



ASSESSING

PALESTINIAN - TURKISH TRADE RELATIONS

Assessment of the Palestinian-Turkish Interim Free Trade Agreement and Position Paper





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Assessment of the Palestinian-Turkish Interim Free Trade
Agreement and Position Paper

Prepared by
PalTrade - Palestine Trade Center

This assessment was made possible through the Canadian
Department of Foreign Affairs, Trade and Development (DFATD).

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Foreword

The present document contains an analysis of Turkish-Palestinian trade relations and, in specific, the impact of the Turkey-Palestine Interim Free Trade Agreement (IFTA), as well as an assessment of opportunities for trade creation in the different economic sectors in both Turkey and Palestine.

Based on this assessment and through extensive dialogue with Palestinian exporters and key stakeholders in the Palestinian public and private sector, a policy paper was developed in order to tackle the Palestinian private sector's key challenges for trading with Turkey, and present a set of recommendations in order to facilitate and enhance trade.

Because the position paper is written in Arabic language, the key recommendations have been translated into English and attached hereto. The full version in Arabic is attached at the end of the document.

Policy Paper: Key recommendations

The 2005 signed Turkey-Palestine Interim Free Trade Agreement (IFTA) has had an overall positive impact on trade relations between the two countries. Yet, looking at trade movement, we find that IFTA has been considerably more significant to Turkey, whose exported value was around 290 million USD in 2013, whereas Palestine's exported value to Turkey was relatively low at 3 million USD. Therefore, it is recommended that market penetration mechanisms are developed for Palestinian exporters to penetrate the Turkish market. Furthermore, it is recommended to expand the scope of IFTA by including an agreement on cooperation in the services sector, conduct meetings of the Turkish-Palestinian Joint Economic Committee in a periodic and regular manner as agreed upon under IFTA, establish sub-committees with the involvement of the private sector institutions, create partnerships between the private sector institutions for mutual exchange of experiences, and establish joint investment projects that target the regional and international markets and the Turkish market in specific. Particular emphasis should be placed on women's participation in the development of policies and ensuring that women entrepreneurs are represented in the Joint Economic Committee and subcommittees.

In detail, the recommendations are as follows:

- Include agricultural commodities and processed foods to the list of goods exempted from customs duties in the Turkish market and eliminate the quota for the export of dates which currently stands at 1,000 tons per year.
- Reduce tariffs on Palestine's top export products to the world, especially agricultural commodities, processed foods, dairy produce, and cigarettes and olive oil in specific.
- Mutual recognition of conformity and quality certificates. Concerning this matter, continuation of the exchange of information on standards specifications and updates between the Palestinian and Turkish standards institutions, and conducting training courses, particularly with regard to the Islamic specifications and standards.
- Conduct meetings of the Joint Economic Committee in a periodic and regular manner as agreed upon under IFTA. Furthermore, develop plans and time frame for economic cooperation in the areas referred to in the agreement, particularly in the field of investment in Palestine and the creation of business partnerships to enhance exports. It is recommended to involve businesswomen and related institutions in all activities carried out by the Joint Economic Committee and its subcommittees.
- Include the services dimension within IFTA by developing an agreement on trade in services between the two countries, with a focus on the tourism sector. Concerning this matter, particular emphasis should be place on attracting Turkish tourists to visit Palestine and the city of Jerusalem in particular. Furthermore, related activities should target religious tourism, solidarity and business visits.
- Deepen economic cooperation to the sectors energy, telecommunications, information technology, education, transportation and tourism, in accordance with the provisions referred to under IFTA. In this regard, establish sub-committees in order to ensure targeted cooperation in these sectors.
- Support Palestinian efforts to join the World Trade Organization (WTO).
- Support the Palestinian product in the Turkish market and provide Palestinian exporters with a national treatment. Furthermore, support Palestinian efforts to penetrate markets worldwide by establishing partnerships with Turkish businesses, and provide preferential treatment to women-led companies or companies with a significant share of women and persons with special needs.
- Create channels of communication between private sector institutions in the field of trade, exports and investment, based on the following objectives:
 1. Exchange of information on markets and economic sectors in both countries as well as mechanisms for mutual market access and competition.
 2. Organize events and promotional activities which contribute to introducing products in the reciprocal markets.
 3. Assist companies in receiving information on procedures and requirements for import and export in both countries.
 4. Study the feasibility of joint investment projects that shall contribute to the process of economic development in Palestine.

ASSESSING

THE PALESTINE - TURKEY INTERIM
FREE TRADE AGREEMENT

USING SUSSEX FRAMEWORK

Executive summary

The present assessment aims at providing an overview of Palestine's trade with Turkey between 1999 and 2013, evaluating the impact of the Turkish-Palestinian Interim Free Trade Agreement (IFTA) since its implementation in 2005, and identifying opportunities for trade creation for both countries and by sector. The assessment is based on key features of Sussex Framework, a methodology developed by researchers at the University of Sussex.

While Palestine has accounted only for 0.001% of Turkey's imports and 0.19% of its exports in 2013, Turkey has been a far more significant trade partner for Palestine: With 5.6% share of Palestinian imports, Turkey represents the third largest trade partner exporting to Palestine. Furthermore, 0.33% of Palestinian exports are directed to the Turkish market. Throughout the past years, we find that trade shares have not changed by much, even after duty-free treatment of industrial products was provided under IFTA in 2005.

The structure of Palestinian exports to Turkey, at the SITC Rev. 3 5-digit level for 1999-2006 and HS 1996 6-digit level for 2007-2013, has been very concentrated on product 61151 (sheep- or lambskin leather), which accounted for 63% of total Palestinian exports to Turkey between 1999 and 2006, and product 080410 (dates), contributing more than 55% to the total exported value between 2007 and 2013. Imports, on the other hand, were more diversified: Prior to 2007, 67621 (bars and rods), 67241 (ingots of iron) and 55422 (washing or cleaning preparations) accounted for 11.9%, 11.7% and 5.6% of Palestine's imports from Turkey. Between 2007 and 2013, major import products were 721420 (bars and rods), 240220 (washing and cleaning preparations) and 481840 (sanitary articles), contributing 20.4%, 7.1% and 4.8% to the total value of imports from Turkey.

According to Sussex Framework, the impact of Free Trade Agreements can be examined by looking at tariff profiles on the one hand ("shallow integration") and behind-the-border issues between two countries, such as standards, rules of origin and investment cooperation ("deep integration"). Therefore, in the first part of our assessment we look at applied tariffs by Turkey and Israel (latter because Palestine follows the same import policy as Israel) of both world imports and imports from each other.

Looking first the tariff structure at the total trade level, we find that both countries have applied low tariffs on world imports and imports from Turkey and Israel throughout the past 13 years. However, exploring further both tariff profiles, we find that there are certain sectors with tariff peaks, for which the coverage within IFTA through customs exemption would be vital for trade creation.

Regarding Palestinian tariffs, the applied tariff policy is the same as in Israel, which considerably limits the scope of tariff measures that can be undertaken by Palestine. However, there are two sectors considered in the Paris Protocol for which Palestine may determine tariffs under certain quota regulations:

- 1101 (wheat and meslin flour)
- 1001 (wheat and meslin)

Concerning 1101 (wheat and meslin flour), Turkey currently exports at a low tariff rate (6%) to Palestine. On the other hand, Turkey supplies a staggering 19% of Palestine's imports in this sector, which suggests that exemption from tariffs under IFTA is likely to enhance welfare in Palestine because of the reduction of import prices. Furthermore, because in this sector Turkey is competing with Israel (which supplies 75.5% of Palestine's imports), trade liberalization under IFTA is likely to shift trade away from Israel towards Turkey and decrease the dependency of Palestinian imports from Israel.

As for 1001 (wheat and meslin), the only exporter for Palestine is Israel. Considering that Turkey currently exports this product to Israel at a 25% tariff rate, the liberalization of trade in this sector is likely to create trade for Turkish exporters.

On the other hand, the analysis on Turkish tariffs and tariff peaks as well as the potential demand in the Turkish market suggests that the reduction of Turkish tariffs is likely to cause trade effects in the following sectors:

- 240220: cigarettes
- 160100: sausages/processed meat
- 121190: plants and parts thereof
- 091099: spices
- 071190: vegetables and mixtures, preserved

In each sector we have identified high tariff rates applied by Turkey, which suggests high likelihood for shallow integration induced trade effects: Turkish applied tariff rates on Palestine and most other countries are 26% for 071190 (vegetables and mixtures, preserved), 30% for 121190 (plants) and 091099 (spices), and 96% for 160100 (sausages). For 240220 (cigarettes), Palestine faces relatively high tariffs (42%) compared to the world (13%). Thus, it is important to mention that this product has been Palestine's second most important export product to Turkey, and from Turkey's perspective Palestine is the most important supplier.

Furthermore, for all of the above mentioned products we have identified very high comparative advantage for Palestine for 2012, with relatively low comparative advantage for Turkey, whereas Turkey has even a comparative disadvantage for 160100 (sausages) and 121190 (plants). Based on Turkish import data, the Turkish demand seems to be very high in the sectors 121190 (plants) and 091099 (spices) and 071190 (vegetables and mixtures, preserved).

Finally, turning our attention towards the list of products with customs exemptions/reductions within the Israel-Turkey FTA, we find that Palestine has export potential for many of the products that Israel exports to Turkey under preferential tariff treatment. The following products are relatively strong in terms Palestine's exports to the world:

- 180631 and 180632 (chocolate and cocoa preparations)
- 080450 (fresh or dried guavas/mangos)
- 190540 (rusks, toasted bread)
- 220300 (beer)
- 080440 (avocados)
- 200559 (beans)
- 230990 (animal feed preparations)

Trade liberalization under IFTA will be essential to facilitate and enhance Palestinian exports in these sectors.

In addition, in order to create trade, tariff measures must go along with behind-the-border measures. As discussed above, the Palestine-Turkey IFTA provides a far-reaching coverage to several instruments of deep integration, in particular, investment cooperation, SMEs, standards, cooperation in agriculture & fisheries, services and tourism, customs cooperation, and provisions on competition, intellectual property rights, sanitary and phytosanitary standards, public procurement, trade remedies and rules of origin. Despite a wide range of such measures included in the agreement, our analysis suggests that behind-the-border barriers remain both on the Palestinian and Turkish side.

The most significant NTBs regarding export-related measures seem to be the gap in standards and conformity assessment procedures as well as the perceived red tape in order to receive export certification. Furthermore, a number of Turkish applied import-related measures are impeding Palestinian exporters: Turkey's efforts to harmonize its national laws on food safety with EU regulations have led to unawareness and confusion about many of the recently implemented regulations and methods of enforcement in the different Turkish provinces. Moreover, there seems to be non-transparency regarding required export documentation and Turkey's import licensing system for agricultural imports. Further impediments were reported for the alcoholic beverages and tobacco sector, where taxing and distribution mechanisms are clearly in favor of domestic production in the sector.

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Background

Since the foundation of the Palestinian National Authority (PNA), the Paris Protocol (PP) has been the only basis to regulate economic relations between Israel and the Palestine. Although it was designated for an interim period only (1994-1999), the PP is still in force till date. The Oslo Agreement, of which PP forms an integral part, gives the Palestinian Liberation Organization (PLO) the right to negotiate and conclude agreements as long as the same import policy is applied in Israel and the Palestine. Therefore, the PLO signed several trade agreements in an attempt to improve and flourish the Palestinian economy, the ultimate objective of which was to reduce dependence on a single market and create an enabling business environment.

The Paris Protocol created a quasi-customs union between Israel and Palestine formulated on the free movement of goods between the two markets without any type of tariff and non-tariff barriers; and the adoption of a joint/unified tariff list while giving the Palestine the right to determine duties and standards requirements for a list of basic or strategic commodities known as lists A1, A2, and B. List A1 refers to locally produced goods originating in Arab countries and Jordan and Egypt particularly, whereas List A2 applies to goods from Arab, Islamic and other countries. Goods in List B are basic food items and other goods for the Palestinian economic development program. However, as for the goods specified in these lists, tariffs are till date the same as those applied by Israel. For imports from Israel, Palestinian applied tariffs are zero.

With respect to goods not specified in these lists, Israeli customs duties serve as the minimum basis for Palestinian applied tariffs. Based thereupon, in an attempt to protect local industries, the Palestinian Customs Authority collects (additional) duties for imported items in the sectors shoes and leather, textiles, furniture and aluminum. These duties are applied irrespective the country of origin, except for countries that Palestine has concluded trade agreements/arrangements with.

Furthermore, the Paris Protocol gives Palestine the right to determine duties for imports of cars and petroleum. Based thereupon, the Palestinian Customs Authority filed a request to reduce the purchase tax on car imports to 50% (for cars < 2000 cc) and 75% (for cars > 2000 cc), which was approved by Israeli authorities and has been in place since mid-2013.

Strategically, Palestine prioritized signing agreements with countries that had Free Trade Agreements (FTAs) with Israel. The underlying logic was to grant Palestinian exports preferential treatment since imports from these countries entered the Palestinian market duty free based on their trade agreements with Israel and the “quasi” customs union between Palestine and Israel under the PP. The signed agreements by PLO include the Interim Association Agreements with the European Union (EU), Greater Arab Free Trade Area (GAFTA), European Free Trade Association (EFTA), Free Trade Arrangements with the USA and Canada, and the Common Market of the South (MERCOSUR), last of which to date has not entered into force yet.

Further, especially with respect to products on lists A1, A2, and B, the PLO signed preferential trade agreements with both Jordan and Egypt to strengthen and flourish the Palestinian economy by exercising rights granted under the PP. Israeli Customs, while still in control of external borders for Palestine, would clear goods imported by Palestinian traders on behalf of Palestinian Customs and then transfer this money to Palestine; 3% of the total transfers is taken by Israel as administrative expenses.

The Interim Free Trade Agreement between the Republic of Turkey and Palestine (IFTA) was signed on 20 July 2004 in Istanbul and entered into force on 1 June 2005.

Concerning industrial products, the Parties abolished on the date of entry into force of this Agreement all customs duties and charges having equivalent effect.

Concerning the basic and processed agricultural products and fisheries, the Parties decided to determine the products which will be subject to preferential treatment by the Joint Committee procedure. Accordingly, during the first Joint Committee meeting, which was held on 6-7 December 2010, it was decided that ‘dates’ originating in Palestine would be granted 1000 tons of tariff rate quota with duty free access to Turkey. The decision has entered into force on 26 November 2012, following the completion of the internal ratification procedures of the both Parties. Except for dates, no agricultural product is currently exempted from tariffs in the framework of IFTA, and Turkey continues to maintain high tariff rates on many food and agricultural products: Tariffs on fresh fruits range from 15.4% to 145.8%, and tariffs on processed fruit/fruit juice and vegetables range between 19.5% to 130%. In addition, Turkey levies high tariffs, excise taxes and other domestic charges on imported alcoholic beverages, which increases the wholesale prices by more than 200%¹.

Concerning behind-the-border issues, the Palestine-Turkey IFTA includes provisions for cooperation in investment, between small and medium-sized enterprises (SMEs), in the field of standardization and conformity assessment and customs, with a particular sectoral focus on agriculture and fisheries, services and tourism. IFTA also regulates subjects

such as sanitary and phytosanitary measures, public procurement, safeguards and anti-dumping measures, competition, intellectual property rights and rules of origin.

The rules on the cumulation of origin are provided in the Protocol II of the Agreement. During the first Joint Committee meeting, which was held on 6-7 December 2010, the aforesaid rules were decided to be amended to comply with the Rules of Pan-Euro-Med Cumulation of Origin. This amendment will enter into force following the completion of the relevant ratification procedures of the both Parties.

With this background, the objective of this study is to evaluate the impact of IFTA between Turkey and Palestine using a methodology developed by researchers at the University of Sussex, known as the Sussex Framework (SF).

We divide the report into different sections which revolve around key features of the SF. First, we identify key aspects of the Palestinian economy. Secondly, we look at existing patterns of trade both by sector and by partner country. Thirdly, we use selected SF indicators to identify the likelihood for shallow integration induced trade effects. Lastly, we turn to the issue of deep integration and consider qualitative and quantitative evidence which can shed light on the potential welfare gains which could arise from deeper integration in IFTA.

The Sussex Framework²

The Sussex Framework involves focussing on selected descriptive statistical indicators from which one can draw analytical conclusions well-grounded in economic theory to evaluate the likely effects of a Free Trade Agreement (FTA).

Shallow integration

Preferential trade liberalization involves a process of *shallow integration*, defined as the removal of border barriers to trade, typically tariffs and quotas. The potential net benefits from shallow integration are inherently ambiguous because of the likelihood of both trade creation (which is welfare increasing) and trade diversion (which is welfare reducing). The net welfare impact of a FTA depends on the relative size of these two effects.

There are two possible channels of trade creation: First, this can arise when more efficiently produced imported goods replace less efficient domestically produced goods. Thus, trade is “created” and yields welfare gains on the production side. Secondly, a reduction in tariffs that leads to a reduction in prices will increase the demand for goods which were already previously imported from the partner country. This leads to trade creation and welfare gains on the consumption side as consumers have access to cheaper goods than previously.

Trade diversion occurs when sources of supply switch away from more efficient non-partner countries to less efficient partner countries. If, prior to the FTA, a country chose to import from a non-FTA supplier, this would have occurred because that supplier was more efficient (cheaper) than the alternatives. If, because of tariff reduction, a country moves the source of supply away from the more efficient (cheaper) supplier and towards the less efficient FTA partner country, then trade diversion is considered to result in a welfare loss. On the other hand, there is a potential welfare gain to the exporting FTA partner country, depending on whether the country was at full employment prior to the FTA. If the partner country was previously at full employment, the FTA results in a reallocation of resources from one sector to another, where demand has increased after the formation of the FTA.

The conclusion is that preferential liberalization in the framework of the FTA will have an impact on trade flows through trade creation and trade diversion, but the net welfare effect from that reallocation of trade flows is inherently ambiguous.

The Sussex Framework identifies the following rules of thumb, which are used to shed light on the likely shallow integration impact of a trade agreement:

1. The higher are the initial tariffs/barriers, the greater are the likely effects on both trade creation and trade diversion. With high initial (MFN) tariffs, the initial distortion is great. This in turn means that in principle there is greater scope for both trade creation and trade diversion as the high tariffs are preferentially removed. Thus if the pre-FTA tariffs were very high, as these are removed it is more likely that the new partner country may be able to supply the good more efficiently than the domestic economy. The higher the pre-FTA tariffs, the more likely it is that this will be the case and consequently, the greater the possibility for such trade to be created. Moreover, the higher the pre-FTA tariffs, the greater the price reduction arising from their removal, which in turn increases the demand for the good and creates more trade. Each of these processes of trade creation are welfare increasing. However, it is also the case that if pre-FTA tariffs were high, then as they are removed there is a greater possibility of the new FTA partner countries supplying the (tariff free) good cheaper than the excluded countries (on whose exports tariffs are levied). Hence, even though these excluded countries may produce the good more efficiently and cheaply, the good will be supplied by the FTA partner who has preferential access to the market. The higher the pre-FTA tariffs, the more likely it is that this form of welfare reducing trade diversion will occur.

