

PROTOCOL OF THE FIRST 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 May 6, 2013, held its first meeting in Lisbon on June 27, 2014.

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. Paulo de Sacadura Cabral Portas, Deputy Prime-Minister 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

1. Bilateral Trade

Both Sides underlined the positive developments in bilateral trade and agreed that there is still a great potential to be explored in trade both in services and goods.

With this objective they decided to continue promoting a bilateral agenda comprised of high level contacts and visits, and stressed the need to bring together Turkish and Portuguese businessmen through business to business meetings and the participation in fairs and exhibitions both in Turkey and Portugal.

The Portuguese Side made a brief presentation of some of the difficulties and concerns Portuguese companies faced in the Turkish market on:

(i) The legal requirements for the import of pharmaceutical products into Turkey that, combined with the rejection of the "EU Good Manufacturing Practices" certificate, have a negative impact on the access or on operations in the Turkish market.

The Turkish Side took note of the Portuguese concern and informed the Portuguese Side about the ongoing work between Turkey and the EU Commission towards the conclusion of a mutual recognition agreement between Turkey and the EU that will lead to the solution of the issue, and

asked the Portuguese Side to encourage the EU Commission towards this end.

and also on: (i) the payment of an extra-tax on certain textile and clothing imports from the EU but originating in third countries; (ii) the possible additional tax on terephthalic acid products (TPA); (iii) and the high taxes on ceramic isolators imports.

The Turkish Side took note of the Portuguese concerns and stated that all the implementations regarding the above mentioned issues (i) and (ii) are in line with its international commitments. The Turkish Side also noted the problems regarding ceramics isolators imports and asked better clarification to understand the nature of the issue at stake.

The Turkish Side informed about the problems faced by Abdi Farma Unipessoal, Lda in obtaining the necessary approval from the competent authorities of the Ministry of Health of Portugal regarding its pharmaceutical products produced in Portugal.

The Portuguese Side took note of the Turkish Side's concern and informed of the steps taken to address one of the specific situations.

2. Other Issues

2. a. Visa Issues

Both Sides, underlining the relevance of reciprocal visits to increase bilateral trade and investments, agreed on the importance of facilitating visa application procedures for business and investment purposes. The Agreement between the Republic of Turkey and the Portuguese Republic on the Suppression of Visas for Holders of Service and Special Passports, signed on July 14, 2010 and that entered into force on March 30, 2011, was a positive step in this direction.

They also recognized the significance of the signing of the "Readmission Agreement" between the EU and the Republic of Turkey and the launching of the visa dialogue between the EU and Turkey which aims at progressing towards the elimination of the visa obligation imposed on the Turkish citizens travelling to the Schengen area. The Turkish Side expressed its expectation of Portugal's strong support to this dialogue and to visa-free travel of Turkish citizens to the Schengen area.

The Portuguese Side recalled that a priority treatment procedure for visa application aiming, among others, Turkish businessmen visiting Portugal, is in place since 2010 in the context of their economic activity.

Additionally the Portuguese Side highlighted the importance of facilitation of the issuance of residence permits or working visas for the Portuguese investors in Turkey.

The Turkish Side recalled that Turkey has taken steps to ease further the travel of Portuguese citizens to Turkey and that as of March 1, 2013, Portuguese citizens may also use their valid national identity cards and passports which have expired within the last five years when entering into Turkey for touristic and business purposes, and that a further facilitation was brought by the introduction of the e-visa system in 2013.

2. b. European Union Issues

2.b.i. Update of the Customs Union

The Turkish Side welcomed the discussions which were being held between the European Commission and the Turkish authorities on the update of the Customs Union and stressed that the priorities of both Turkey and the European Union should be adequately addressed within this process and underlined that the World Bank study on the evaluation of the Customs Union provided a fair basis for discussion.

The Portuguese Side took note of the Turkish Side's position.

2.b.ii. Accession Negotiations

The Turkish Side stressed that smooth continuation of accession negotiations to the EU, without being obstructed by political motivations, would contribute to further development of economic and trade relations. The Turkish Side stated its expectation of support from the Portuguese Side on this issue.

