

**AGREED MINUTES
OF THE SIXTEENTH SESSION OF THE
TURKISH-CHINESE JOINT ECONOMIC AND TRADE COMMITTEE**

The Turkish-Chinese Joint Economic and Trade Committee, established in accordance with the "Agreed Minutes of the Turkish-Chinese Joint Committee on Economic, Industrial and Technical Cooperation" signed on December 15, 1982 in Beijing between the Government of the Republic of Turkey and the Government of the People's Republic of China held its Sixteenth Session in Beijing between September 24-27, 2009.

Turkish Delegation was led by H.E. Zafer Çağlayan, Minister of State of the Republic of Turkey and the Chinese Delegation by H.E. Chen Deming, Minister of Commerce of the People's Republic of China.

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

The discussions between the two sides 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.

At the Plenary Session of the Joint Economic and Trade Committee, the Heads of the two Delegations reviewed the trends in the overall economic and trade relations between the two countries and determined the new ways of further promoting the bilateral relations.

During the meeting, various issues of mutual interest were discussed and the results of these deliberations are summarized as follows:

I. GLOBAL ECONOMY

The two sides noted the gravity of the global economic crisis and agreed to strengthen cooperation in various fields including G-20 platform, so as to assist global economic recovery.

The two sides agreed that trade was an integral component to any response to the world economic crisis and that concluding the Doha Development Round would make positive contribution to restoring confidence in the global economy.

II. LEGAL FRAMEWORK

MOU on Infrastructure Cooperation

2. The two sides noted with delight that there has been impressive advancement in bilateral infrastructure construction cooperation, and an MOU on Enhancing Cooperation in Infrastructure Construction and Technical Consulting Services has been signed during this meeting.

Framework Agreement on Bilateral Cooperation

3. Both sides reached consensus over the Framework Agreement between the the Republic of Turkey and the People's Republic of China on Expanding and Deepening Bilateral Economic and Trade Cooperation and agreed to have it signed in an expeditious manner.

Agreement on Reciprocal Protection and Promotion of Investments

4. Both sides agreed to start negotiations on renewing the "Agreement on Reciprocal Protection and Promotion of Investments" in October 2009 and sign at the earliest possible time.

MOU on Food Safety

5. The Turkish side expressed its intention to sign the "Memorandum of Understanding between the Government of the Republic of Turkey and the Government of the People's Republic of China on Food Safety" for facilitating trade in food products between the two countries and submitted the draft to AQSIQ.

Framework Agreement for Financial Cooperation

6. The Turkish side submitted draft of "Framework Agreement for Financial Cooperation" in February 2009 with a view to enhancing bilateral cooperation in the field of finance and credit facilities between Turkey and China, especially for the infrastructure projects jointly realized in Turkey by the companies of the two countries. The two sides were pleased to note that the two relevant authorities had got into direct contact.

III. TRADE RELATIONS

Bilateral Trade

7. Both sides reviewed the developments in their bilateral trade since the last session of the Joint Economic and Trade Committee, and confirmed that there was still potential for further increase. Both sides agreed to make endeavors to further developing bilateral trade in a more balanced manner.

Taking into consideration the trade deficit of Turkey from China, the two sides agreed to take necessary measures to improve the situation. In this context, both sides decided to hold trade promotional activities to diversify and balance the trade relations between Turkey and China.

Trade and Investment Promotion (Buyers') Missions

8. Both sides noted the importance of trade and investment promotion missions sent by the Chinese side in the past years. The Chinese side agreed to continue sending such trade and investment promotion missions to Turkey in the future.

Participation in Fairs

9. Both sides believed that participation in fairs in each other's country would pave the way for increasing trade and economic relations between the two countries and decided to extend every possible assistance in this regard.

Opening of the "Turkish Trade Office"

10. The Chinese side welcomed the opening of the "Turkish Trade Office" in Beijing, which would help boosting the commercial and economic relations between the two countries and assist the businessmen of Turkey and China.