2. The greater the number of FTA partners, the more likely it is that there will be trade creation as opposed to trade diversion, because of the increased likelihood of including more efficient suppliers. As an illustration, suppose that a given trade agreement were to include the maximum number of possible countries. At the limit this would include all the countries in the world, and hence by definition the most efficient countries will have been included. Therefore, including a greater number of countries in a FTA minimises the extent of trade diversion, and simultaneously maximises the likelihood of trade creation.

² This section draws heavily on CARIS (2007), ‘Qualitative Analysis of a Potential Free Trade Agreement between the European Union and India’, and CARIS (2007), ‘Assessing Preferential Trading Agreements Using the Sussex Framework’.

3. Wide differences in comparative advantage between partner countries are likely to lead to a welfare improving FTA. Trade creation occurs when there are differences in efficiency and costs across partner countries – hence the FTA enables the partners to source the goods from the most efficient FTA partner. The greater those differences in comparative advantage (and hence in costs across the countries) the greater is the likely gain from trade creation. If Palestine is only marginally more efficient than Turkey in producing a given good, then the gain to Turkey from importing the good from Palestine as opposed to producing it itself is relatively small. However, if Palestine is significantly more efficient than the potential gains are that much higher. It is worth noting, however, that if the initial tariffs are high then, as detailed in the first rule of thumb, there is also greater likelihood of trade diversion which diminishes the trade creation gains.
4. The more similar the product mix in the economies concerned and the higher the elasticities of supply, the greater the possibility of trade creation. Recall that trade creation occurs when the importing country produces less of the good itself and instead imports the good from its FTA partner. Suppose that prior to the FTA there was no overlap whatsoever between the two countries' production bundles. If that were the case then the only possibilities for trade creation would arise on the demand side. Conversely, if there is a significant overlap in the goods produced by the partner countries, there is much more scope for switching sources of supply to the more efficient country. Note also that assuming a given degree of overlap in the production structures, the more responsive supply is to the tariff reduction-induced changes in prices, the greater the extent of trade creation.
5. The higher the percentage of trade with potential partners, the greater the possibility of the FTA enhancing welfare. Consider an initial situation where there was very little trade with the potential partner country. This would suggest that in the initial situation, third countries were more efficient suppliers. A FTA is therefore more likely to result in trade diversion under these circumstances. Conversely, if in the initial situation the countries traded significantly with each other, it is more likely that they are each respectively importing from the more efficient supplier, and the chances of trade diversion occurring are lessened.
6. Trade diversion is more likely when partners and excluded countries are close competitors. If it is the case that the partner exports a similar range of products as the excluded countries, then it is clearly more likely that a FTA may result in the partner displacing the exports of one of the excluded countries.
7. The greater the possibilities for supply chain integration the greater the likely gains: Following from RT4, specialization and supply chain integration greatly increases the chances of welfare gains, which are characteristic of deep integration.
8. Greater share of trade in GDP suggests that larger gains are likely: A low trade share in GDP suggests a high degree of protection, which thus points to greater distortions. Thus, a boost in trade to a closed economy will constitute a welfare gain, and the less trade there is, the lesser is the risk of trade diversion.

Deep integration

In addition to shallow integration effects, there are further welfare gains arising from the induced growth effects stimulated by, for example, productivity growth, positive externalities between firms, sectors or across sectors (e.g. between manufacturing and services), technology transfer and diffusion both through trade and FDI, pro-competitive gains from increasing import competition in an environment of imperfect competition, the increased geographical dispersion of production through trade that supports the exploitation of different factor proportions for different parts of the production process and/or local economies of scale through increased specialization and division of labor in production. These gains are more likely to arise in the presence of deeper integration.

In contrast to shallow integration, deep integration involves policies and institutions that facilitate trade by reducing or eliminating regulatory and behind-the-border impediments to trade, where such impediments may or may not be intentional. These can include issues such as customs procedures, regulation of domestic services production that discriminate against foreigners, product standards that differ from international norms or where testing and certification of foreign goods is complex and perhaps exclusionary, regulation of inward investments, competition policy, intellectual property protection and rules surrounding access to government procurement.

There is a contrast between shallow and deep integration: For shallow there is wealth of data and comprehensive and sophisticated analytical methods for analysis of welfare effects, but usually the estimated welfare benefits are relative small. Deep integration, in contrast, is likely to result in the creation of large welfare gains. However, there is a relatively low availability of data and analytical methods for the analysis of deep integration.

In assessing a FTA it is therefore crucial to first identify the implications arising from the implied shallow integration using the above-mentioned Rules of Thumb and then build upon this to consider the possible role and importance of measures of deeper integration.

A snapshot of Palestinian economic performance

Palestine had a GDP of 7.1 billion USD in 2013 at constant prices and the economy grew by 3.8% over 2012-2013. As illustrated in Figure 1, Palestinian GDP per capita has seen an average annual growth rate of 1.23% throughout the years 1994-2013. The Palestinian economy is predominantly services-based; the sector has accounted for more than 70% of GDP (see Figure 2) and total employment over time. Within services, other services (see Figure 3) constitute the largest share (20% of GDP in 2013), followed by construction (14.1%) and wholesale and retail trade (14%). In view of this sectorial distribution, any agreement involving the Palestine should cover services. Having said this, the majority of Palestinian trade is in merchandise goods. In 2013, Palestinian net imports of services were 2.6% of total net imports of goods and services, and net exports of services contributed 20.6% to Palestinian exports, compared to 17% in 2012. Palestinian total exports have contributed roughly 12.8% to the Palestinian GDP of 2013.³

Figure 1: Palestinian GDP per capita at constant prices (base year 2004, Source: PCBS)

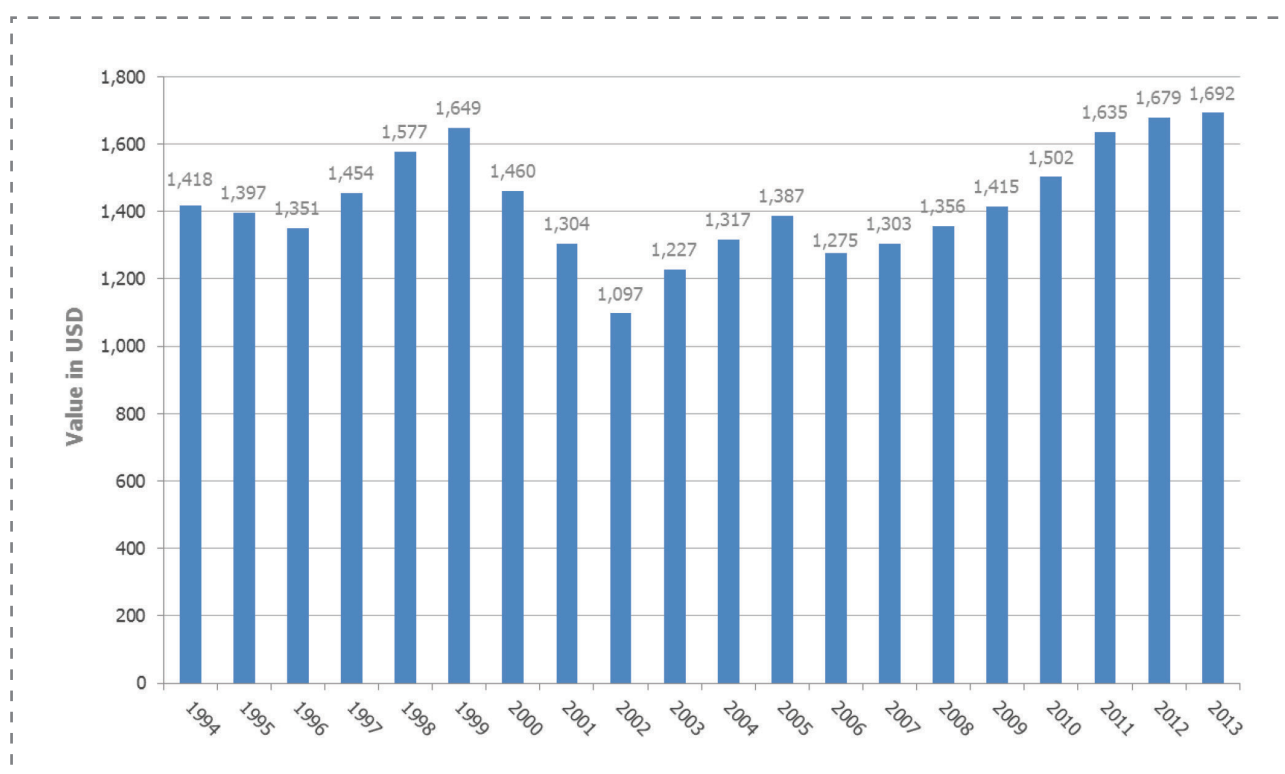
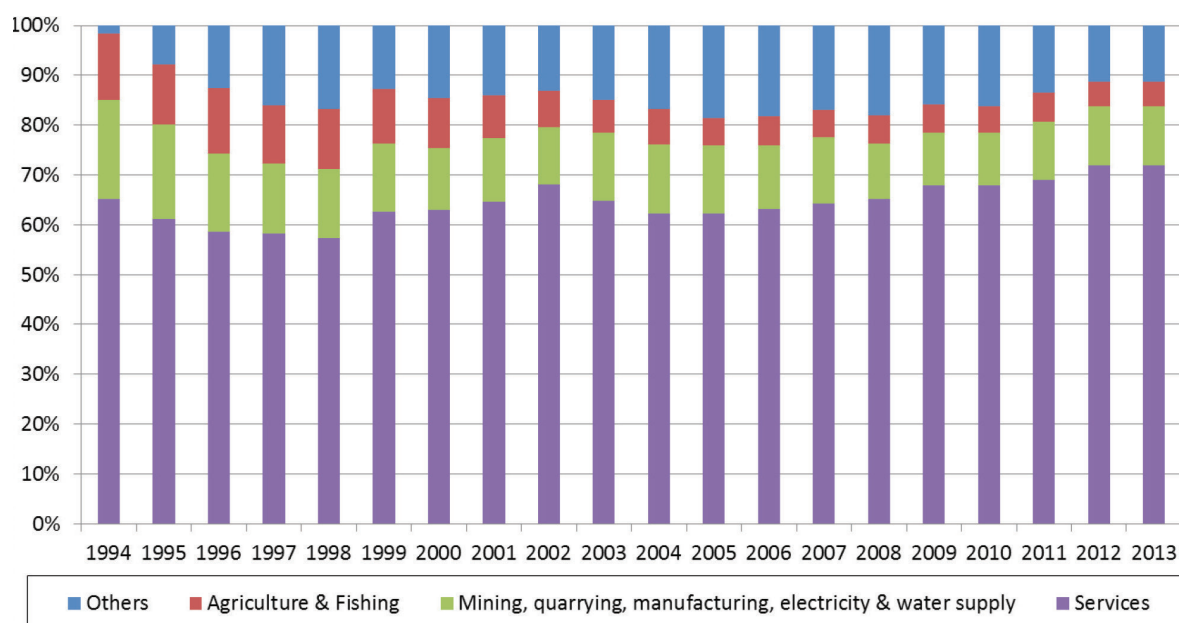
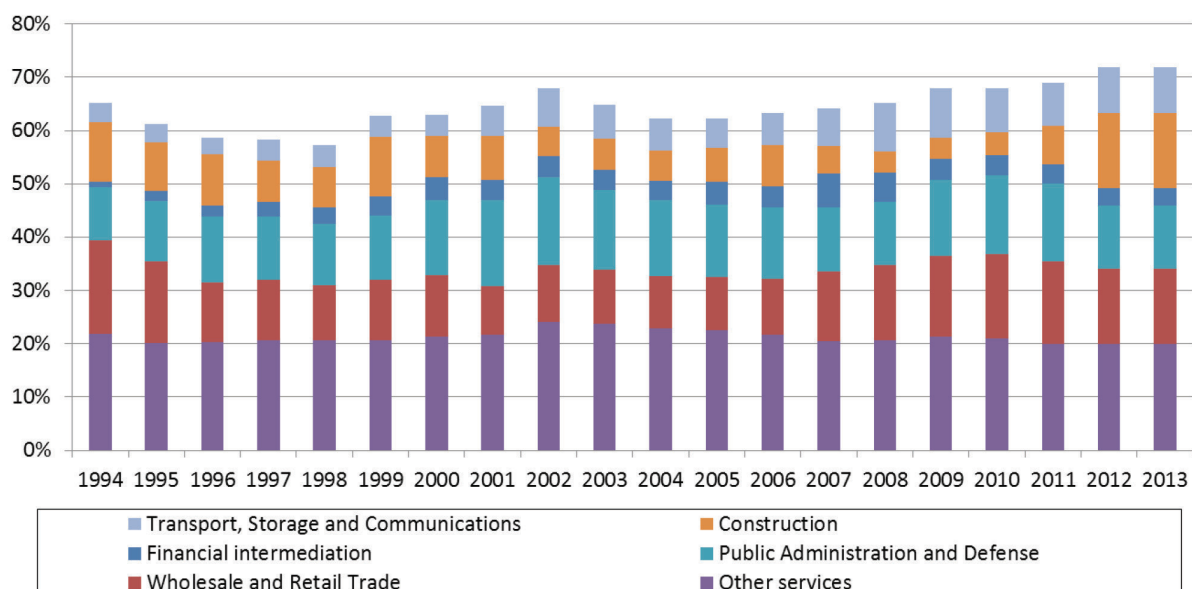


Figure 2: Sectorial distribution of GDP at constant prices (Source: PCBS)



Note: Others include 'Households with employed persons', 'Public owned employed persons', FISIM, Customs duties, Net VAT on Imports.

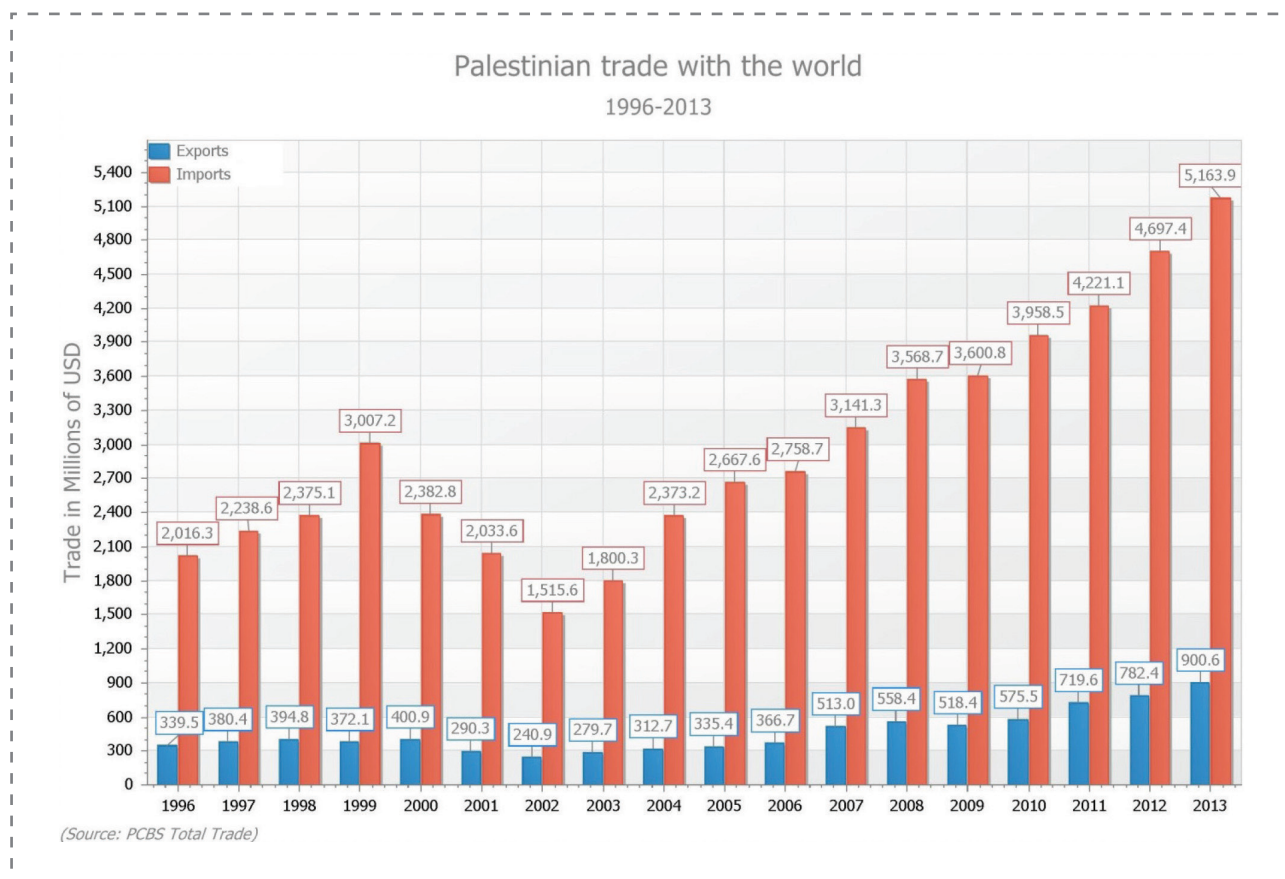
Figure 3: Breakdown of services contribution to GDP at constant prices 1994-2012 (Source: PCBS)



Note: Other services include accommodation and food service activities (hotel & restaurants); real estate activities; professional, scientific and technical activities; administrative and support service activities; education, health and social work; and arts, entertainment and recreation.

Figure 4 below illustrates the value of Palestinian exports/imports between 1996 and 2013. Throughout the years, Israel has been Palestine's major trade partner. In 2013, it has accounted for 71.6% of Palestine's imports and more than 87% of Palestinian exports. Other important trade partners are the EU, GAFTA, Turkey, China, USA, South Korea, MERCOSUR, India, Thailand, Japan and EFTA. Palestine's trade relations with the world and Turkey will be highlighted in more detail in the following chapters.

Figure 4: Palestinian total trade with the world 1996-2013 (Source: PCBS)



Palestinian-Turkish trade relations

The Palestine-Turkey IFTA has created a basis for economic cooperation in many fields – sanitary and phytosanitary standards, public procurement, intellectual property rights, anti-dumping, rules of origin, etc. In addition, by providing duty-free quota-free treatment to industrial items and duty free treatment to (so far) one agricultural product (dates), IFTA has created considerable potential for trade enhancement between the two countries. However, as we will see in this chapter, this potential has barely been tapped in the past 8 years. In fact, after IFTA was implemented in 2005 until 2011, the annual value of Palestinian exports to Turkey had decreased by more than 65%, from 1.23 million USD to 420 thousand USD. Only in the past 2 years, exports have considerably increased, reaching nearly 3 million USD in 2013 (mostly thanks to the export of dates, as we shall see later).

Similarly, imports initially dropped after IFTA's implementation and have started to increase only in 2009. In 2013, the imported value from Turkey was nearly 290 million USD.

