of AICEP in the Portuguese Embassy in Ankara
Helena Cristina Horta, Head of Division for Bilateral Relations
Rui Pedro Pereira, Head of Division/Ministry of Economy
Cristina Vasques, Head of Division/Ministry of Agriculture
Teresa Paulo, Adviser to the Minister of Foreign Affairs
Mafalda Alves, European Affairs Desk for Turkey