Trade Disputes

11. Both sides acknowledged the cooperation between their related industries in addressing the trade frictions during the past few years. Both sides agreed to further exchanges and communications in this regard in the future, addressing bilateral trade frictions along the lines of friendly cooperation, fairness and justice while continuing to encourage the industries of both sides to resolve trade frictions through consultations and cooperation.

Textile "Registration System"

12. The Chinese side expressed concern over the "registration system" imposed by the Turkish side on textile and clothing products imported from China. The system affected bilateral trade and at the same time violated relevant WTO rules. For the sake of stable and healthy development of bilateral trade, the Chinese side called on the Turkish side to remove this practice. The Chinese side would like to have further discussions on this issue.

The Turkish side expressed that textile and clothing registration is not a barrier to trade and totally in compliance with WTO rules, and that no negative effects of registration system to imports from China is observed.

Trademark Counterfeiting

13. The Turkish side expressed that the leading trademarks of Turkey had been counterfeited by the Chinese companies over the last years, which affected the commercial interests of the Turkish companies, and requested the Chinese Side to take immediate actions in this regard.

The Chinese side is always against illegal actions and asked the Turkish side to provide more detailed evidence for further investigation.

Both sides agreed to cooperate to fight against on all illegal actions in their bilateral trade including trade mark counterfeiting.

Customs Cooperation

14. Having signed the "Agreement on Cooperation and Mutual Assistance in the field of Customs" in 2002, both sides agreed to cooperate in customs matters, especially for the exchange of information in the price and origin verification.

The Chinese side expressed that Chinese goods exported to Turkey sometimes failed to be claimed by some Turkish importers and asked the Turkish customs authority to provide necessary information and possible assistance. The Turkish side agreed to convey this concern to its customs authority.

Cooperation on Quality and Safety of Industrial Products

15. Both sides, having signed the protocol on the quality and safety of industrial products between the Undersecretariat of Foreign Trade (UFT) and General Administration of Quality, Supervision, Inspection and Quarantine (AQSIQ) of China in 2005 and established a cooperation mechanism within the afore-mentioned protocol, expressed their satisfaction on the realization of the "Third Annual Meeting of the High Level Steering Committee" of the consultation and cooperation mechanism on quality and safety of industrial products between UFT and AQSIQ simultaneously with the JEC Meeting.

Tobacco Exports

16. Regarding tobacco exports to China, both sides agreed that the Chinese side will send experts to Turkey for the necessary investigation and experiment for "tobacco bluemold" in Turkish tobacco products upon invitation from the Turkish side.

IV. ECONOMIC COOPERATION

17. The two sides, considering the developing potential of their respective economies, agreed to exert concerted efforts for promoting economic cooperation in different sectors between the two countries.

Mutual Investments

18. The two sides underlined the importance of investments, and considering the increasing potential of their respective economies as well as the recent developments recorded in reciprocal investments between the two countries, decided to further encourage their companies to make investments in each country.

In this context, the Turkish side welcomed the recent investment initiatives of the Chinese companies to Turkey and expressed its readiness to welcome more direct investments by state and private companies of China to Turkey especially in the fields of electro-mechanic turbines, energy, automotive industry, machinery, chemicals and IT.

Working Permits and Visas

19. The Chinese side underlined the difficult and lengthy process in Turkish working permit application by Chinese business people. The Turkish side explained that according to the new system for working permit applications for foreigners, the process has been accelerated.

The Turkish side requested to obtain multiple entry visa valid for 1 year to Turkish businessmen. The Chinese side explained the visa policy and application procedures.

Cooperation in Contracting Services

20. The two sides expressed satisfaction on the ongoing projects, and considering the potential and capacity of their respective contracting sectors, agreed to explore the cooperation possibilities between their companies in Turkey and China as well as in the other countries. The Turkish side welcomed the possible involvement of the Chinese companies in the infra-structure projects including 3rd bridge over the Bosphorus. The Chinese side underlined the readiness of its companies to participate in infrastructure projects.

To further promote the relations and determine concrete projects in the field of contracting services, the two sides principally agreed to organize seminars in Istanbul or in Beijing.