Figure 5: Palestinian total trade with Turkey 1996-2013

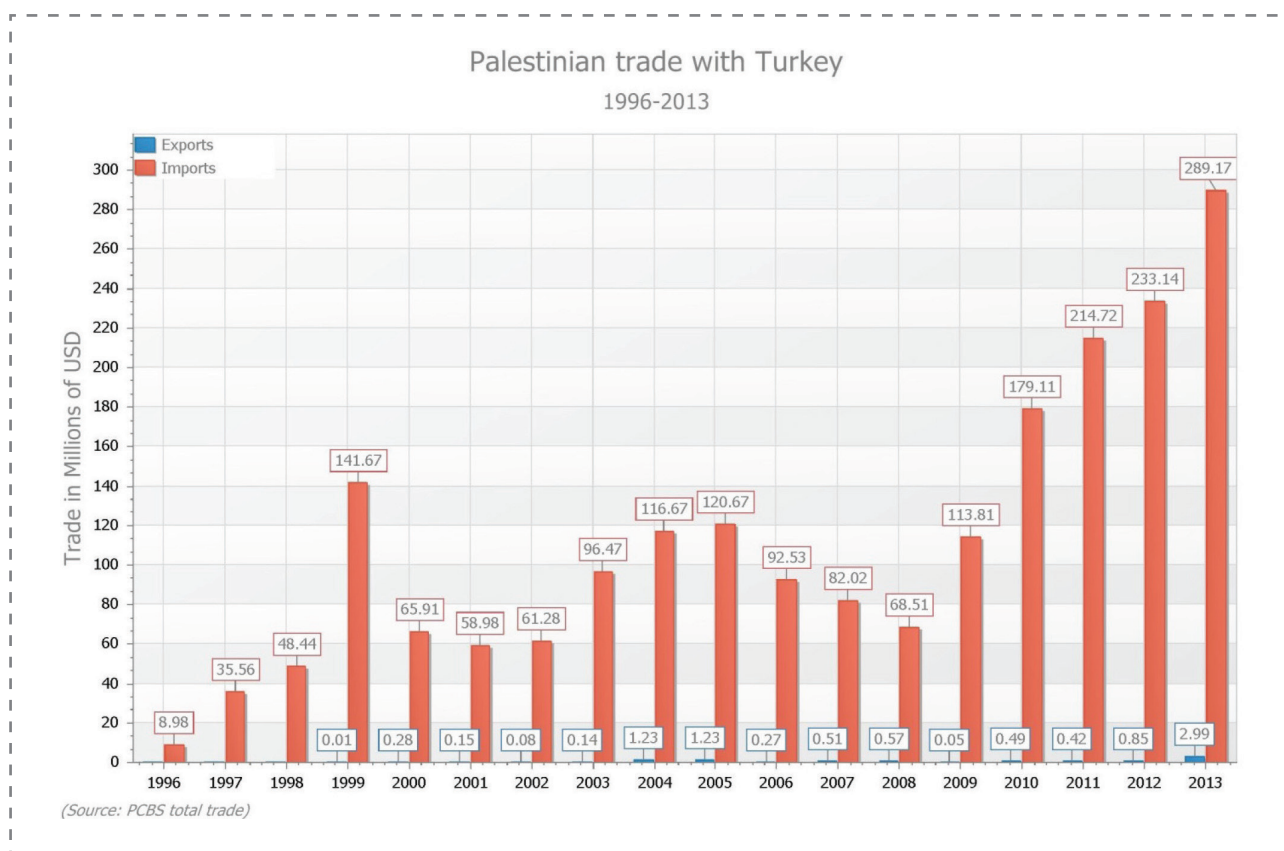


Table 1: Palestinian total trade with Turkey 1996-2013

Year	Imports value ('000s USD)	Imports share	Exports value ('000s USD)	Exports share
1996	8,982.18	0.45%	0.00	0.00%
1997	35,558.00	1.59%	0.00	0.00%
1998	48,439.25	2.04%	0.00	0.00%
1999	141,465.62	4.70%	6.99	0.00%
2000	66,108.54	2.77%	284.53	0.07%
2001	58,927.19	2.90%	147.89	0.05%
2002	61,224.17	4.04%	82.42	0.03%
2003	96,470.32	5.36%	139.26	0.05%
2004	116,671.12	4.92%	1,227.88	0.39%
2005	120,665.64	4.52%	1,227.83	0.37%
2006	92,526.18	3.35%	274.92	0.07%
2007	81,885.39	2.61%	512.37	0.10%
2008	68,511.44	1.92%	567.10	0.10%
2009	110,348.08	3.06%	53.00	0.01%
2010	179,112.32	4.52%	488.99	0.08%
2011	233,819.56	5.35%	419.82	0.06%
2012	233,842.30	4.98%	833.03	0.11%
2013	289,169.86	5.60%	2,987.65	0.33%

Source: PCBS, total trade

Trade Shares

Table 2 below illustrates that the EU has been Turkey's most important partner in trade in 2013, accounting for nearly 37% of its imports and 42% of its exports, followed by GAFTA, Russia, China, USA, Iran, EFTA, Ukraine, Israel, MERCOSUR, Azerbaijan and Kazakhstan. Palestine has accounted for an insignificant share of both Turkish imports (0.001%) and exports (0.19%). We find similar trade shares when we look at Turkish trade during the period 1996-2013 (Figures 6 and 7).

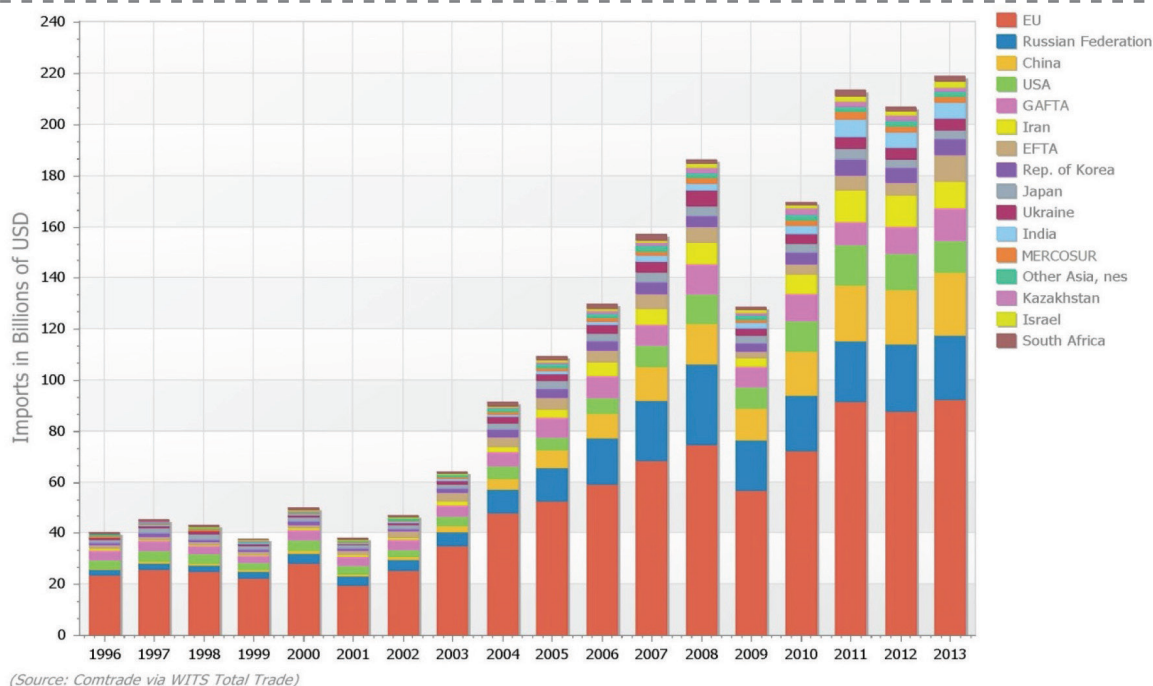
Table 2: Geographical distribution of Turkey's trade in 2013

Partner	Imports Value ('000s USD)	Exports Value ('000s USD)	Imports share	Exports share
World	251,650,560.07	151,868,550.56	100.00%	100.00%
EU28	92,511,902.09	64,148,090.46	36.76%	42.24%
GAFTA	12,411,704.51	34,840,398.24	4.93%	22.94%
Germany	24,184,949.65	13,706,979.74	9.61%	9.03%
Russian Federation	25,063,530.26	6,966,989.11	9.96%	4.59%
China	24,686,553.79	3,602,108.52	9.81%	2.37%
Italy	12,885,000.56	6,720,577.21	5.12%	4.43%
USA	12,596,635.62	5,624,229.53	5.01%	3.70%
United Kingdom	6,270,860.33	8,777,301.42	2.49%	5.78%
Iran	10,383,153.95	4,193,949.50	4.13%	2.76%
France	8,079,739.74	6,378,947.08	3.21%	4.20%
EFTA	10,654,293.55	1,661,918.33	4.23%	1.09%
Iraq	145,526.27	11,958,852.55	0.06%	7.87%
Spain	6,416,653.08	4,337,677.60	2.55%	2.86%
Switzerland	9,649,985.76	1,036,619.36	3.83%	0.68%
United Arab Emirates	5,384,468.28	4,967,635.52	2.14%	3.27%
Netherlands	3,362,319.11	3,539,606.80	1.34%	2.33%
Ukraine	4,514,766.70	2,190,928.14	1.79%	1.44%
Belgium	3,843,381.33	2,575,749.54	1.53%	1.70%
Romania	3,592,566.99	2,617,681.89	1.43%	1.72%
Greece	4,206,504.60	1,439,698.20	1.67%	0.95%
Poland	3,184,301.73	2,059,985.80	1.27%	1.36%
Saudi Arabia	2,014,870.23	3,192,191.67	0.80%	2.10%
Israel	2,417,934.98	2,651,437.53	0.96%	1.75%
Egypt	1,628,879.96	3,202,542.98	0.65%	2.11%
Bulgaria	2,760,274.09	1,972,320.86	1.10%	1.30%
MERCOSUR	2,386,490.50	1,395,010.11	0.95%	0.92%
Free Zones	1,267,868.91	2,413,018.99	0.50%	1.59%
Azerbaijan	333,747.61	2,961,267.62	0.13%	1.95%
Sweden	2,046,324.34	1,148,017.62	0.81%	0.76%
Libya	303,957.16	2,753,875.94	0.12%	1.81%
Kazakhstan	1,760,307.01	1,039,686.13	0.70%	0.68%
Palestine*	2,987.65	289,169.86	0.001%	0.19%

Source: Comtrade total trade

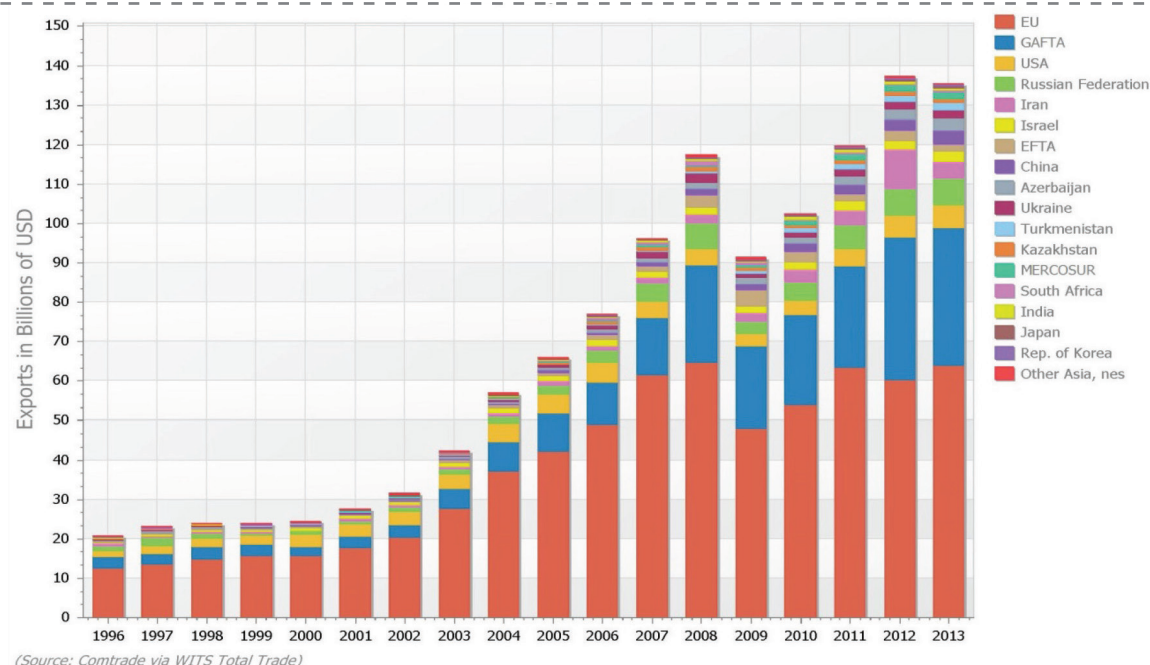
*Note: Data based PCBS (total trade aggregated from 6-digit level), with Palestine as reporter country.

Figure 6: Geographical distribution of Turkey's imports 1996-2013 (refer to details in Annex II)



Note: Most important partners for imports from the EU: Germany, Italy, France, United Kingdom, Spain, The Netherlands, Belgium, Romania, Poland, Bulgaria, Sweden, Greece, Austria and Czech Republic; from GAFTA: Saudi Arabia, Algeria and United Arab Emirates; from EFTA: Switzerland; from MERCOSUR: Brazil.

Figure 7: Geographical distribution of Turkey's exports 1996-2013 (refer to details in Annex II)



Note: Most important partners for exports to the EU: Germany, United Kingdom, Italy, France, Spain, The Netherlands, Romania, Belgium, Greece, Bulgaria, Poland, Cyprus, Sweden, Austria, Denmark; to GAFTA: Iraq, United Arab Emirates, Saudi Arabia, Egypt, Algeria, Libya and Syria; to EFTA: Switzerland; to MERCOSUR: Brazil

Turning now to Palestine's geographical distribution of trade, Table 3 shows that Palestine's most important trade partners in 2013 were Israel, followed by the EU, GAFTA, Turkey, China, USA, South Korea, MERCOSUR, India, Thailand, Ukraine, Japan, EFTA.

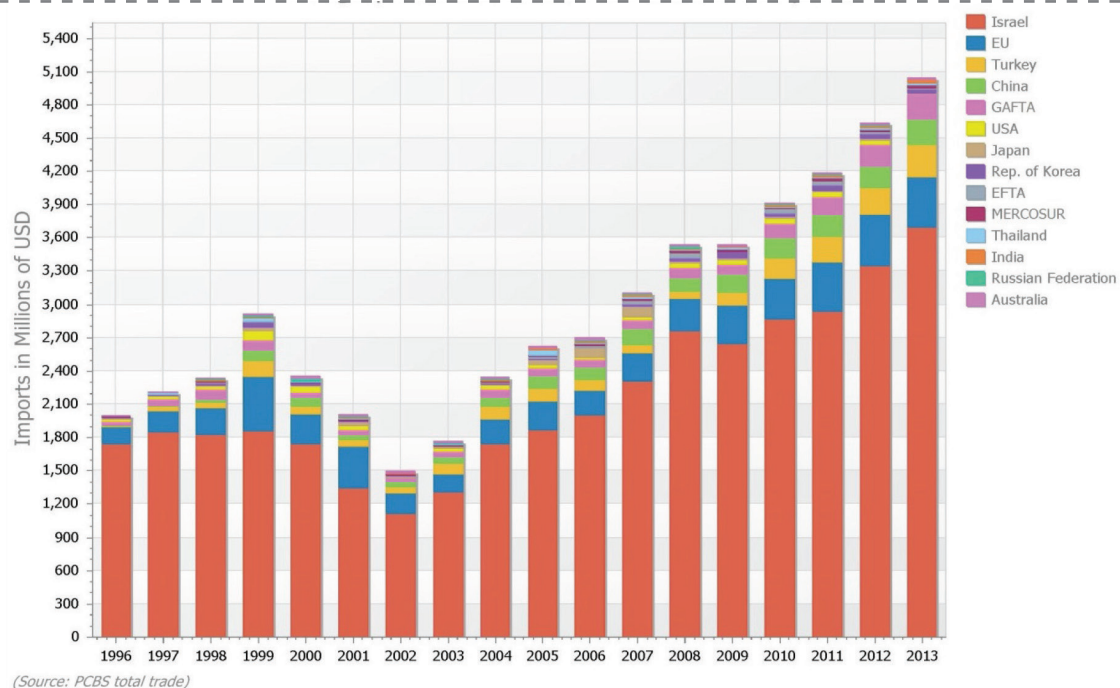
Looking at Palestinian trade between 1996 and 2013 (Figures 8 and 9) we find that the dependency on Israeli exports and imports has declined throughout the years, whereas trade with Turkey has increased: In 2000, 73.1% (2.77%) of Palestinian imports came from Israel (Turkey) and 92.2% (0.07%) of Palestinian exports were directed to Israel (Turkey). In 2013, the Israeli (Turkish) imports share was 71.6% (5.6%) and exports to Israel (Turkey) accounted for 87.2% (0.33%). However, since the implementation of IFTA in 2005, the share of Palestinian trade with Turkey has increased by only 1.08% for imports and even decreased by 0.04% for exports.