The Portuguese Side reaffirmed its support to Turkey's EU accession and welcomed the recent positive developments in this process, namely the opening of Chapter 22 in November 2013.

2.b.iii. Free Trade Agreements (FTA) with Third Countries

The Turkish Side highlighted that the problems it faces regarding free trade agreements negotiations between the EU and third countries pose an obstacle in the smooth functioning of the Customs Union and have negative effects not only on Turkish firms but also on EU firms operating in Turkey and stated the expectation of Portuguese support on this issue.

The Turkish Side also stressed the importance of concluding an FTA with the US in parallel with Transatlantic Trade and Investment Partnership between the EU and the US bearing in mind its Customs Union with the EU. The Turkish Side shared the expectation of continued collaboration and support from the Portuguese Side on this issue.

The Portuguese Side took note of the Turkish concern and position and stated that it will continue to encourage the European Commission to pursue a constructive dialogue with Turkey on this issue.

2.b.iv. Transport Quotas Imposed on Turkish Commercial Vehicles

The Turkish Side underlined that transport quotas imposed on Turkish commercial vehicles by some EU member states have a negative effect on their bilateral trade and hinder free trade principles.

The Portuguese Side took note of the Turkish Side's concern and position.

3. Free Zones

The Turkish Side made a presentation of the advantages of the Free Zones located in Turkey and expressed the view on the need of cooperating in the field of free zones with the aim of further developing the bilateral economic and commercial relations between the two countries. It also invited Portuguese firms to operate in the Turkish Free Zones in order to make use of the opportunities offered in these zones.

The Portuguese Side took note of the proposal.

ECONOMIC AND TECHNICAL COOPERATION

1. Investments and Contracting and Consultancy Services

The Turkish Side invited Portuguese firms to invest more in Turkey, especially in the fields of energy and transportation in line with Turkey's investment plans targeting to reach 150 billion US Dollars and more than 110 billion US Dollars, respectively until the year 2023.

The Portuguese Side, noting with satisfaction the recent investment of the Turkish holding "Global Yatırım/Global Ports", briefed the Turkish Side on investment opportunities in Portugal, and also stressed that the participation of Turkish investors in the current privatization process is very much welcomed.

In order to achieve these objectives, Both Sides agreed to promote technical and investment delegations visits, and investment conferences in order to inform their public and private sectors about investment opportunities in their respective countries.

Both Sides agreed to encourage relevant Turkish and Portuguese firms and businessmen to cooperate in order to identify joint investment and trade opportunities, both in Turkey and in Portugal, as well as in third countries.

To this end, they decided that particular attention would be paid to the following fields: information technologies, renewable energy, construction/transport, namely in new railways and subway projects in Turkey, machinery, moulds, management of shopping centers, investments, contracting and consultancy services, tourism, pharmaceuticals and health services.

In addition, Both Sides agreed to encourage the promotion of trilateral investments involving Turkish and Portuguese companies in Africa, Latin America, Central Asia, the Caucasus and the Middle East, where Turkish and Portuguese companies have developed a business contact network.

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.

They also agreed that the Instrument for Pre-Accession Assistance (IPA) projects financed by the EU, as well as projects financed by the World Bank, could be explored by joint ventures between Turkish and Portuguese companies.

2. Energy

Both Sides decided to promote cooperation in the energy sector, particularly in the field of renewable energy and energy efficiency.

3. Small and Medium Sized Enterprises (SMEs)

The Turkish Side underlined the readiness of the Small and Medium Sized Enterprises Development Organization of Turkey (KOSGEB) to cooperate with Portuguese relevant institutions.

Both Sides agreed to encourage the relevant actors, public or private, in both countries to collaborate in view of strengthening relationships and capacity building of SMEs through joint activities.

4. Agriculture and Fisheries

Both Sides agreed to enhance bilateral cooperation in agriculture, fisheries, rural development and food safety and expressed their will to reinforce technical cooperation in agriculture, forestry and sea economy.