Energy

21. Both sides confirmed that energy represented one of the most important potential fields of cooperation between the two countries, and noted with satisfaction the signing of the "Memorandum of Understanding on the Cooperation in the field of Energy" in June 2009.

Both sides agreed to explore the possibilities of joint investments in the field of renewable energy and nuclear energy. In this context, the two sides agreed to conclude the "Cooperation Agreement on Peaceful Uses of Nuclear Energy" between the two countries in due time.

V. FINANCIAL COOPERATION

Trade in National Currencies

22. To facilitate trade between the two countries, the two sides decided to explore the possibilities of trade in national currencies.

Cooperation between Turk Eximbank and Sinosure

23. The two sides agreed to conclude an MOU between Turk Eximbank and Chinese Sinosure for supplying joint insurance for the companies of Turkey and China during the Annual General Meeting of Berne Union between October 12-16, 2009 in Seoul.

Banking Cooperation

24. With a view to securing the smooth flow of trade, both sides decided to encourage their banking institutions to develop relationship and exchange information on rules and procedures governing foreign trade practices in both countries.

The Turkish side invited the Chinese banks to establish operation in Turkey.

In addition, the Turkish side expressed the readiness of Turkish banks to initiate financial cooperation with China Eximbank, including credit lines.

Portfolio Investments

25. With a view to deepening the economic and financial cooperation between Turkey and China, the two sides agreed to explore the possibilities of portfolio investments.

In this context, the Turkish side expressed that Chinese Government investments to Turkish treasury bonds would be welcomed.

VI. OTHER ISSUES

Culture and Tourism

26. Both sides agreed that tourism constituted one of the most promising fields of cooperation between the two countries.

In this context, both sides agreed to initiate promotion campaigns in their countries, and establish cultural centers in Turkey and China for the better understanding of each other's cultural heritage.

Railway Transportation

27. The Turkish side proposed to explore the possibilities of realizing Beijing-Mersin Railway Project, which would help Chinese exports to reach the Mediterranean within a short time and in a cost effective way.

Civil Aviation

28. Both sides share the view that bilateral aviation cooperation shall be based on the principal of equality and mutual benefits. The Chinese side has already made important contribution to facilitating the Turkish airlines' operation on the Chinese routes and expanding its market access. Likewise, the Turkish side is also expected to provide support to facilitate the Chinese airlines' operation on the Turkish routes, whenever application is made on the issue. The two relevant authorities will continue bilateral consultation on aviation cooperation in the future.

Science and Technology Cooperation

29. Both sides noted that the Agreement on Cooperation in Science and Technology between the Science and Technological Research Council of Turkey (TUBITAK) and the Ministry of Science and Technology of China (MOST) was signed in Ankara on 7 April 2008.

Considering the importance of science and technology to the development of national economy, the two sides called for closer cooperation in science and technology based on equality and reciprocity, and agreed to enhance cooperation in areas of common interest through various channels including joint R&D projects and personnel exchange.

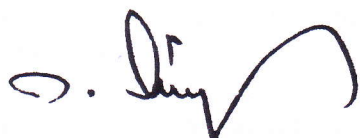
Cooperation between TRT and CCTV

30. The Turkish side proposed to conclude a cooperation agreement between Turkish Radio Television (TRT) and China Central Television (CCTV) in due time. The Chinese side agreed to convey to the relevant authority.

The two sides agreed to hold the next Session of the Joint Economic and Trade Committee in Ankara at a date to be agreed upon through diplomatic channels.

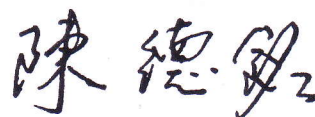
Done and signed in Beijing on September 27, 2009 in two originals in English.

**FOR AND ON BEHALF OF THE
GOVERNMENT OF THE
REPUBLIC OF TURKEY**



**H.E. ZAFER ÇAĞLAYAN
MINISTER OF STATE**

**FOR AND ON BEHALF OF THE
GOVERNMENT OF THE PEOPLE'S
REPUBLIC OF CHINA**



**H.E. CHEN DEMING
MINISTER OF COMMERCE**