Table 3: Geographical distribution of Palestine's trade in 2013

Partner	Imports Value ('000s USD)	Exports Value ('000s USD)	Imports share	Exports share
World	5,163,897.46	900,617.86	100.00%	100.00%
Israel	3,694,820.63	785,110.86	71.55%	87.17%
EU28	455,472.33	13,151.73	8.82%	1.46%
GAFTA	214,774.86	84,214.46	4.16%	9.35%
Turkey	289,169.86	2,987.65	5.60%	0.33%
China	236,601.08	0.00	4.58%	0.00%
Jordan	91,504.33	55,389.85	1.77%	6.15%
Germany	124,152.70	1,750.10	2.40%	0.19%
Italy	61,155.12	1,154.70	1.18%	0.13%
Spain	60,607.62	0.00	1.17%	0.00%
USA	41,750.41	11,616.49	0.81%	1.29%
Saudi Arabia	43,997.36	8,421.49	0.85%	0.94%
France	51,629.47	549.94	1.00%	0.06%
Egypt	43,501.32	204.13	0.84%	0.02%
South Korea	38,352.45	299.48	0.74%	0.03%
MERCOSUR	26,395.85	0.00	0.51%	0.00%
Sweden	26,068.82	181.43	0.50%	0.02%
United Kingdom	22,921.07	2,928.70	0.44%	0.33%
Netherlands	22,825.21	2,991.95	0.44%	0.33%
India	23,506.68	0.00	0.46%	0.00%
Thailand	23,353.78	0.00	0.45%	0.00%
United Arab Emirates	15,834.77	7,366.87	0.31%	0.82%
Ukraine	22,177.82	11.92	0.43%	0.00%
Brazil	20,035.29	0.00	0.39%	0.00%
Poland	17,492.71	1,102.39	0.34%	0.12%
Belgium	15,989.37	718.06	0.31%	0.08%
Qatar	11,426.78	4,812.23	0.22%	0.53%
Japan	12,485.66	476.10	0.24%	0.05%
Ireland	12,129.26	59.82	0.23%	0.01%
EFTA	10,139.09	382.82	0.20%	0.04%
Switzerland	10,016.59	311.99	0.19%	0.03%

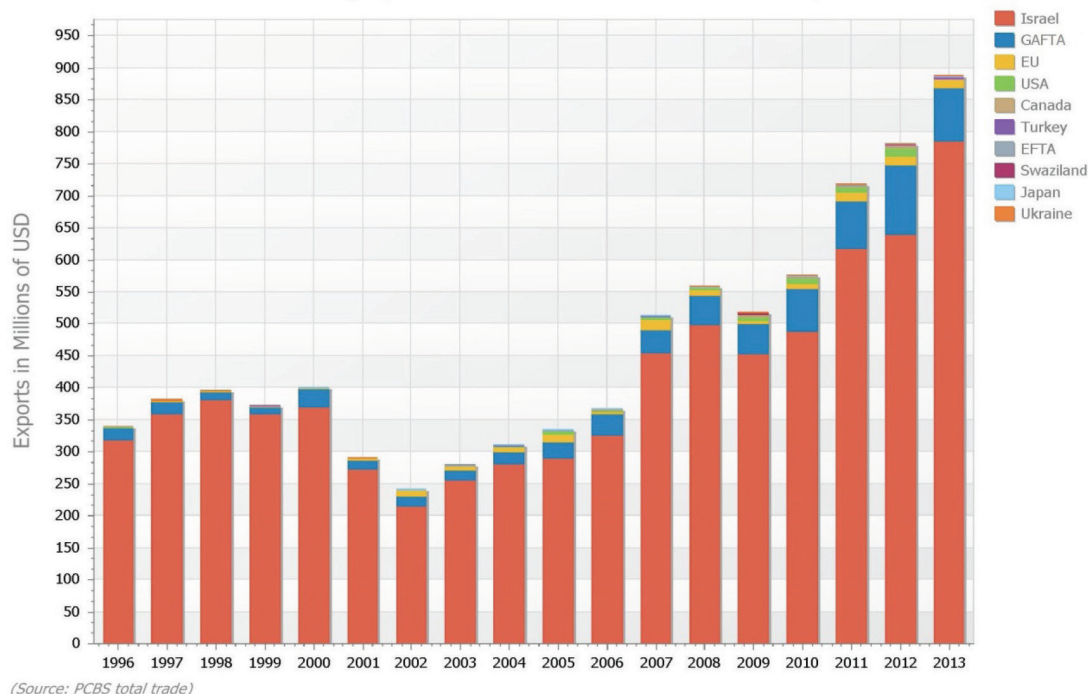
Source: PCBS total trade

Figure 8: Geographical distribution of Palestine's imports 1996-2013 (refer to details in Annex III)



Note: Most important partners for imports from the EU: Italy, Germany, Spain, France, United Kingdom, The Netherlands, Sweden; from GAFTA: Jordan, Egypt; from EFTA: Switzerland, from MERCOSUR: Brazil

Figure 9: Geographical distribution of Palestine's exports 1996-2013 (refer to details in Annex III)



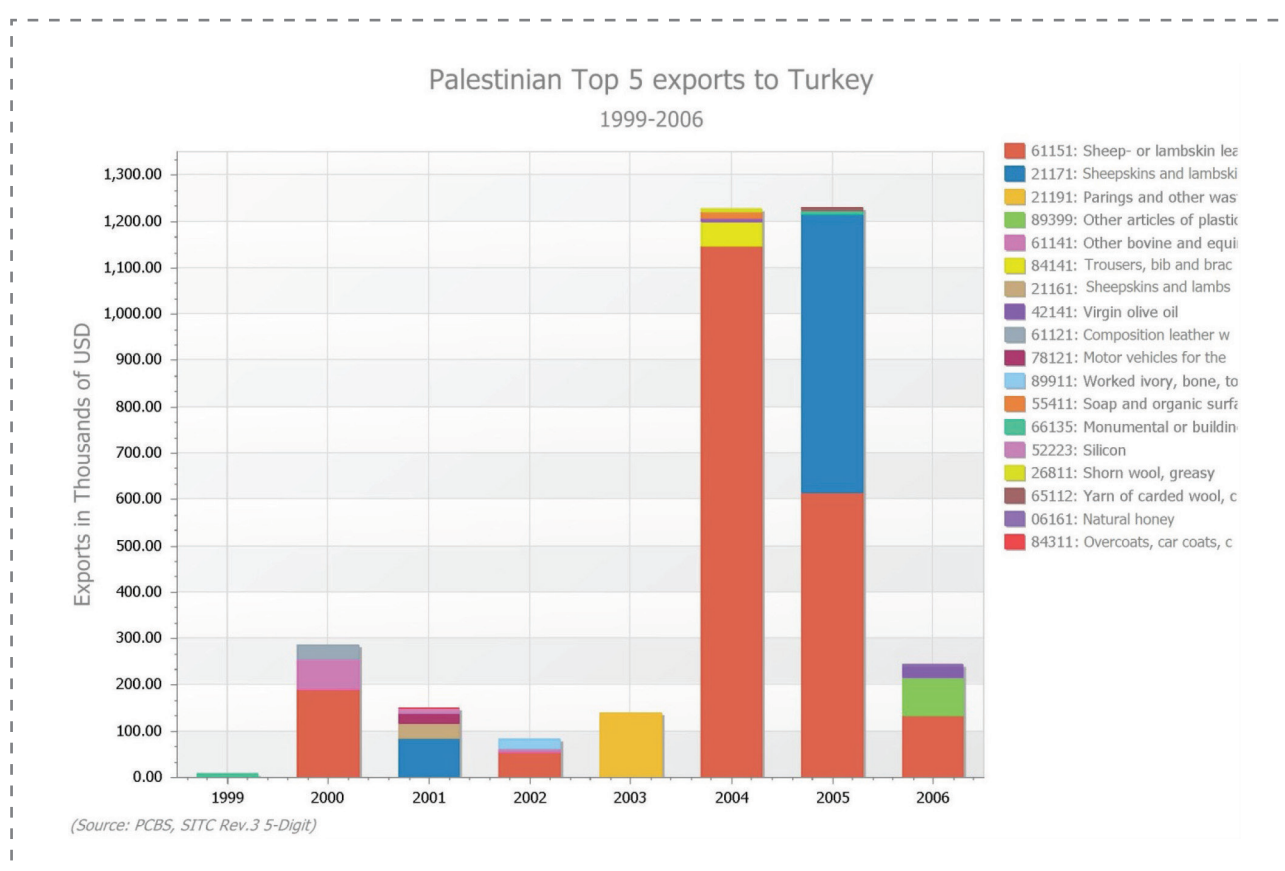
Note: Most important partners for exports to the EU: The Netherlands, Italy, United Kingdom, France, Belgium, Germany, Poland, Malta, Slovakia; to GAFTA: Jordan, Saudi Arabia, United Arab Emirates, Algeria, Kuwait, Qatar, Egypt, Yemen, Iraq, Oman; to EFTA: Switzerland.

Trade Structure

As we shall see in the following section, the structure of Palestinian exports to Turkey has been very concentrated throughout the past years. Figures 10 and 11 illustrate the 5 most exported products to Turkey between 1999 and 2006 (at the SITC Rev.3 5-digit level) and 2007 and 2013 (at the HS 1996 6-digit level).⁴ We find that the top 5 products exported between 1999 and 2006 account for 99.2% of Palestine's total exports to Turkey, compared to 87.1% during 2007-2013.

Figure 10 shows that prior to 2007, export products were very concentrated on product 61151 (sheep- or lambskin leather), which in total accounted for 2.14 million USD or 63% of total Palestinian exports to Turkey between 1999 and 2006. As illustrated in Figure 11, the export structure between 2007 and 2013 was concentrated on product 080410 (dates). Dates have been exported since 2008 and, in total, accumulated an exported value of 3.27 million USD or 55.6% of the total exported value between 2007 and 2013. The export of dates has considerably increased after the 2012 decision to grant duty free access to Palestinian dates in the Turkish market. In 2012, the exported value of dates was 10 times higher than the year before, accumulating nearly 500 thousand USD. The sharpest increase of date exports to Turkey took place in 2013, when the exported value reached a staggering 2.56 million USD.

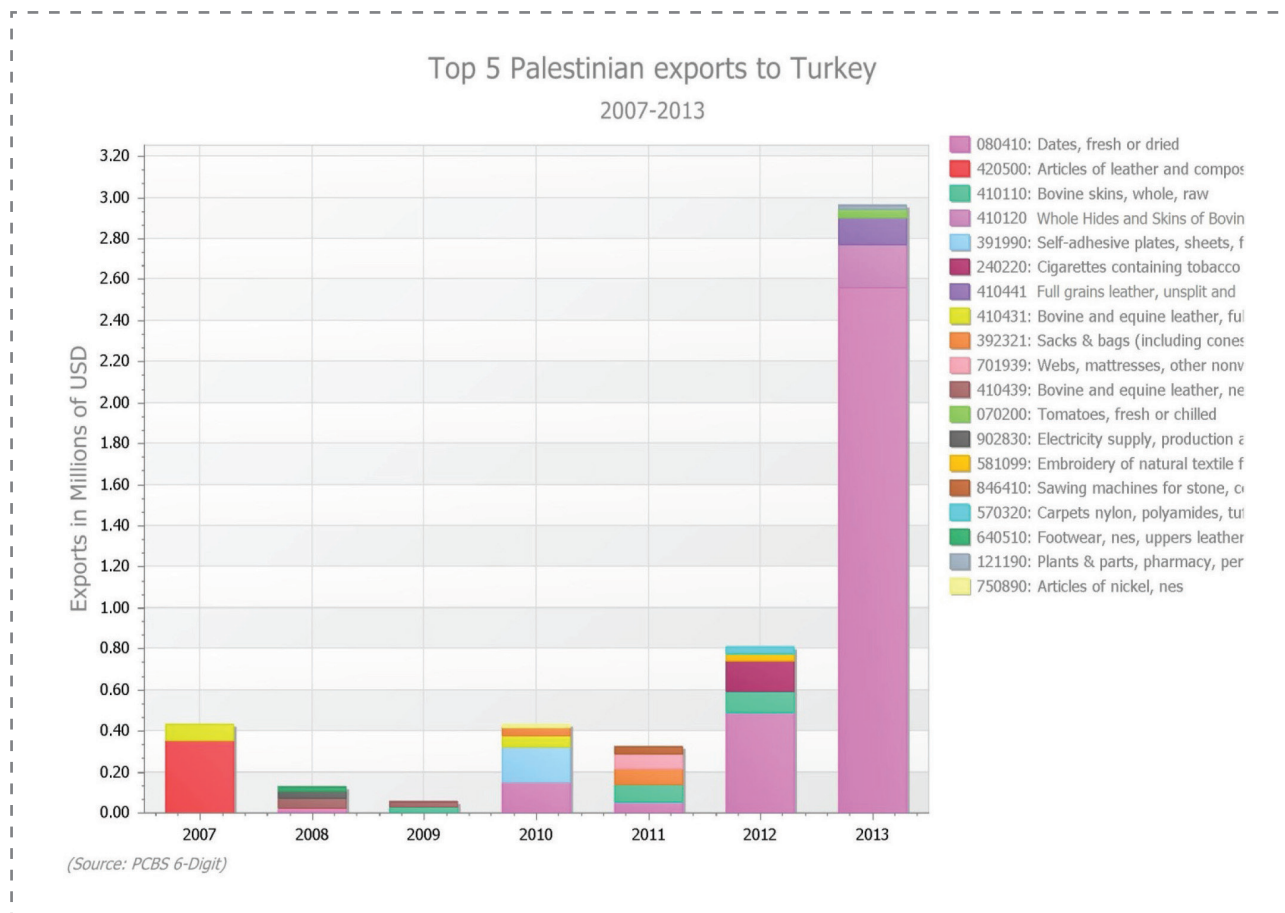
Figure 10: Top 5 Palestinian exports to Turkey 1999-2006 (refer to details in Annex IV)



4

Because trade data for the years 1999-2006 is only available at the SITC Rev.3 level, we consider the periods 1999-2006 and 2007-2013 separately in our analysis.

Figure 11: Top 5 Palestinian exports to Turkey 2007-2013 (refer to details in Annex IV)



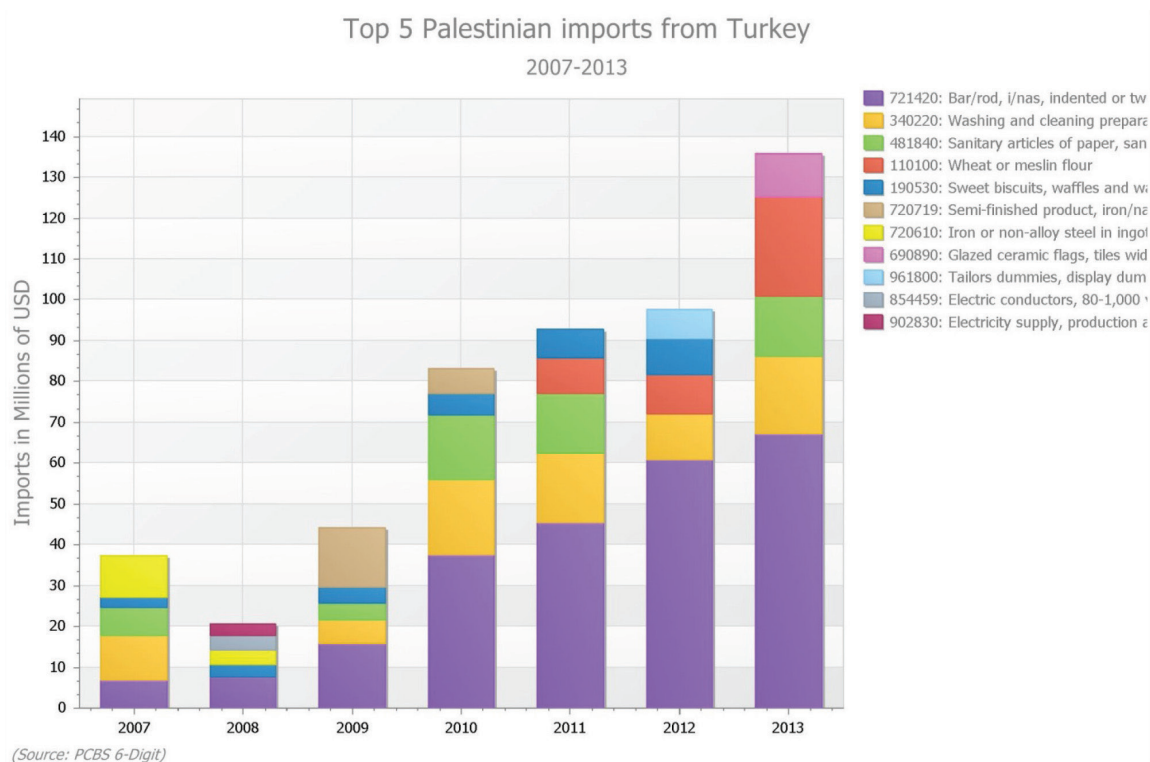
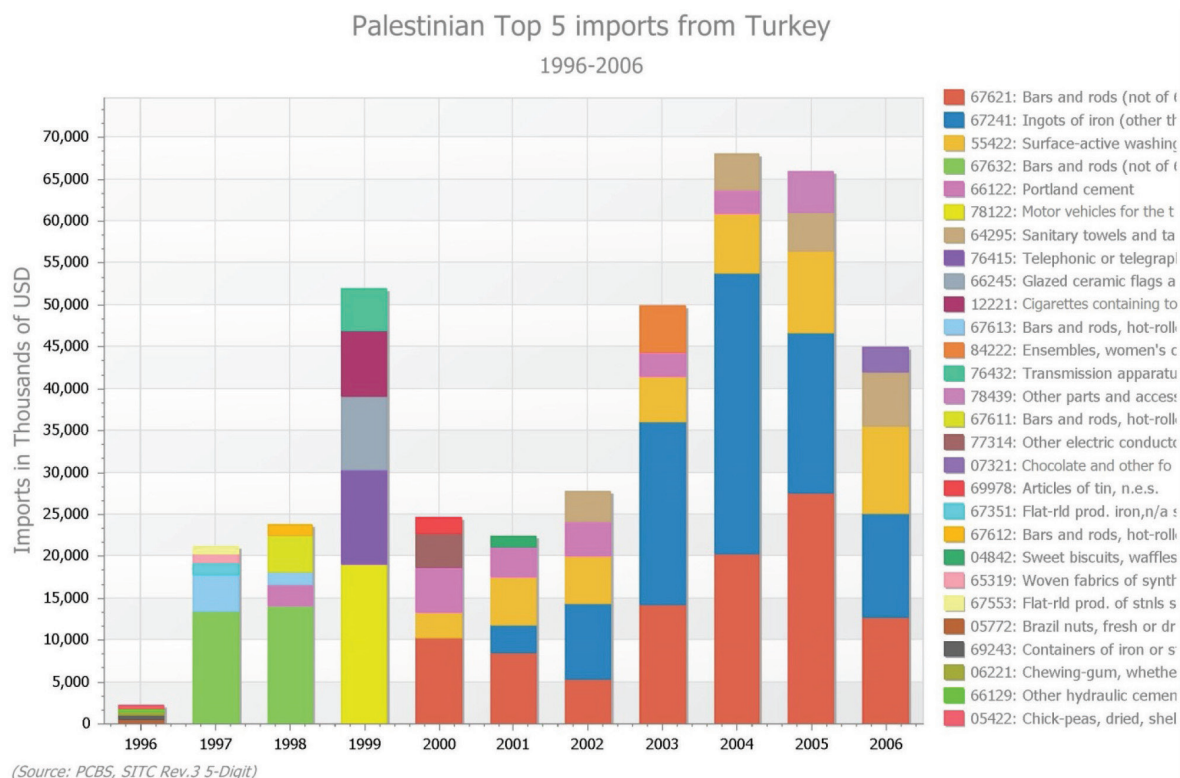
Looking next at the structure of Palestinian imports from Turkey, we find that imports are much more diversified than exports. Figures 12 and 13 illustrate the 5 most imported products from Turkey between 1996 and 2006 (at the SITC Rev.3 5-digit level), and 2007 and 2013 (at the HS 1996 6-digit level).

Between 1996 and 2006, the top 5 products imported from Turkey account for 47.5% of Palestine's total imports from Turkey, whereas between 2007 and 2013 they accounted for 43.3%.

Figure 12 shows that prior to 2007, the most important import product was 67621 (bars and rods). Between 1996 and 2006, it accounted for 11.9% of total Palestinian imports from Turkey, followed by 67241 (ingots of iron) and 55422 (surface-active washing or cleaning preparations), which contributing 11.7% and 5.6% to Palestine's value of imports from Turkey.