Moreover, they have expressed interest in sharing experience in the agricultural, forestry and maritime areas, namely in the fields of veterinary, sanitary issues, irrigation, fisheries and aquaculture.

Both Sides stressed the importance to reinforce cooperation between research centers, universities and experts in order to foster joint experience exchange and training activities in the aforementioned areas. They also reaffirmed their commitment to exchange experience and information regarding food safety, food products and laboratories.

5. Tourism

Both Sides recognized the potential for mutually beneficial business opportunities in the Turkish and Portuguese tourism sector and agreed to explore possibilities to increase the bilateral flow of tourists.

They also decided to explore the possibilities to promote joint projects in the fields of training, joint actions in the promotion of the Turkish and Portuguese tourism in intercontinental markets, and development of touristic products.

Both Sides also decided to explore the possibilities to organize reciprocal familiarization trips for tour operators, journalists and travel writers.

The Portuguese Side, underlining the importance of the cruise activities between both countries, submitted a draft text of a Memorandum of Cooperation on the promotion of cruise activity to the Turkish Side during the first session of JETCO.

The Turkish Side undertook to examine the aforementioned draft text and respond to the Portuguese Side in two months time.

6. Health

Both Sides highlighted the opportunity for cooperation in the health sector, including on Public Private Partnership projects. Moreover both Sides agreed to encourage contacts between Turkish and Portuguese firms and authorities in order to explore mutually beneficial business or cooperation opportunities in the areas of pharmaceutical products and health services, namely on health tourism, integrated health emergency systems, emergency transports, safety and quality.

7. Environment

Both Sides agreed to explore cooperation in several areas related to the environment, including, among others, wastewater treatment technologies, treatment, recycling and disposal of sewage sludge, management of domestic and industrial waste water, including treatment and recycling technologies.

They also decided to take the necessary actions in order to develop cooperation between their relevant organizations and exchange of expertise in the fields of urban renewal projects and risk assessment to maintain sustainable urban development.

8. Defense and Aviation Industry

Both Sides decided to enhance their cooperation in the field of defense and aviation industry in accordance with the objectives established by the "Agreement between the Government of the Republic of Turkey and the Portuguese Republic on Defense Industry Co-operation", signed in Ankara on November 7, 2013.

In addition, and with the aim of intensifying their bilateral cooperation in defense industry, both Sides agreed to organize reciprocal visits of public and private delegations in this sector.

9. Shipbuilding Industry

Both Sides declared their readiness to encourage bilateral cooperation in the fields of shipbuilding, yacht construction and ship repair on the following subjects:

- Development and utilization of modern technologies,
- Development of new ship designs through innovative approaches,
- Development of projects on new generation vessels including fishing vessels, research vessels, tugs boats and supply vessels.

Both Sides invited Turkish and Portuguese ship-owners and investors to conclude contracts on various shipbuilding and yacht construction projects in shipyards of both countries.

10. Information and Communication Technologies (ICTs)

Both Sides agreed to cooperate in order to identify possible areas of cooperation and to encourage Turkish and Portuguese firms to explore opportunities in their markets and to participate in joint projects.

11. Science, Industry and Technology

Both Sides expressed their intent to cooperate on the following areas:

- Sharing knowledge and experience in the fields of technology, innovation, science and entrepreneurship,
- Exchange of knowledge and experience with regard to research and development incentives, innovation programs and supports,
- Exchange of knowledge and experience between Technology Development Zones and universities in the both countries,
- Sharing information on entrepreneurship education, exchanging experts and organizing reciprocal working visits,
- Publicizing international conferences and seminars organized in the both countries.

Both Sides agreed to highly encourage the implementation of the existing Protocol on cooperation in science and technology between the Scientific and Technological Council of Turkey (TÜBİTAK) and the Foundation of Science and Technology of Portugal (FCT).

12. Standardization, Metrology and Accreditation

Both Sides noted their satisfaction concerning the ongoing cooperation between their standardization, metrology and accreditation bodies in International Organizations.

The Turkish Side in this regard expressed the readiness of the Turkish Standards Institute (TSE) to cooperate with the Portuguese Institute for Quality (IPQ) in the field of standardization and submitted its request to revise the current cooperation agreement signed on April 5, 1989, between these two institutions.

