



28.2.2017

OPINION

of the Committee on Foreign Affairs

for the Committee on International Trade

on Towards a new trade framework between the EU and Turkey and the
modernisation of the Customs Union
(2016/2031(INI))

Rapporteur: Kati Piri

SUGGESTIONS

The Committee on Foreign Affairs calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Notes that the Customs Union between Turkey and the European Union came into force in 1995 and has since remained unchanged, while changes in the world economy and technological advances have fundamentally changed the global trading landscape;
2. Welcomes, therefore, the initiative to update the Customs Union to reflect these changes by broadening the scope to include more sectors, such as services and agricultural products, and to address current shortcomings in the Customs Union by looking to include new rules on, for example, trade and sustainable development, energy and raw materials and dispute settlement;
3. Welcomes the greater transparency within the Commission and the increased role of Parliament in relation to the negotiation of international agreements, and supports the Commission's transparency initiative, particularly in respect of trade agreements;
4. Stresses that the modernisation and effective implementation of the Customs Union will further strengthen the already strong economic ties between Turkey and the European Union and will keep Turkey economically anchored to the EU; stresses that Turkey has continued not to open Turkish ports to Cypriot vessels and has failed to apply to Cyprus the Additional Protocol to the Ankara Agreement; regrets that Turkey does not fully fulfil its obligations required by the EU and recalls that the Customs Union can only reach its full potential if Turkey fully implements the Additional Protocol vis-à-vis all Member States; believes that strengthening trade relations could bring concrete benefits to citizens in Turkey and EU Member States, as shown in studies and impact assessments, and also contribute to both sides engaging in a positive reform agenda while mitigating political tensions with Ankara on the deteriorating situation of the rule of law and fundamental freedoms in the country;
5. Recalls that external policies, including trade policy, must contribute to protecting and promoting the values upheld by the EU, as defined in Article 2 of the TEU, such as democracy, the rule of law and respect for human rights, fundamental rights and fundamental freedoms; emphasises that EU-Turkey trade relations are and must remain based on mutual respect for human rights and fundamental freedoms; reiterates its concern at the overall situation of democracy and human rights in Turkey;
6. Stresses in this regard that the European Union must take a two-track approach in which negotiation on the modernisation of the Customs Union does not come at the expense of addressing ongoing concerns about the deterioration of the rule of law and the undermining of fundamental freedoms in Turkey; stresses also that the Customs Union cannot be considered a direct or indirect replacement of accession talks;
7. Notes that the upgrade of EU-Turkey trade relations forms an essential part of the efforts made by the EU and Turkey to deepen their relations in key areas of joint interest identified at the EU-Turkey Summit of 29 November 2015 and in the EU-Turkey statement of 18 March 2016; states that this is even more important now that the accession

talks are stalled, despite the significant short- and long-term strategic interests for both the EU and Turkey;

8. Takes note of Turkey's recent rapprochement with Russia and the statements of the Turkish Government regarding the country's possible accession to the Shanghai Cooperation Organisation; reiterates that the EU is Turkey's main trading partner and that two thirds of foreign direct investment in Turkey comes from EU Member States; emphasises that the Customs Union requires Turkey to align its legislation with the *acquis communautaire*; recalls the finding from the 2016 report on Turkey that duty relief, tariff-free zones, surveillance measures and management of tariff quotas are not fully in line with the *acquis*; notes the Commission's conclusion that further trade integration with the EU would be stimulated by Turkey's elimination of impediments to the functioning of the Customs Union; envisages that the legislative alignment will benefit EU companies investing in or trading with Turkey, which will, in turn, promote growth and jobs both in the EU and Turkey;
9. Underlines the growing geopolitical and economic challenges facing Turkey as a result of instability in its neighbourhood, terrorism and the aftermath of the failed coup attempt of 15 July 2016; stresses that while the chaos and instability in the Middle East and the Russian annexation of Crimea and intervention in Ukraine are adversely affecting Turkey's foreign trade within its neighbourhood, an upgraded Customs Union could help Turkey to overcome the challenges it faces, and contribute to stabilising Turkey and providing growth for its citizens, if the necessary reforms are made by the government and Turkey returns to the path of democracy and the restoration of the rule of law;
10. Notes that Turkish regulatory alignment with EU standards resulting from the conclusion of the Customs Union has increased trade between the EU and Turkey; believes that the modernisation of the Customs Union would provide an opportunity for Turkey to revisit its growth model and escape from the 'middle income (country) trap'; hopes that the deepening of the Customs Union could have a positive influence on Turkey's economic governance and strengthen Turkey's independent regulatory institutions;
11. Emphasises that the EU is founded on the values of democracy, the rule of law and fundamental rights; calls on the Commission to include a clause on human rights and fundamental freedoms in the upgraded Customs Union between Turkey and the EU, making human rights and fundamental freedoms a key conditionality.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	28.2.2017
Result of final vote	+: 31 -: 16 0: 2
Members present for the final vote	Lars Adaktusson, Nikos Androulakis, Francisco Assis, Amjad Bashir, Mario Borghezio, Victor Boştinaru, Elmar Brok, Klaus Buchner, James Carver, Lorenzo Cesa, Javier Couso Permuy, Andi Cristea, Georgios Eptideios, Knut Fleckenstein, Anna Elżbieta Fotyga, Iveta Grigule, Sandra Kalniete, Tunne Kelam, Andrey Kovatchev, Eduard Kukan, Ryszard Antoni Legutko, Arne Lietz, Barbara Lochbihler, Sabine Lösing, David McAllister, Francisco José Millán Mon, Pier Antonio Panzeri, Demetris Papadakis, Ioan Mircea Paşcu, Alojz Peterle, Tonino Picula, Kati Piri, Cristian Dan Preda, Jozo Radoš, Sofia Sakorafa, Alyn Smith, Jordi Solé, Dubravka Šuica, Charles Tannock, Ivo Vajgl, Hilde Vautmans, Anders Primdahl Vistisen
Substitutes present for the final vote	Angel Dzhambazki, Takis Hadjigeorgiou, Urmas Paet, José Ignacio Salafranca Sánchez-Neyra, Igor Šoltes, Eleni Theocharous, Bodil Valero

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

31	+
ALDE	Iveta Grigule, Urmas Paet, Jozo Radoš, Ivo Vajgl, Hilde Vautmans
ECR	Amjad Bashir, Anna Elżbieta Fotyga, Ryszard Antoni Legutko, Charles Tannock
EPP	Lars Adaktusson, Elmar Brok, Lorenzo Cesa, Sandra Kalniete, Tunne Kelam, Andrey Kovatchev, Eduard Kukan, David McAllister, Francisco José Millán Mon, Alojz Peterle, Cristian Dan Preda, José Ignacio Salafranca Sánchez-Neyra, Dubravka Šuica
S&D	Francisco Assis, Victor Boştinaru, Andi Cristea, Knut Fleckenstein, Arne Lietz, Pier Antonio Panzeri, Ioan Mircea Paşcu, Tonino Picula, Kati Piri

16	-
ECR	Angel Dzhambazki, Eleni Theoharous, Anders Primdahl Vistisen
EFDD	James Carver
ENF	Mario Borghezio
GUE/NGL	Sofia Sakorafa, Sabine Lösing
NI	Georgios Epitideios
S&D	Nikos Androulakis, Demetris Papadakis
Verts/ALE	Klaus Buchner, Barbara Lochbihler, Alyn Smith, Jordi Solé, Igor Šoltes, Bodil Valero,

2	0
GUE/NGL	Javier Couso Permuy, Takis Hadjigeorgiou

Key to symbols:

+ : in favour

- : against

0 : abstention