Similarly, the top import products between 2007 and 2013 (Figure 13) were 721420 (bars and rods), 340220 (washing and cleaning preparations) and 481840 (sanitary articles of paper), accounting for 20.4%, 7.1% and 4.8% of the total value of imports from Turkey.

Figures 12 and 13: Palestinian Top 5 imports from Turkey (refer to details in Annex V)



Looking at the composition of Palestinian trade with Turkey in 2012 only, Table 4 reveals that at the 6-digit level Palestine exported only 6 products to Turkey. Moreover, just 3 products, namely 080410 (dates), 240220 (cigarettes) and 410110 (raw hides and skins), contributed 90% to the total exported value of exports to Turkey.

Taking into consideration Turkey's world imports in these products, we find that there is relatively high demand for all products listed in Table 4 except for 240220 (cigarettes), which points at the existing likelihood of Palestine to expand its exports to Turkey in these sectors. However, we also find that all products, except for 080410 (dates) and 240220 (cigarettes) fall within Chapters 25-97 of the Harmonized System and are therefore already exempted from tariffs in the Turkish market. As previously noted, dates were exempted from tariffs (under a certain quota) in 2012. As for cigarettes, the existing likelihood of shallow integration induced trade effects is ambivalent because of Turkey's low global demand compared to its exports in this sector. On the other hand, Table 4 suggests that 240220 (cigarettes) is also the only sector where we can identify an overlap of Palestine's imports and exports from/to Turkey. This, in turn, points to the existing likelihood of intra-industry trade (IIT)⁵.

Table 4: Palestinian exports to Turkey in 2012

Product	Product Name	PSE-TUR				TUR-WLD	
		Exp. Value ('000s USD)	Exp. Share	Imp. Value ('000s USD)	Imp. Share	Imp. Value ('000s USD)	Exp. Value ('000s USD)
080410	Dates, fresh or dried	497.08	59.67%	0.00	0.00%	12,267.98	4,424.94
240220	Cigarettes containing tobacco	155.32	18.65%	1,264.70	0.54%	175.38	333,376.81
410110	Raw hides and skins	99.10	11.90%	0.00	0.00%	11,588.70	0.00
581099	Embroidery of natural textil..	36.37	4.37%	0.00	0.00%	1,159.19	1,452.55
570320	Carpets nylon, polyamides, ...	27.55	3.31%	11.62	0.005%	28,426.08	27,758.45
950490	Articles for funfair, table an..	17.60	2.11%	0.00	0.00%	5,195.82	1,354.11
Total		833.03	100.00%	1,276.33	0.55%	58,813.14	368,366.85

Source: PCBS, HS 1996 6-digit data.

Turning now to the composition of Palestine's imports, we find that the top 10 import products at the 6-digit level account for 48.5% of Palestinian total imports from Turkey in 2012. Table 5 reveals that the top 3 products, namely 721421 (bars and rods), 340220 (washing and cleaning preparations) and 110100 (wheat or meslin flour), account for 35.2% of Turkey's exports to Palestine, which suggests a far more diverse export profile of Turkey compared to that of Palestine (Table 5).

Furthermore, Table 5 suggests that there are no Palestinian exports to Turkey from its top 10 import products, which points to a very low level of intra-industry trade in these products.

Table 5: Palestinian top 10 imports from Turkey in 2012

Product	Product Name	PSE-TUR				PSE-WLD	
		Imp. Value ('000s USD)	Imp. Share	Exp. Value ('000s USD)	Exp. Share	Imp. Value ('000s USD)	Exp. Value ('000s USD)
721420	Bar/rod, i/nas, indented ...	61,205.50	26.17%	0.00	0.00%	61,203.60	0.00
340220	Washing and cleaning ...	11,385.54	4.87%	0.00	0.00%	19,705.09	0.00
110100	Wheat or meslin flour	9,729.08	4.16%	0.00	0.00%	50,846.67	126.77
190530	Sweet biscuits, waffles ...	8,788.97	3.76%	0.00	0.00%	21,526.34	2,256.14
961800	Tailors dummies, display ...	7,048.75	3.01%	0.00	0.00%	13,280.08	0.00
690890	Glazed ceramic flags, tiles ..	5,679.70	2.43%	0.00	0.00%	44,168.01	976.49
180690	Chocolate/cocoa food pr...	4,458.42	1.91%	0.00	0.00%	7,919.60	0.00
190590	Communion wafers, rice ...	3,779.78	1.62%	0.00	0.00%	8,537.81	179.83
151529	Maize oil, fractions, refin...	3,650.39	1.56%	0.00	0.00%	7,499.85	2,752.57
271019	Light petroleum distillate..	3,411.53	1.46%	0.00	0.00%	576,093.85	2,417.13
Total		119,137.66	50.95%	0.00	0.00%		

Source: PCBS, HS 1996 6-digit data.

5 IIT shall be explored in detail later for all traded products via the Grubel-Lloyd Index (GLI) to indicate possibilities for deep integration in the IFTA.

Looking further at Turkey's export profile, we find that there are 5 out of 10 products which are currently excluded from preferential tariff treatment in Palestine. Once again, **including these products in the IFTA would be vital for trade creation**. As mentioned beforehand, Palestine's tariff structure is bound to Israeli tariffs except for a list of basic and strategic commodities (lists A1, A2 and B), for which Palestine has the right to determine customs duties. Accordingly, we find that Palestine could determine duties for **110100 (wheat and meslin flour)**, which is referred to in list A2 as 11.01/5 (wheat and meslin flour). Regarding Palestine's imports in this sector, Table 6 illustrates that Turkey already supplies 19% of Palestine's imports of 1101 (wheat or meslin flour), which equals a value of 9.7 million USD. Thus, Turkey currently exports at a low tariff rate of 6%, which suggests relatively low likelihood of shallow integration induced trade effects (Rule of Thumb 1).

On the other hand, based on the high Turkish trade share in this sector, exemption from tariffs is linked to welfare gains because of the reduction of import prices (Rule of Thumb 5). Furthermore, because in this sector Turkey is competing with Israel (which supplies 75.5% of Palestine's imports), trade liberalization under IFTA is likely to divert trade away from Israel towards Turkey (Rule of Thumb 6).

Table 6: Palestinian import of 1101 (wheat and meslin flour)

Product	Product Name	Partner	Imports Value ('000s USD)	Imports Share	Israeli applied AVE tariffs
1101	Wheat and meslin flour	World	50,846.67	100.00%	6.00%*
		Israel	38,407.80	75.54%	-
		Turkey	9,729.08	19.13%	6.00%
		Ukraine	1,830.11	3.60%	6.00%
		EU	507.24	1.00%	0.00%
		Russian Federation	288.41	0.57%	6.00%
		USA	30.17	0.06%	6.00%
		Australia	29.81	0.06%	6.00%
		China	25.63	0.05%	6.00%

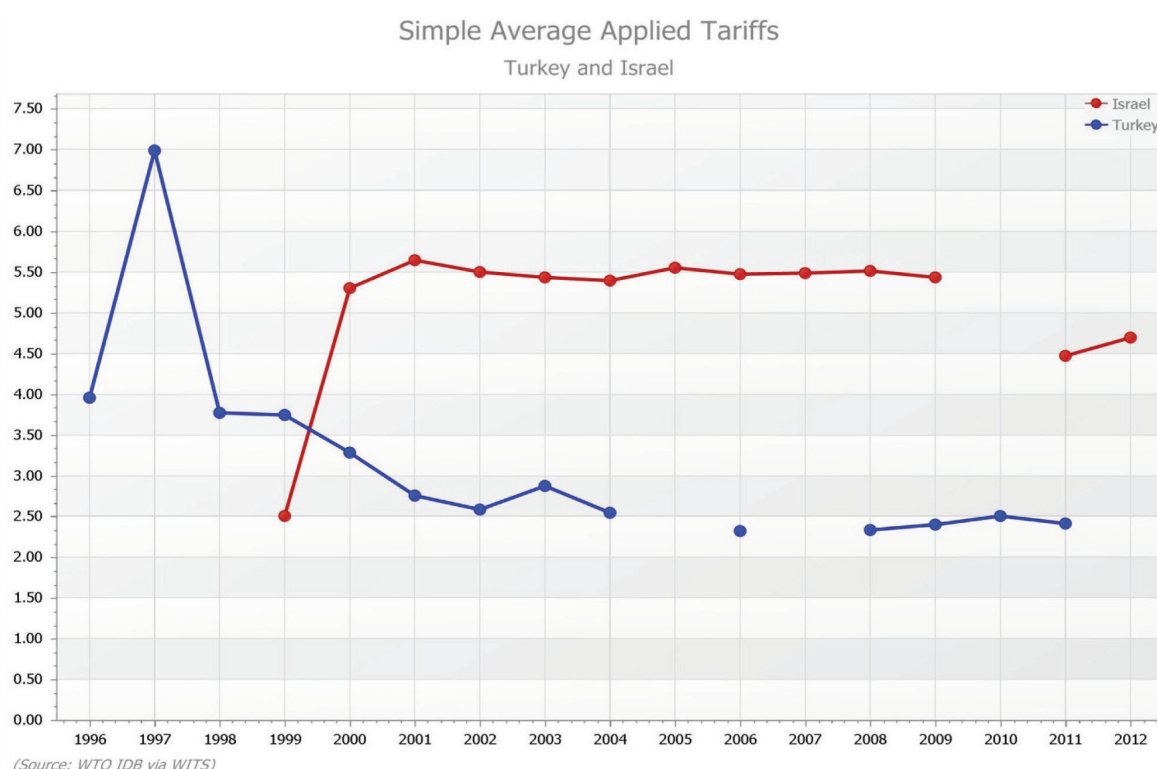
Source: Trademap for tariff data, PCBS for HS 1996 4-digit trade data

*Note: Data based on simple average applied tariffs (AHS) as indicated by WTO IDB

Shallow integration effects of the Palestine-Turkey IFTA⁶

Rule of Thumb 1 of the Sussex Framework focuses on the initial tariff and/or trade barrier structure. Given that Palestinian tariffs were the same as applied Israeli tariffs until 2013, and have been almost the same thereafter, Figure 14 shows the evolution of Turkish and Israeli tariffs over time. The figure shows that at the total trade level, Israeli tariffs on global imports have been low in the past 13 years at around 5.1%. Turkish tariffs, on the other hand, have been even lower at an average of 3.2% since 1996, reaching only 2.4% in 2011. This suggests that the extent of trade creation for Palestine and Turkey within IFTA is likely to be low.

Figure 14: Evolution of tariffs in Israel and Turkey over time (Simple average AHS, 1996-2012)



However, looking further at the minimum and maximum applied tariff rates on global imports in Israel and Turkey, we find that the two economies have been similar throughout the past decade. Whilst the minimum tariff rate is 0% in both countries, maximum applied rates are 212% in Israel and 225% in Turkey in 2011. As a share of total tariff lines in each case, the share of domestic tariff peaks⁷ is 3% in Turkey compared to 1% in Israel. The share of international tariff peaks⁸ is 5% in Turkey and 1% in Israel. These figures suggest that for certain tariff lines, there is potential for Palestine to expand its top world exports to the Turkish market. The coverage of these products in IFTA through customs exemption would be vital for trade creation.

⁶ Turkey-Palestine Interim Free Trade Agreement

⁷ Domestic tariff peaks are the number of tariff lines exceeding three times the overall simple average applied rate.

⁸ International peaks are the number of tariff lines exceeding the overall average applied rate by 15% or more.

Table 7: Comparative tariff profiles of Israel and Turkey on world imports

Reporter	Year	Simple Average	Weighted Average	Imports Value (USD '000s)	Minimum Rate	Maximum Rate	Domestic Peaks (%)	International Peaks (%)
Israel	1999	2.50	1.58	31,085,575.00	0.00	250.00	0.61	0.83
	2000	5.30	2.82	35,742,024.00	0.00	250.00	0.65	0.94
	2001	5.65	3.10	33,303,113.00	0.00	250.00	0.53	0.63
	2002	5.50	2.93	33,105,904.00	0.00	250.00	0.49	0.58
	2003	5.43	2.71	34,210,938.00	0.00	250.00	0.45	0.51
	2004	5.40	2.54	40,969,518.00	0.00	230.00	0.44	0.47
	2005	5.55	2.61	45,032,350.00	0.00	230.00	1.09	1.14
	2006	5.47	2.64	47,834,446.00	0.00	230.00	1.10	1.15
	2007	5.49	2.68	56,619,379.00	0.00	230.00	1.22	1.27
	2008	5.51	2.75	65,170,546.00	0.00	230.00	1.27	1.33
	2009	5.43	3.08	47,362,724.00	0.00	230.00	1.11	1.17
	2011	4.47	0.00	73,526,105.00	0.00	212.00	0.77	0.77
	2012	4.70	0.86	73,112,080.00	0.00	212.00	1.05	1.09
Turkey	1996	3.96	2.84	42,930,274.30	0.00	245.00	3.58	7.67
	1997	6.99	5.74	48,585,060.35	0.00	165.00	3.31	7.33
	1998	3.77	2.78	45,908,185.09	0.00	145.00	2.25	4.67
	1999	3.74	2.47	40,686,712.28	0.00	200.00	2.44	4.59
	2000	3.28	2.19	54,149,795.28	0.00	235.00	2.87	5.01
	2001	2.76	1.76	41,399,079.44	0.00	232.50	3.58	8.89
	2002	2.59	1.60	51,270,195.62	0.00	230.00	2.40	4.91
	2003	2.87	0.00	69,339,692.06	0.00	182.00	2.48	4.34
	2004	2.54	0.00	97,539,765.97	0.00	225.00	2.70	4.77
	2006	2.32	0.00	139,576,174.10	0.00	180.00	3.58	7.67
	2008	2.34	1.94	201,960,779.40	0.00	180.00	2.90	6.34
	2009	2.40	2.08	140,869,013.40	0.00	180.00	2.37	4.89
	2010	2.50	2.53	185,541,036.70	0.00	225.00	2.65	4.58
	2011	2.41	2.59	240,838,853.40	0.00	225.00	3.03	5.25

Source: WTO IDB for simple average AHS tariff data, Comtrade for total trade data.

The following section is dedicated to a more detailed analysis of Israeli applied tariffs on Turkey imports and Turkish applied tariffs on imports from Israel and the world. As Table 8 reveals, Israeli applied tariffs are similar for Turkey as for world imports. The maximum applied rates are relatively low for imports from Turkey (100%), with domestic and international peaks at only 0.8-0.9%.

Table 8: Israel tariffs on imports from Turkey

Year	Simple Average	Weighted Average	Imports Value (USD '000s)	Maximum Rate	Domestic Peaks (%)	International Peaks (%)
1999	0.73	0.67	555,292.00	120.00	0.57	0.64
2000	5.61	5.69	0.00	85.80	0.65	1.00
2001	6.40	6.68	678,381.00	120.00	0.56	0.68
2002	6.40	6.17	811,071.00	120.00	0.52	0.61
2003	6.27	5.86	950,357.00	120.00	0.45	0.54
2004	6.12	5.62	1,135,219.00	105.00	0.26	0.31
2005	6.06	6.18	1,220,859.00	100.00	1.00	1.07

2006	6.01	6.01	1,269,769.00	100.00	1.09	1.16
2007	6.07	5.73	1,601,676.00	100.00	1.21	1.27
2008	5.83	5.67	1,820,123.00	100.00	1.06	1.13
2009	5.79	5.43	1,382,505.00	100.00	1.05	1.12
2011	4.83	0.00	2,169,341.00	50.00	0.74	0.74
2012	5.00	0.00	2,081,227.00	100.00	0.82	0.87

Source: WTO IDB for simple average AHS tariff data, Comtrade for total trade data.

Exploring now Israel's tariff profile for Turkey imports by traded commodity, we find that tariff peaks exist for product codes 07 (edible vegetables), 08 (edible fruits&nuts), 10 (cereals), 20 (preparation of vegetables, fruit, nuts...), 21 (miscellaneous edible preparations), 94 (furniture, bedding, cushions etc.) and 95 (toys, games and sports equipment) (Table 9).

Table 9: Israeli tariff peaks for imports from Turkey in 2012

Product	Product Name	Simple Average	Maximum Rate	Domestic Peaks	International Peaks
071190	Vegetables (excl. olives/cucumbers & gherkins/mush...	22.80	40.00	3	3
071290	Dried vegetables, n.e.s.; mixtures of dried vegeta...	11.25	30.00	1	3
081310	Apricots, dried	20.00	20.00	1	1
081340	Dried fruit (excl. of 08.01-08.06 & 0813.10-0813.3...	20.00	20.00	2	2
100119	Durum wheat (excl. seed for sowing)	50.00	50.00	1	1
200190	Vegetables, fruit, nuts & other edible parts of pl...	26.00	40.00	1	1
200819	Nuts (excl. ground-nuts), incl. mixtures, prepared...	14.75	40.00	2	2
200912	Orange juice, not frozen, of a Brix value not >20,...	27.50	30.00	2	2
200950	Tomato juice, unfermented & not containing added s...	25.00	30.00	2	2
200971	Apple juice, of a Brix value not >20, unfermented ...	27.50	30.00	2	2
200990	Mixtures of juices, unfermented & not containing a...	30.00	35.00	5	5
210690	Food preparations, n.e.s.	15.08	40.00	3	3
940320	Metal furniture (excl. of 94.01 & 94.02)	41.33	100.00	1	1
940340	Wooden furniture of a kind used in the kitchen	41.33	100.00	1	1
940360	Wooden furniture (excl. of 94.01 & 9403.30-9403.50...	41.33	100.00	1	1
940370	Furniture of plastics (excl. of 94.01)	41.33	100.00	1	1
940389	Furniture of other materials, incl. cane, osier/s...	34.00	100.00	1	1
940510	Chandeliers & other electric ceiling/wall lighting...	23.33	100.00	1	1
940520	Electric table, desk, bedside/floor-standing lamps	26.00	100.00	1	1
940540	Electric lamps & lighting fittings, n.e.s. in 94.0...	21.67	100.00	1	1
950300	Tricycles, scooters, pedal cars & similar wheeled ...	25.00	100.00	1	1

Source: WTO IDB for simple average AHS tariff data, HS 1996 6-digit.

In theory, liberalizing Palestinian tariff in all sectors with tariff peaks is likely to enhance Turkish exports to Palestine. We look therefore again at the list of basic and strategic commodities to identify the products for which Palestine has the right to determine customs duties. Accordingly, we find that Palestine could reduce/exempt tariffs for **100119 (durum wheat)**, which is referred to in list A2 as 10.01 (wheat and meslin).

Table 10 illustrates that the only exporter of 1001 (wheat and meslin) is Israel. Considering that Turkey currently exports this product to Israel at a 25% tariff rate⁹ (applied on imports from all countries other than USA), there is considerable likelihood for trade creation, if Turkey will be provided a reduced or zero tariff rate for its exports to Palestine. In this case, the liberalization of tariffs for this product is likely to enhance welfare, because Palestine will import the product from the most efficient supplier (Rule of Thumb 5). Thus, trade is likely to divert away from Israel and towards Turkey (Rule of Thumb 6).