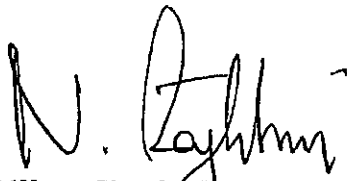
The Turkish Side stated the interest of the National Metrology Institute of Turkey (UME) in cooperating with the Portuguese Institute for Quality (IPQ).

Both Sides, with the aim of preventing technical barriers to trade and ensuring safety of products subject to bilateral trade, expressed their willingness to build up cooperation in the area of conformity assessment procedures.

III - THE NEXT SESSION OF JETCO

Both Sides agreed that the Second Ministerial Meeting of the JETCO will be held in Turkey in 2015 on a date to be agreed through diplomatic channels.

Done and signed on June 27, 2014, in Lisbon in two originals in the English language, both texts being equally authentic.



Nihat Zeybekci
Minister of Economy
of the Republic of Turkey



Paulo de Sacadura Cabral
Portas
Deputy Prime Minister
of the Portuguese Republic

DELEGATION OF THE REPUBLIC OF TURKEY

Public Sector Participants:

1. H.E. Mr. Nihat Zeybekci, Minister of Economy
2. Mr. Kadir Bal, Head of Technical Delegation, Director General of Agreements, Ministry of Economy
3. Mr. Cengiz Gürsel, Deputy Director General, General Directorate of Free Zones, Overseas Investment and Services, Ministry of Economy
4. Ms. Asiye Nurcan İpekçi, First Counsellor, Turkish Embassy in Lisbon
5. Mr. Orhan Çakıroğlu, Head of the Department, General Directorate of Agreements, Ministry of Economy
6. Mr. Serdar Akıncı, Head of the Department, General Directorate of Incentive Implementation and Foreign Investment, Ministry of Economy
7. Ms. Aysun Ergezer, Foreign Trade Expert, General Directorate of Agreements, Ministry of Economy

Private Sector Participants:

1. Mr. Mustafa Çıkırıkçioğlu, Deputy Chairman of Turkish Exporters Assembly
2. Mr. Fahri Gökyayla, Co-Chairman of the Turkish-Portuguese Business Council, DEİK
3. Mr. Mehmet Ali Deniz, Director, Global Investment Holding

DELEGATION OF THE PORTUGUESE REPUBLIC

1. H.E. Mr Paulo Sacadura Cabral Portas, Deputy Prime Minister
2. H.E. Mr Pedro Gonçalves, State Secretary for Innovation, Investment and Competitiveness
3. H.E. Mr. Sérgio Silva Monteiro, State Secretary for Infrastructures, Transports and Communications
4. Prof. José João Abrantes, Pro-Rector of Universidade Nova de Lisboa
5. Mr. Miguel Frasquilho, Chairman of the Board of AICEP
6. Mrs. Madalena Fischer, Head of Cabinet of Deputy Prime Minister
7. Mrs. Lénia Real, Deputy General Director of the European Affairs Directorate, Ministry of Foreign Affairs
8. Mr. Pedro Ortigão Correia, Executive Member of the Board, AICEP
9. Mr. Luís Castro Henriques, Executive Member of the Board, AICEP
10. Mr. Jorge Abrantes, Executive Member of the Board, Tourism of Portugal
11. Mrs. Rita Araújo, Head of the Institutional Relations and External Markets Department, AICEP
12. Mr. João Costa, Head of the Bilateral Department, European Affairs Directorate, Ministry of Foreign Affairs
13. Mrs. Graça Nunes da Silva, Adviser to Deputy Prime Minister
14. Mr. Paulo Figueiredo, Adviser to Deputy Prime Minister
15. Mr. José Lemos Diogo, Adviser to State Secretary for Education and School Administration
16. Mr. Paulo Domingues, Coordinator at the Institutional Relations and External Markets Department, AICEP
17. Mr Luís Macieira de Barros, Bilateral Department, European Affairs Directorate, Ministry of Foreign Affairs