⁹ Ad valorem equivalent tariff (AVE) as indicated by TradeMap Market Access Map.

Table 10: Palestinian import of 1001 (wheat and meslin) in 2012

Product	Product Name	Partner	Imports Value ('000s USD)	Imports Share	Israeli applied AVE tariffs
1001	Wheat and meslin	Israel	45,354.90	100%	25%

Source: Trademap for tariff data, PCBS for HS 1996 4-digit trade data

In order to identify the potential for trade creation for Palestinian products in the Turkish market, we look at Palestine's top 50 exports to the world at the 6-digit level (2012) vis-à-vis Turkey's tariff peaks for its world imports. We find that **tariff peaks exist for 11 product codes that are among Palestine's top world exports** (Table 11). The product codes 240220 (cigarettes) and 150910 (olive oil) are even among the Palestinian top 10 exports to the world. The table also reveals that all products with tariff peaks are agricultural or processed agricultural products, which are (except for dates) subject to customs duties in the Turkish market. However, as illustrated in Table 11, because Turkish total imported value in most of these sectors is very low, it seems that Turkey's demand is currently covered by its domestic production. In the sectors 071190 (vegetables and mixtures, preserved), 121190 (plants & parts thereof) and 091099 (spices), the Turkish demand appears to be high, and relatively high for 240220 (cigarettes) and 160100 (sausages).

Based on Turkey's demands on the one hand, and Palestinian export elasticities on the other hand, there is potential for considerable likelihood for trade liberalization enhancing Palestine's exports in its top 50 world exports.

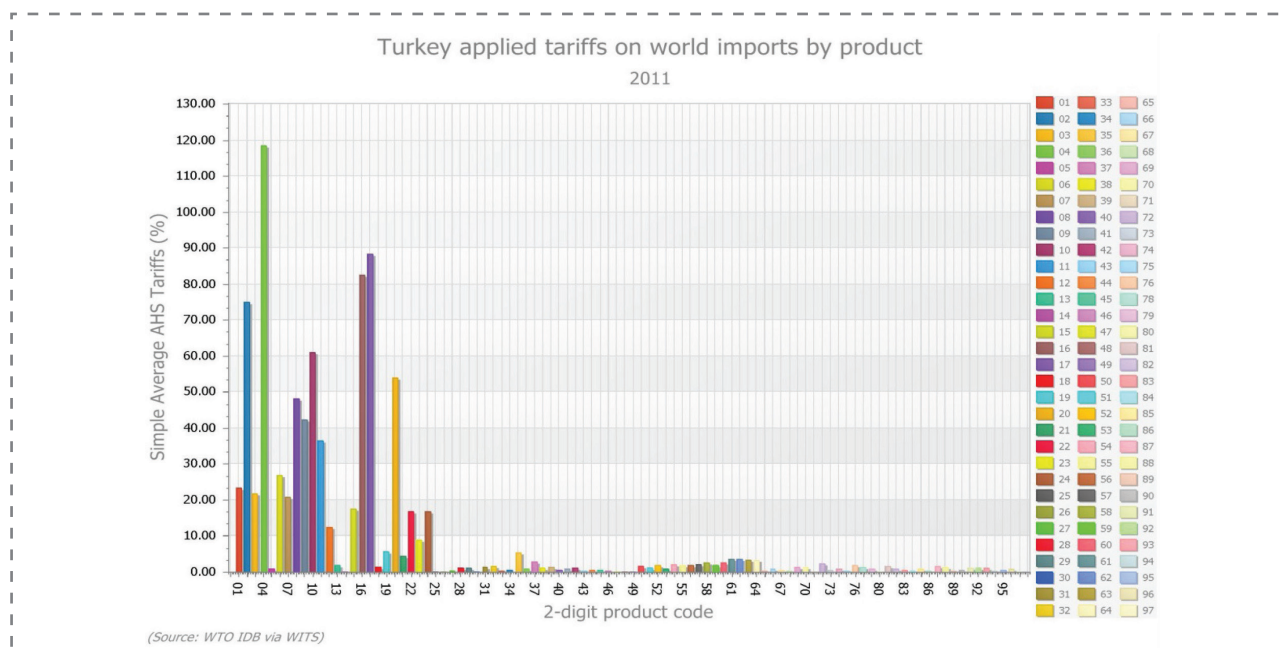
Table 11: Turkish tariff peaks for Palestinian top 50 world exports

Product	Product Name	PSE - WLD		TUR - WLD				
		Exp. Value ('000s USD)	Exp. Rank	Simp. Av. Tariffs	Domestic Peaks	Intern. Peaks	Imp. Value ('000s USD)	Exp. Value ('000s USD)
240220	Cigarettes containin..	29,149.10	5	12.69	24	24	175.38	333,376.81
150910	Olive oil, virgin	23,295.56	6	31.20	0	10	8.56	47,281.91
040310	Yogurt	10,467.78	14	170.00	24	24	13.74	7,843.22
160100	Sausages & similar ..	9,287.07	18	96.30	18	18	456.55	25,200.63
121190	Plants & parts of pl..	8,187.95	20	28.93	0	243	4,842.62	11,907.67
091099	Spices, nes	7,252.22	22	28.24	0	112	7,608.47	76,921.16
100890	Cereals	5,976.44	25	130.00	2	2	52.36	0.41
071190	Vegetables (excl. o..	4,670.47	33	29.80	0	52	14,902.77	8,200.54
110419	Rolled/flaked grain..	4,539.19	35	45.00	28	28	7.48	208.43
080410	Dates, fresh/dried	4,093.33	38	23.21	0	13	12,267.98	4,424.94
071140	Cucumbers & ghe...	3,972.52	39	36.00	0	1	35.6	1,132.51

Source: WTO IDB for simple average AHS tariffs (2011), PCBS for HS 1996 6-digit trade data (2012)

Figure 15 below provides a general idea of Turkish applied tariffs on world imports by product and at the HS 1996 2-digit level. The figure reveals that Turkey applies its highest tariffs for agricultural and processed agricultural products. These products fall into chapters 1-24 of the Harmonized System and are therefore subject to customs duties for Palestinian exports into Turkey. Exempting such products from tariff duties is likely to provide Palestine's with a competitive edge vis-à-vis its competitors, thus leading to trade creation for Palestinian exports in the Turkish market.

Figure 15: Turkey simple average applied tariffs on world imports (product description in Annex I)



The essence of Rule of Thumb 3 is the extent to which Palestine and Turkey differ in comparative advantage, which can be estimated by calculating the **revealed comparative advantage (RCA)**. The RCA measures a country's exports of a commodity relative to its total exports and compares this to the world exports of a commodity relative to total world exports¹⁰. A comparative advantage is "revealed" if $RCA > 1$. This is because the index shows that the country is exporting a higher share of the good than the share of the good in world exports – hence the country has a comparatively higher share for that good, implying a comparative advantage. Analogously, if the RCA is less than unity, the country is said to have comparative disadvantage in that commodity.

We calculate the RCAs for both Palestine and Turkey at the HS 1996 6-digit level for the year 2012 (Table 12). In this analysis we first compare the RCAs for the top fifteen exporting sectors for each country in Table 6 and this comparison reveals little similarity in patterns of comparative advantage between Turkey and Palestine. This analysis also reveals that the export structure of Palestine (Turkey) is more concentrated (diverse) with the top 15 sectors at the 6-digit level accounting for 48,7% (30,9%) of Palestine's (Turkey's) total exports. Moreover, the huge RCA magnitudes for Palestine suggest that the country seems to occupy a much more important position globally in the export of its top 15 products compared to Turkey.

Looking also at the RCAs for Palestine's top 15 export products only (Table 13), we find that Turkey has a comparative advantage for some of these products, namely 680221 (slabs of marble, travertine or alabaster), 760429 (bars and rods), 940350 (wooden furniture), 940429 (mattresses), 680229 (slabs of stone nes), 392321 (sacks & bags), 640199 (waterproof footwear), 240220 (cigarettes), 150910 (olive oil), 690810 (glazed ceramic mosaic tiles), but the low RCA magnitudes for Turkey suggest that the country occupies a less important position globally than Palestine for the Palestinian top 15 export products.

In line with Rule of Thumb 3, the differences in comparative advantage between Palestine's and Turkey's exports indicate that **IFTA is likely to cause shallow integration induced welfare effects** for both countries.

As for Turkey's top 15 exports to the world at the 6-digit level, all products fall within chapters 25-97, and are therefore already granted duty-free entry into the Palestinian market. The trade enhancing potential of further cooperation in these sectors will be discussed in our deep integration analysis.

$$RCA_{iw}^k = \left(\frac{x_{iw}^k}{X_{iw}} \right) / \left(\frac{x_{ww}^k}{X_{ww}} \right)$$

¹⁰ where x_{iw} represents exports of sector k by country i to the world, X_{iw} denotes total exports from country i to the World, capital letter subscripts represent total flows of all goods.

¹¹ The definitions of all statistical indicators used in this report are taken from TradeSift.

For Palestine, on the other hand, there are three products among its top 15 world exports which are currently excluded from preferential treatment in the Turkish market: 240220 (cigarettes), 150910 (olive oil) and 040310 (yogurt).

Recalling our analysis of Turkish tariffs applied on world imports, we find that there are Turkish tariff peaks for each of these three products (Table 14). Calculating now the RCAs for the remaining products with Turkish tariff peaks, we reveal high RCA magnitudes also for 160100 (sausages), 121190 (plants and parts thereof), 091099 (spices), 100890 (cereals unmilled), 071190 (vegetables and mixtures, preserved), 110419 (cereals, rolled or flaked), 080410 (dates) and 071140 (cucumbers and gherkins).

For each of these products we have identified a much higher comparative advantage for Palestine than for Turkey. In addition, we have even revealed a comparative disadvantage for Turkey for 040310 (yogurt), 160100 (sausages), 121190 (plants and parts thereof) and 110419 (cereals, rolled or flaked).

As discussed above, we also need to take into consideration Turkey's world imports in these sectors, in order to examine whether or not there is a demand in Turkey to import these products from Palestine. In doing so, we find that except for **240220 (cigarettes), 160100 (sausages), 121190 (plants and parts thereof), 091099 (spices), 071190 (vegetables and mixtures, preserved) and 080410 (dates)** Turkey's world imports in the above mentioned sectors were low in 2012. For these products, Turkey's exports relatively to its imports are high for cigarettes, sausages, plants and parts thereof and spices, which suggests that Turkey has a domestic production in these sectors. This, on the one hand, points to the existing likelihood of IIT with Palestine, given that Palestine succeeds to expand its exports in these sectors in the Turkish market.

As previously outlined, 080410 (dates) are exempted from tariffs at a quota of 1000 tons. For cigarettes, we have identified likelihood of IIT for the product 240220 (cigarettes) (the second most exported product to Turkey in 2012), although Turkey's world imports in this sector are very low relative to its exports. Furthermore, the product 071190 (vegetables and mixtures, preserved) and 080410 (dates) are by far the most 'demanded' products, considering Turkish imports relative to its exports in the sector.

Of course, we also need to explore the efficiency of Palestine's production structures and its elasticities of supply in order to find out where Palestine is able to compete with Turkish domestic production or other countries exporting to Turkey.

Table 12: Comparison of RCAs for the top 15 exports of Palestine and Turkey (2012)

Palestine					Turkey				
Product	Product Name	RCA	Exp.Share PSE->WLD	Exp.Share WLD->WLD	Product	Product Name	RCA	Exp.Share TUR->WLD	Exp.Share WLD->WLD
680229	Cut or sawn slabs of stone nes	9,575.614	11.549%	0.001%	710812	Gold in unwrought forms ...	7.01	8.86%	1.26%
720430	Waste or scrap, ...	762.541	6.267%	0.008%	271000	Petroleum oils&oils obta	0.81	4.51%	5.55%
680221	Cut or sawn slabs of marble..	483.847	4.352%	0.009%	721420	Bar/rod, i/nas, indented or ...	33.91	3.46%	0.10%
392321	Sacks & bags...	70.121	4.041%	0.058%	870421	Diesel powered trucks ...	6.74	1.92%	0.29%
240220	Cigarettes containing tobacco	29.522	3.726%	0.126%	711319	Jewellery and parts of ...	2.97	1.70%	0.57%
150910	Olive oil, virgin	118.659	2.978%	0.025%	852812	Color television receive	3.25	1.43%	0.44%
640199	Waterproof footwear...	2,270.203	2.829%	0.001%	870323	Automobiles, spark ...	0.78	1.22%	1.56%
940350	Bedroom furniture, wooden,	40.168	2.043%	0.051%	610910	T-shirts, singlets and other ...	9.28	1.19%	0.13%
441520	Wooden pallets, box pallets ...	142.538	1.903%	0.013%	870322	Automobiles, spark ...	2.63	1.10%	0.42%
940429	Mattresses, stuffed, spring ...	162.716	1.722%	0.011%	570242	Carpets of manmade yarn, ...	69.16	1.07%	0.02%
760429	Bars, rods and other profiles,...	28.379	1.649%	0.058%	870331	Automobiles, diesel ...	8.95	0.99%	0.11%
300490	Medicaments nes, in dosage	0.957	1.525%	1.594%	854459	Electric conductors, 80-...	5.70	0.96%	0.17%
690810	Glazed ceramic mosaic tiles, ...	500.984	1.460%	0.003%	620462	Womens, girls trousers & ...	7.68	0.87%	0.11%
040310	Yogurt	98.099	1.338%	0.014%	610990	T-shirts, singlets etc, of ...	12.00	0.86%	0.07%
390190	Polymers of ethylene nes,...	17.297	1.337%	0.077%	620342	Mens, boys trousers &, ...	6.34	0.72%	0.11%
Top 15 exports			48.717%	2.049%	Top 15 exports			30.87%	10.91%

Table 13: Comparison of RCAs for Palestine's top 15 exports (2012)

Product	Product Name	Palestine	Turkey				
		RCA	RCA	Exp.Share TUR>WLD	Exp.Share WLD>WLD	Imp. Value TUR<WLD ('000s USD)	Exports TUR>WLD ('000s USD)
680229	Cut or sawn slabs of stone nes	9,575.614	2.242	0.003%	0.001%	211.92	4,070.41
720430	Waste or scrap, of tinned iron or steel	762.541	0.000	0.000%	0.008%	867.65	4.20
680221	Cut or sawn slabs of marble, travertine or ...	483.847	31.449	0.283%	0.009%	7,404.79	425,787.81
392321	Sacks & bags (including cones) of polymers ...	70.121	2.183	0.126%	0.058%	21,870.03	189,345.45
240220	Cigarettes containing tobacco	29.522	1.755	0.221%	0.126%	175.38	333,376.81
150910	Olive oil, virgin	118.659	1.252	0.031%	0.025%	8.56	47,281.91
640199	Waterproof footwear (Wellington) no toe cap..	2,270.203	2.005	0.002%	0.001%	466.41	3,759.68
940350	Bedroom furniture, wooden, nes	40.168	4.871	0.248%	0.051%	25,913.21	372,955.76
441520	Wooden pallets, box pallets and load boards	142.538	0.807	0.011%	0.013%	6,691.20	16,205.44
940429	Mattresses, stuffed, spring interior, etc	162.716	3.118	0.033%	0.011%	4,271.84	49,681.81
760429	Bars, rods and other profiles, aluminium al...	28.379	5.123	0.298%	0.058%	29,214.08	448,058.99
300490	Medicaments nes, in dosage	0.957	0.162	0.258%	1.594%	2,085,514.07	388,394.79
690810	Glazed ceramic mosaic tiles, cubes & simila...	500.984	1.805	0.005%	0.003%	735.03	7,918.89
040310	Yogurt	98.099	0.382	0.005%	0.014%	13.74	7,843.22
390190	Polymers of ethylene nes, in primary forms	17.297	0.018	0.001%	0.077%	180,864.52	2,128.89
Palestinian top 15 exports				1.53%	2.05%	2,364,222.42	2,296,814.05

Table 14: Comparison of RCAs for products with tariff peaks in Turkey (see Table 11) (2012)

Product	Product Name	Palestine	Turkey				
		RCA	RCA	Exp.Share TUR>WLD	Exp.Share WLD>WLD	Imp. Value TUR<WLD ('000s USD)	Exports TUR>WLD ('000s USD)
240220	Cigarettes containing tobacco	29.52	1.75	0.22%	0.13%	175.38	333,376.81
150910	Olive oil, virgin	118.66	1.25	0.03%	0.03%	8.56	47,281.91
040310	Yogurt	98.10	0.38	0.01%	0.01%	13.74	7,843.22
160100	Sausages, similar products of meat, meat off..	38.98	0.55	0.02%	0.03%	456.55	25,200.63
121190	Plants & parts, pharmacy, perfume, insectici...	80.81	0.61	0.01%	0.01%	4,842.62	11,907.67
091099	Spices nes	297.04	16.38	0.05%	0.00%	7,608.47	76,921.16
100890	Cereals unmilled nes	284.97	0.00	0.00%	0.00%	52.36	0.41
071190	Vegetables nes and mixtures provisionally ...	258.25	2.36	0.01%	0.00%	14,902.77	8,200.54
110419	Cereals, rolled or flaked grains nes	588.81	0.14	0.00%	0.00%	7.48	208.43
080410	Dates, fresh or dried	209.19	1.18	0.00%	0.00%	12,267.98	4,424.94
071140	Cucumbers and gherkins provisionally pres...	862.19	1.28	0.00%	0.00%	35.60	1,132.51

Recalling our previous analysis, we have identified four products with Turkish tariff peaks for which Palestine has a comparative advantage, and for which the Turkish demand is relatively high: 240220 (cigarettes), 160100 (sausages), 121190 (plants and parts thereof), 091099 (spices) and 071190 (vegetables and mixtures, preserved).

Table 15 below illustrates the geographical distribution and tariff rates of Turkish imports in these sectors. Although the table does not highlight Palestinian exports of product 240220 (cigarettes)¹², we noted in our previous analysis (Table 4 or Table 16 below) that Palestine's exported value in this sector was more than 155 thousand USD in 2012, which makes Palestine the most important supplier to Turkey in this sector, thus competing with Switzerland, Poland, Jordan, etc. Tariff exemption/reduction is therefore likely to shift trade away from these countries towards Palestine. In addition, shallow integration induced trade effects may include diverting trade away from Turkmenistan, United Kingdom, Iraq for 160100 (sausages); Albania, China, Egypt for 121190 (plants); Morocco, India, Georgia for 091099 (spices) and Uzbekistan, Kyrgyzstan, Syria for 071190 (vegetables and mixtures, preserved) (Rule of Thumb 6).

The high tariff rates in each sector suggest likelihood for shallow integration induced trade creation (Rule of Thumb 1). Whereas tariff rates of 160100 (sausages), 121190 (plants), 091099 (spices) and 071190 (vegetables and mixtures, preserved) are nearly the same for Palestine as in other countries exporting to Turkey, Palestine is facing relatively high tariffs for 240220 (cigarettes). Furthermore, Turkey appears to be very protective in the sector 160100 (sausages), where it applies a tariff rate at 96.3% irrespective the country of origin.

In a nutshell, tariff exemption or reduction under IFTA are likely to enhance trade in all sectors and 240220 (cigarettes) in particular – because of the high Palestinian trade share in Turkish imports –, and 160100 (sausages) – because of high initial tariffs (Rule of Thumb 5 and 1).

Table 15: Turkish import of 240220 (cigarettes), 160100 (sausages), 121190 (plants and parts thereof), 091099 (spices) and 071190 (vegetables and mixtures, preserved) in 2012

Product	Product Name	Partner	Imports Value ('000s USD)	Imports Share	Turkish applied AVE tariffs
240220	Cigarettes containing tobacco	World	175	100.00%	12.69%*
		Switzerland	37	21.14%	0.00%
		Poland	14	8.00%	0.00%
		Jordan	13	7.43%	29.03%
		Morocco	11	6.29%	29.03%
		Romania	11	6.29%	0.00%
		Others	84	48.00%	Palestine: 41.73%
160100	Sausages, similar products of meat, meat off..	World	457	100.00%	96.3%*
		Turkmenistan	180	39.39%	96.3%
		United Kingdom	66	14.44%	96.3%
		Iraq	49	10.72%	96.3%
		Serbia	43	9.41%	96.3%
		Lebanon	35	7.66%	96.3%
		Others	85	18.60%	Palestine: 96.3%
121190	Plants & parts thereof	World	4843	100.00%	28.93%*
		Albania	2104	43.44%	29.69%
		China	436	9.00%	29.69%
		Egypt	277	5.72%	29.69%
		Bulgaria	260	5.37%	29.69%
		Germany	259	5.35%	29.69%
		Others	1510	31.18%	Palestine: 29.69%

12 Table 15 reflects data based on Turkish Statistical Institute (TurkStat) with Turkey being the reporting country. With regard to its imports from Palestine, the indicated trade data differs therefore from indications made by PCBS. This is the case for product 240220 (cigarettes), where TurkStat does not report any imports at all from Palestine in 2012. If TurkStat considered also Palestinian exports, Palestine would be the most important source for Turkey's imported cigarettes.

091099	Spices nes	World	7608	100.00%	28.24%*
		Morocco	2132	28.02%	30.00%
		India	1557	20.47%	30.00%
		Georgia	1217	16.00%	0%
		Albania	1065	14.00%	30.00%
		Syria	727	9.56%	29.69%
		Others	910	11.96%	Palestine: 30%
071190	Vegetables and mixtures, preserved	World	14903	100.00%	29.80%*
		Uzbekistan	5403	36.25%	25.10%
		Kyrgyzstan	4403	29.54%	25.10%
		Syria	3712	24.91%	25.68%
		Iran	555	3.72%	25.10%
		Morocco	531	3.56%	25.68%
		Others	298	2.00%	Palestine: 25.68%

Source: Trademap for tariff data, Comtrade for HS 1996 6-digit trade data.

*Note: Data based on simple average applied tariffs (AHS), Source: WTO IDB

In order to “reveal” the comparative advantage of Palestinian exports in the Turkish market in particular, we can use the bilateral RCA, which indicates how much Palestine is exporting to Turkey relative to how much the world is exporting to Turkey. A bilateral RCA>1 reveals a comparative advantage for Palestinian exports in the Turkish market vis-à-vis the rest of the world.¹³

Table 16 shows the calculated bilateral RCAs for 2012 only, revealing comparative advantage for all products currently exported to Turkey. Because dates are already granted duty free entry since 2012 (at a quota of 1000 tons), there is one product left which is falling within chapters 1-24 and therefore excluded from preferential treatment: 240220 (cigarettes). The likelihood for trade creation in this sector has been discussed in our previous analysis.

Table 16: Bilateral RCAs for Palestinian exports to Turkey (2012)

Product	Product Name	RCA	Exp. value PSE>TUR (*000s USD)	Imp. value TUR<WLD (*000s USD)	Exp. value TUR>WLD (*000s USD)
080410	Dates, fresh or dried	4,807.92	497.08	12,267.98	4,424.94
240220	Cigarettes cont. tobacco	72.30	155.32	175.38	333,376.81
410110	Bovine skins, whole, raw	294.36	99.10	11,588.70	-
581099	Embroidery of nat. textile..	3,516.31	36.37	1,159.19	1,452.55
570320	Carpets nylon, polyamide..	137.48	27.55	28,426.08	27,758.45
950490	Articles for funfair, table ..	137.33	17.60	5,195.82	1,354.11

Source: PCBS for HS 1996 6-digit trade data.

Because there have been few exports to Turkey in 2012 only, Table 17 indicates the top 15 bilateral RCAs of the period 2007-2012. The huge RCA magnitudes for products that were exported in the past indicate that there is likelihood for trade creation for each of these sectors. However, because each of the listed products is already exported under preferential tariff treatment, trade creation will require measures other than tariff exemption. Thus, cooperation within IFTA can take place for example through cooperation with regard to investment, standards etc. Opportunities therefor will be discussed in our deep integration analysis.

$$BRCA2_{ij}^k = \left(\frac{x_{ij}^k}{X_{ij}} \right) / \left(\frac{x_{wj}^k}{X_{wj}} \right)$$

¹³

Table 17: Top 15 bilateral RCAs for Palestinian exports to Turkey 2007-2012

Year	Product	Product Name	RCA	Exports PSE>TUR (‘000s USD)	Imp. value TUR<WLD 2012 (‘000s USD)	Exp. value TUR>WLD 2012 (‘000s USD, 2012)
2012	080410	Dates, fresh or dried	4,807.92	497.08	12,267.98	4,424.94
2011	680229	Slabs of stone nes	4,524.42	14.29	211.92	4,070.41
2008	902830	Electricity supply	3,819.89	37.87	2,378.27	4,284.14
2012	581099	Embroidery of nat..	3,516.31	36.37	1,159.19	1,452.55
2007	420500	Articles of leather	3,456.09	352.93	16,255.45	11,962.62
2009	410110	Bovine skins	3,212.63	31.00	11,588.70	0.00
2008	640510	Footwear, nes	2,001.59	16.00	428.57	11,463.10
2009	410439	Leather...	1,696.39	22.00	50,255.75	15,415.64
2010	080410	Dates, fresh or dried	1,117.17	147.20	12,267.98	4,424.94
2008	080410	Dates, fresh or dried	853.38	17.28	12,267.98	4,424.94
2011	392321	Sacks & bags	780.80	76.14	21,870.03	189,345.45
2011	701939	Webs, mattresses, ...	659.59	75.63	7,946.30	13,790.76
2011	410110	Bovine skins	597.07	84.00	11,588.70	0.00
2008	410439	Leather...	460.32	48.00	50,255.75	15,415.64
2010	392321	Sacks & bags	445.90	45.78	21,870.03	189,345.45

Source: Comtrade and PCBS (2012 only), HS 1996 6-digit

In the discussion above we outlined how trade creation could occur either on the production side (i.e. trade displacing domestic production), or on the consumption side (increased imports arising from lower partner country prices). The extent to which the former will occur depends on the degree of overlap in production and trade structures across the two economies, and on the differences in relative costs of production between them (Rule of Thumb 3 and Rule of Thumb 4). To measure the degree of similarity between the two partners, we use the Finger-Kreinin Index (FKI)¹⁴. The FKI is equal to one when the structure of trade (defined by the share of each sector in total trade) across the two partners being compared is identical and is equal to zero when the structure of trade is completely different.

If we compare Turkish and Palestinian exports to the world, the FKI calculated at the HS 1996 6-digit level for the year 2012 is low at 0.111. This suggests that in terms of the export structure, the two trading partners are dissimilar. This would appear to suggest that both for Turkey and Palestine there is not much evidence of scope for trade creation.

¹⁴ This is an index which is designed to capture the degree of similarity between a pair of countries either with regard to trade or production structures. Ideally we would like to be able to compute the index on patterns of production as that is the most direct way of addressing the fourth rule of thumb. However, the data is not available. Following common practice we compute the index on the basis of trade flows, and use trade flow similarity as an imperfect proxy for production structure similarity. This index is typically computed at the 6-digit level of disaggregation.

$$FKI_{i_1 i_2 j} = \sum_k \min \left[\left(\frac{x_{i_1 j}}{X_{i_1 j}} \right), \left(\frac{x_{i_2 j}}{X_{i_2 j}} \right) \right]$$
 where i_1 and i_2 to the two source countries and j to the destination country. x_k refers to the trade flow in product k ; X to the total trade flow, so $x_{i_1 j}/X_{i_1 j}$ is the share of product k in country i_1 's total exports to the destination partner (j). $x_{i_2 j}/X_{i_2 j}$ is the share of product k in the comparator country's (i_2) total exports.

Deep integration¹⁵

In considering the impact of the Palestine-Turkey IFTA, it is important to consider not just the implications of the removal of tariff barriers, but also the implications of the removal of non-tariff barriers and the opportunities for positive or deeper integration. These may deal, for example, with regulatory harmonisation, with investment rules, with liberalisation of services, and with measures of trade defence. The welfare gains from a process of deeper integration are likely to be considerably higher than those derived simply from a process of shallower integration. The possible range of further gains often associated with deeper integration include: technology transfer and diffusion both through trade and foreign direct investment (FDI); pro-competitive gains from increasing import competition in an environment of imperfect competition, which may also allow greater exploitation of economies of scale in production; the increased geographical dispersion of production through trade that supports (i) exploitation of different factor proportions for different parts of the production process (Ricardian efficiency gains) and/or (ii) local economies of scale through finer specialization and division of labour in production (Smithian efficiency gains); and externalities arising from institutional changes that lead to wide increases in productivity.

It is more likely that the potential for deeper integration gains will be achieved the greater is the realisation of a “common economic space” as a result of an FTA. This common economic space requires both removal of barriers to trade that operate beyond borders (e.g. discriminatory taxes and regulations) and action to undertake common policies needed for dealing with the existence of public goods and externalities. Of course, the impact of deep integration will clearly depend on whether the norms adopted are appropriate — i.e., generate positive externalities and promote trade. Broadly speaking, adopting appropriate standards is synonymous with finding the appropriate institutional framework for dealing with externalities.

Instruments of deep integration in the Palestine-Turkey IFTA

The Turkey-Palestine IFTA includes provisions on many instruments of deep integration. As outlined in Article 32 of IFTA, primary fields of economic cooperation include:

- Investment promotion and investment cooperation;
- Cooperation between small and medium-sized enterprises;
- Standardization and conformity assessment;
- Industry;
- Agriculture;
- Services;
- Tourism;
- Customs cooperation;
- Public procurement.

IFTA additionally covers significant areas, including safeguard and anti-dumping measures, competition and intellectual property rights.

It was agreed that the “Parties may decide further to extend the scope of cooperation on areas of social development, transport, information, telecommunication, energy, scientific and technological cooperation, environment, higher education and regional issues of mutual interest”.

Investment promotion and investment cooperation

Article 33 includes provisions for investment cooperation to enable the creation of a favourable and stable investment in Palestine. While the Joint Committee shall examine possibilities of mutual cooperation in investment promotion in the different economic sectors, investment promotion may take the form of “(a) mechanisms for information about and identification and dissemination of investment legislation and opportunities; (b) development of a legal framework conducive to investment between the Parties, through the conclusion by the Parties of investment promotion and protection agreements, where appropriate, and agreements preventing double taxation; (c) development of simplified administrative procedures.”

15

This section draws heavily on CARIS (2007), ‘Qualitative Analysis of a Potential Free Trade Agreement between the European Union and India’.

Cooperation between SMEs

In order to further enhance trade and economic activities, Article 34 of IFTA provides that “the Parties shall give priority to promoting business and investment opportunities as well as joint ventures between small and medium sized enterprises (SMEs) of the two countries. Within this context, the Parties will (a) change experiences and expertise on entrepreneurship, management, research and management centres, quality and production standards; (b) provide market information to create investment opportunities; (c) send published documents concerning SMEs.”

Furthermore, cooperation entails Turkish efforts to enhance Palestinian capacity building for the related private sector institutions.

Standardization and conformity assessment; sanitary/phytosanitary standards

In order to narrow the gap in the field of standards and certification, cooperation between Palestine and Turkey shall take the form of “(a) the promotion of use of international standards, guides, recommendations; “(b) raising the level of conformity assessment by Palestinian certification and accreditation bodies; (c) discussing mutual recognition arrangements, where appropriate; (d) cooperating in the field of quality management; (e) developing structures for the protection of intellectual, individual and commercial property, for standardization and for setting quality standards” (Article 35).

Furthermore, Articles 8 of the IFTA lays down the procedures for applying sanitary and phytosanitary (SPS) measures. Accordingly, the “Parties shall not apply their regulations in sanitary and phytosanitary matters as an arbitrary or unjustifiable discrimination or a disguised restriction on trade between them. The Parties shall apply their sanitary and phytosanitary measures within the spirit of the provisions of the GATT and the other relevant WTO agreements.”

Industrial Cooperation

In line with Article 36 of IFTA, enhanced industrial cooperation between Turkey and Palestine aims at supporting Palestine “in its efforts to modernize and diversify industry and, in particular, to create an environment favorable to private sector and industrial development”.

Sector focus: Agriculture and fisheries, cooperation in services and tourism;

IFTA also includes provisions aimed at targeted sectors to enable their development through cooperation. These sectors include:

- **Agriculture and fisheries (Article 37):** Cooperation in this sector shall take place through “(a) exchange of scientific and technical information and experiences relating to agriculture, forestry, water resources and rural development; (b) reciprocal exchange of experts; (c) organization of training, seminars, conferences and meetings, in either of both countries; (d) establishment of direct joint activities between the respective institutions; (e) encouragement of investment and trade on agricultural production, processing and marketing in both countries and in other markets. provisions for modernization of infrastructures and of equipment; the development of packaging, storage and marketing techniques; and the improvement of distribution channels (with a focus on closer relations on a voluntary basis between business groups and organizations representing trades and professions; technical assistance and training; harmonization of phytosanitary and veterinary standards; and cooperation among rural regions and exchange of experience and know-how concerning rural development)”.

In addition, Article 37 states that the Parties shall examine the possibility of concluding a separate *cooperation agreement* for the agricultural sector.

- **Cooperation in Services:** Recognizing the growing significance of trade in services, Article 38 lays out the target to gradually broaden cooperation in this sector, particularly in the context of the Euro-Mediterranean Partnership. The goal is to progressively liberalize and mutually open the Parties’ markets for trade in services, taking into account the General Agreement on Trade and Services (GATS) and multilateral trade negotiations with that respect.
- With this background, means of cooperation shall be discussed in the framework of Joint Committee meetings.
- **Cooperation in Tourism:** As identified in Article 39 of IFTA, priorities for cooperation shall be (a) promoting investments in tourism; (b) improving the knowledge of the tourist industry and ensuring greater consistency of policies affecting tourism; (c) making tourism more competitive through support for increased professionalism ensuring the balanced and sustainable development of tourism.

Customs cooperation and rules of origin

Article 40 emphasizes that customs cooperation shall take place through (a) various forms of exchange of information and training schemes and (b) technical assistance provided by experts from Turkish side”, with the objective to ensure the observation of the provisions on trade and fair trading. Furthermore, both Parties agree that harmonized European preferential rules of origin shall be applied in the mutual trade (Article 20). Thus, Protocol II lays down the rules of origin, proof of origin (EUR1) and arrangements for administrative cooperation regarding mutual assistance, the verification of proof of origin, dispute settlement, penalties and free zones.

Public Procurement

Article 27 lays down the objective of reciprocally and progressively “opening up of the award of public contracts”, as well as granting access to contract award procedures to companies from both countries and based on non-discrimination. The Parties must also ensure non-discrimination with respect to the conditions under which commercial state monopolies procure and market goods (Article 26).

Trade remedies (safeguards and anti-dumping measures)

In case of an imported product causing serious disturbance to the markets or domestic production, Article 17 of IFTA lays down the application of emergency actions. Article 9 refers to the application of safeguards on agricultural products in particular.

If a party finds that dumping, within the meaning of Article VI of GATT 1994, is taking place, Article 16 of the agreement includes the terms of taking necessary anti-dumping measures.

Trade remedies are implemented in line with the procedures specified in Article 22:

“1. Before initiating the procedure for the application of measures set out in this Article, the Parties shall endeavour to solve any differences between themselves through direct consultations, and shall inform the other Party thereof.

2. (...) The Party concerned shall provide the Joint Committee with all relevant information and give it the assistance required to examine the case. Consultations between the Parties shall take place without delay in the Joint Committee with a view to finding a commonly acceptable solution.

3. If, within one month of the matter being referred to the Joint Committee, the Party in question fails to put an end to the practice objected to or to the difficulties notified and in the absence of a decision by the Joint Committee in the matter, the concerned Party may adopt the measures it considers necessary to remedy the situation.

4. The measures taken shall be notified immediately to the Joint Committee. They shall be restricted, with regard to their extent and to their duration, to what is strictly necessary in order to rectify the situation giving rise to their application and shall not be in excess of the damage caused by the practice or the difficulty in question. Priority shall be given to such measures that will least disturb the functioning of this Agreement.

5. The measures taken shall be the subject of regular consultations within the Joint Committee with a view to their relaxation, or abolition when conditions no longer justify their maintenance.

6. Where exceptional circumstances requiring immediate action make prior examination impossible, the Party concerned may (...) apply forthwith the precautionary measures strictly necessary to remedy the situation. The measures shall be notified without delay to the Joint Committee and consultations between the Parties to this Agreement shall take place within the Joint Committee.”

Competition

Article 24 of IFTA lays down rules prohibiting any practice, including agreements between undertakings and associations and state aid that prevent, restrict or distort competition and/or lead to abuse of dominant position. Any such practice is to be assessed on the basis of transparency in the area of state aid and in conformity with the procedures laid down in the Parties’ agreements with the European Communities. If the Parties consider that such a practice is taking place, consultation within the Joint Committee shall take place and appropriate measures shall be adopted.

Intellectual, industrial and commercial property

In line with Article 25, the “Parties shall grant and ensure adequate effective protection of intellectual, industrial and commercial property rights in line with the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) and other international Agreements”. Within the framework of the Joint Committee, the Parties shall regularly review the implementation of this article and find solutions where the implementation is not taking place.

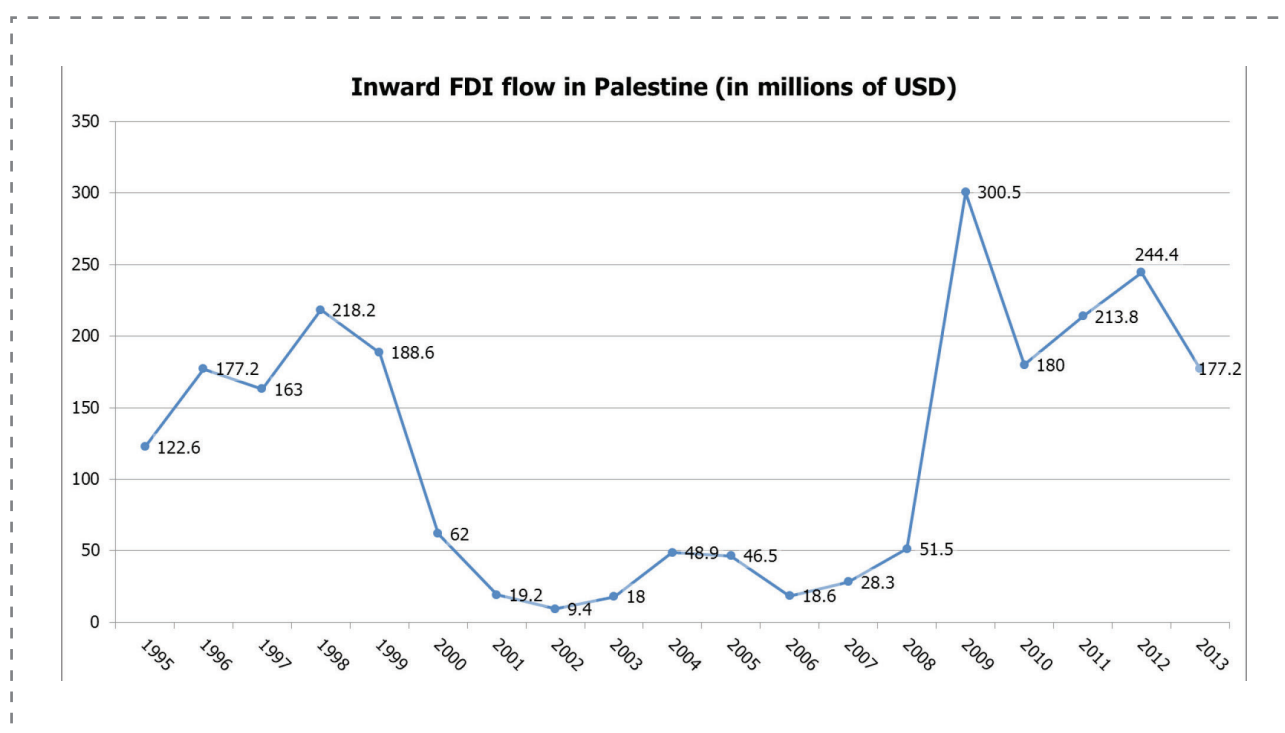
Foreign direct investment

FDI plays an important role in generating additional gains from deep integration because it is an important channel for productivity change via technology and know-how transfers, quality improvement and specialisation. Palestine has created a framework of economic laws to encourage and support foreign and local investment in Palestine. The implementing agency is the Palestinian Investment Promotion Agency (PIPA). These laws have been drafted to help protect potential investors from undue risk and to promote the profitability of their investment. The “Law on the Encouragement of Investment in Palestine. Law No. (1) of 1998” and amendment to this in the “Presidential Decree No. (7) for the year 2014” encourage capital investment in all sectors of the Palestinian economy by both local and foreign corporations registered to do business in Palestine.

As illustrated in Figure 16 below, FDI inflows in Palestine have been very low between 2000 and 2008. With a value of 300 million USD, FDI flows reached a peak in 2009. In 2013, the value of FDIs in Palestine was 177.2 million USD. Financial intermediation and services and transport attracted almost all this FDI. Jordan and Qatar have been the predominant sources of this FDI, followed by Egypt, USA, United Arab Emirates and other countries.

These figures suggest that the role of FDI as a channel of deep integration is rather limited in Palestine at the moment. This said Article 33 of the Turkey-Palestine IFTA does include definitive provisions for investment cooperation, effective implementation of which would be crucial for FDI-induced deep-integration effects to fructify.

Figure 16: Inward FDI flow in Palestine 1995-2013



Source: UNCTAD

Intra-industry trade

A key indicator of existing deep integration is the degree to which intra-industry trade (IIT) is taking place. IIT is defined as the simultaneous import and export of goods of the same kind. The standard measure of IIT is the Grubel-Lloyd Index (GLI) introduced by Grubel and Lloyd (1975)¹⁶. It measures the overlap of imports and exports at a given aggregation level. Unlike the FKI, the IIT index can be calculated at the disaggregated level for individual sectors, sub-sectors or products. On the basis of these calculations, a summary measure which averages across the selected sectors (or sub-sectors or products) can also be calculated. The value of the GLI ranges between 0 and 1, with higher values indicating greater IIT and potential for deeper integration.

The GLI for trade between countries i and j in good k , is given by:

$$GL_{ij}^k = 1 - \left(\frac{|x_{ij}^k - m_{ij}^k|}{x_{ij}^k + m_{ij}^k} \right)$$

where x_{ij} and m_{ij} denote exports and imports from/by country i to/from country j of commodity k .

The GLI across all goods is given by

$$GL_{ij} = \sum_k GL_{ij}^k \left(\frac{x_{ij}^k + m_{ij}^k}{X_{ij} + M_{ij}} \right) = 1 - \frac{\sum_k |x_{ij}^k - m_{ij}^k|}{X_{ij} + M_{ij}}$$

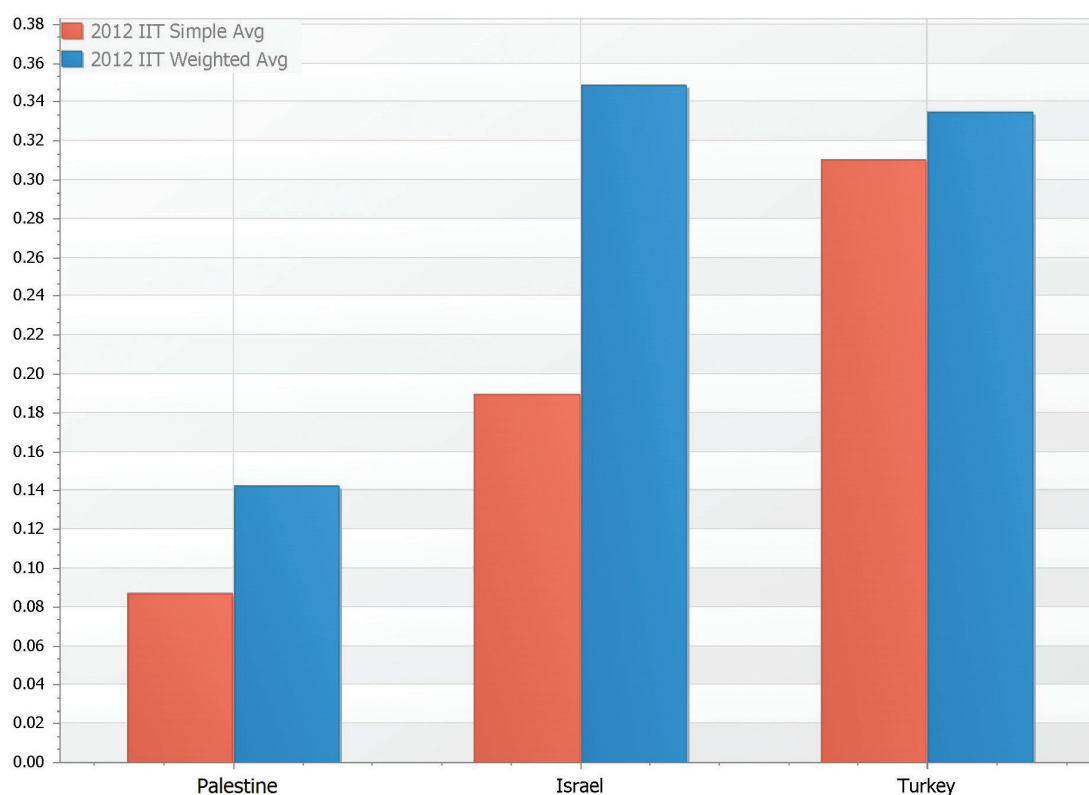
which averages the GLI across all goods. The average GLI can either be weighted by the share of each good in total trade between country i and country j , as in the above formula, or it can be an unweighted average.

The GLI measures what proportion of trade is ‘overlapping’. Looking first at the extreme cases, if all the trade in sector k is one-way trade, so either x_{ij} or m_{ij} is zero, then $GL_{ij}^k = 0$; similarly, if all the trade in every sector is one-way trade, then $GL_{ij} = 0$ i.e. all trade is ‘inter-industry’ trade. At the other extreme, if trade in sector k is equal in both directions, i.e. $x_{ij} = m_{ij}$, then $GL_{ij}^k = 1$; and if trade in every sector is equal in both directions, then $GL_{ij} = 1$ i.e. all trade is ‘intra-industry’ trade.

Additionally, the rate of growth of IIT is also an indicator of the potential for further deep integration. Broadly, IIT takes three forms. First, it is the exchange of similar goods (with the same trade heading) of roughly similar qualities and prices; secondly, it is the exchange of similar goods of different qualities and prices; thirdly, it is the exchange of goods within a trade classification that represents a vertically integrated supply chain (parts for finished or partly finished goods). Each of these represents a way in which economic integration can encourage the niche specialisation that generates productivity gains. These gains represent the main advantages of deep integration and compensate for any losses to trade diversion from shallow integration.

Figure 17 reports the simple average and weighted average GLI for Turkey, Israel and Palestine in 2012 looking at each country’s trade with the world. With the calculated GLI of only 0.286, Palestine lags well behind Israel (0.927) and Turkey (0.784), in the extent of its two-way trade with the world.

Figure 17: Comparative GLIs for Palestine, Israel and Turkey trade with the world (2012)

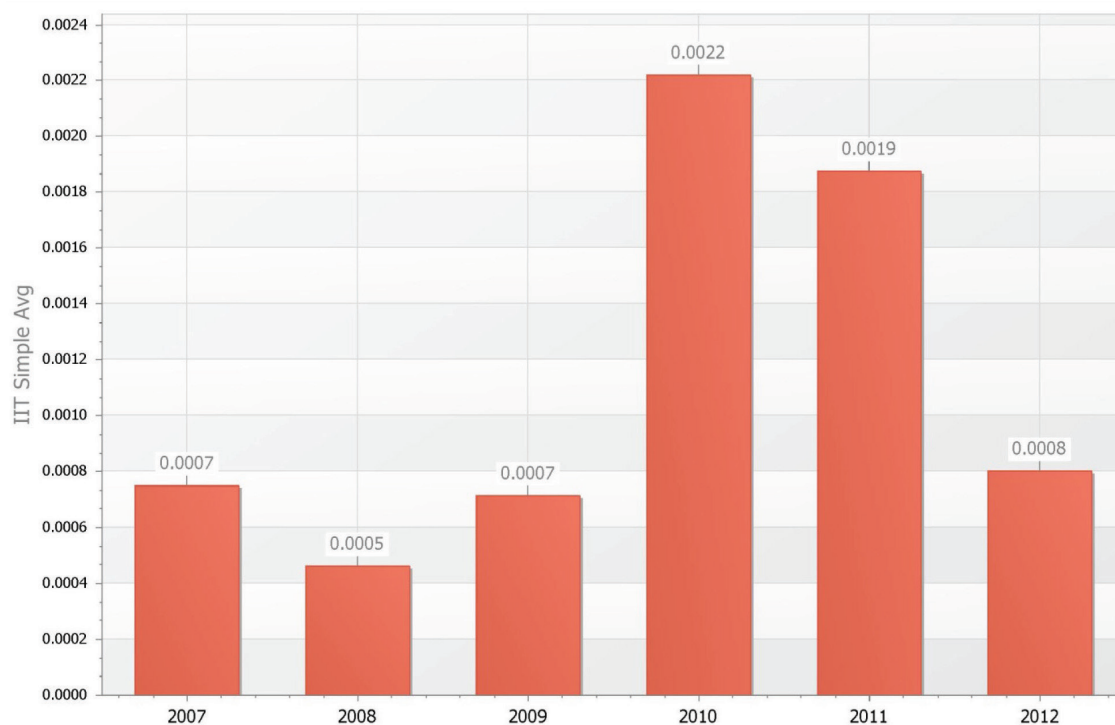


(Source: TradeSift calculations using data from Comtrade 6-Digit)

Next we look at the extent of deep integration in Palestine's trade with Turkey. Figure 18 shows the simple average GLIs over 2007-2012 while Table 18 reports the disaggregated sectoral GLIs over the same time period. The extremely low level of the Palestine-Turkey simple average GLI (less than 0.003) confirms the story from the RCA indicators of little direct overlap between Turkish and Palestinian trade patterns and competitiveness. This said, the decrease of these levels between 2010 and 2012 to a GLI level almost as low as in 2007 underlines that the potential for increased IIT is limited, especially if standards and technical barriers to trade remained in place due to the non-implementation of the Palestine-Turkey IFTA.

Looking now at GLIs for Palestinian exports at the 6-digit level, we find that between 2007 and 2012 there has been IIT in the sectors 410439 (bovine and leather), 491199 (printed matters), 570320 (carpets nylon etc.), 392321 (sacks and bags), 340119 (soaps), 611710 (shawls, scarves, veils etc.), 391722 (tubes of polypropylene), 391990 (self-adhesive plates), 240220 (cigarettes containing tobacco), 441900 (tableware and kitchenware), 610711 (men's underwear), 846410 (sewing machines for stones, ceramics and glass), 701890 (articles of glass) and 110429 (cereals). The GLI levels for the remaining products are insignificant.

Figure 18: Simple average GLI for Palestine-Turkey trade (2007-2012)



(Source: TradeSift calculations using data from Comtrade 6-Digit)

Table 18: GLI levels for Palestinian exports to Turkey (6-digit) between 2007 and 2012

Reporter	Partner	Year	Product	Product Name	IIT
Palestine	Turkey	2009	410439	Bovine and equine leather, nes	0.7306
Palestine	Turkey	2008	410439	Bovine and equine leather, nes	0.3676
Palestine	Turkey	2007	999999	Commodities not specified according to kind	0.7611
Palestine	Turkey	2012	999999	Commodities not specified according to kind	0.0929
Palestine	Turkey	2008	999999	Commodities not specified according to kind	0.0009
Palestine	Turkey	2011	680229	Cut or sawn slabs of stone nes	0.7446
Palestine	Turkey	2010	491199	Printed matter, nes	0.6007
Palestine	Turkey	2012	570320	Carpets nylon, polyamides, tufted	0.5956
Palestine	Turkey	2011	392321	Sacks & bags (including cones) of polymers of ethylene	0.4464
Palestine	Turkey	2010	392321	Sacks & bags (including cones) of polymers of ethylene	0.0001
Palestine	Turkey	2010	340119	Soaps for purposes other than toilet soap, solid	0.3437
Palestine	Turkey	2010	611710	Shawls, scarves, veils etc, textile material, knit	0.3220
Palestine	Turkey	2011	391722	Tube, pipe or hose, rigid, of polypropylene	0.3078
Palestine	Turkey	2011	391990	Self-adhesive plates, sheets, film, plastic, w >20 cm	0.2709
Palestine	Turkey	2012	240220	Cigarettes containing tobacco	0.2177
Palestine	Turkey	2010	441900	Tableware and kitchenware, of wood	0.1864

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Palestine	Turkey	2010	610711	Mens, boys underpants or briefs, of cotton, knit	0.1755
Palestine	Turkey	2011	846410	Sawing machines for stone, ceramics and glass	0.1734
Palestine	Turkey	2010	701890	Articles of glass except jewellery nes, toy glass eyes	0.1685
Palestine	Turkey	2010	110429	Cereals, hulled, pearled, sliced or kibbled nes	0.1059
Palestine	Turkey	2011	701939	Webs, mattresses, other nonwoven fibreglass products	0.0954
Palestine	Turkey	2010	691310	Statuettes & ornamental articles of porcelain or china	0.0952
Palestine	Turkey	2011	392690	Plastic articles nes	0.0928
Palestine	Turkey	2010	392690	Plastic articles nes	0.0007
Palestine	Turkey	2010	750890	Articles of nickel, nes	0.0742
Palestine	Turkey	2010	442010	Statuettes and other ornaments of wood	0.0594
Palestine	Turkey	2010	701339	Glass table or kitchenware, except low expansion glass	0.0453
Palestine	Turkey	2010	121190	Plants & parts, pharmacy, perfume, insecticide use nes	0.0401
Palestine	Turkey	2008	902830	Electricity supply, production and calibrating meters	0.0274
Palestine	Turkey	2010	610439	Womens, girls jackets & blazers, material nes, knit	0.0209
Palestine	Turkey	2010	940350	Bedroom furniture, wooden, nes	0.0184
Palestine	Turkey	2010	150790	Refined soya-bean oil, not chemically modified	0.0154
Palestine	Turkey	2010	090930	Cumin seeds	0.0152
Palestine	Turkey	2010	091099	Spices nes	0.0129
Palestine	Turkey	2011	691490	Articles of ceramics, except porcelain or china, nes	0.0109
Palestine	Turkey	2010	491110	Trade advertising material, catalogues etc.	0.0077
Palestine	Turkey	2010	150910	Olive oil, virgin	0.0055
Palestine	Turkey	2010	830629	Statuettes and other ornaments, base metal, unplated	0.0024
Palestine	Turkey	2010	392510	Plastic reservoirs, tanks, vats, etc, capacity <300l	0.0020
Palestine	Turkey	2010	391740	Fittings for plastic tube, pipe or hose	0.0010
Palestine	Turkey	2010	940370	Furniture, plastic, nes	0.0007
Palestine	Turkey	2010	691090	Ceramic bathroom kitchen sanitary items not porcelain	0.0006
Palestine	Turkey	2010	392410	Plastic table and kitchen ware	0.0001

Source: UN Comtrade via TradeSift

Assessment of non-tariff barriers (NTBs) to trade

An assessment of “behind-the-border” issues and regulatory impediments is necessary to evaluate the possibilities for deep integration in an FTA. It is useful to point out beforehand that provisions targeting most of the “behind-the-border” issues are already included in IFTA, however no clear implementation mechanism for these has been provided for in the agreement.

Export-related measures applied by Palestine

Unfortunately, there is no readily accessible data on impediments that Palestinian exporting firms face in the Turkish market. In addition, because there are only few exporting firms registered at the Union Federation of Palestinian Chambers, data collection through interviews with companies is limited to certain sectors. Thus, it was mentioned by companies that procedures in receiving export certification are burdensome and sometimes inefficient. While procedures in the Ministry of Agriculture in order to receive the Phytosanitary Certificate seem to be smooth (also because the certificate can be obtained in cities other than Ramallah), it is perceived burdensome to receive the Health Certificate at the Ministry of Health (MoH). In order to do so, one company mentioned that it is required to travel to Ramallah because responsible local authorities are not available in all Palestinian cities. The same company mentioned that, while getting approval from the MoH to come and pick up the Health Certificate, it occasionally arrives at the MoH and comes to know that the certificate is not ready yet, and that the company should return the next day.

In order to perform a test analysis of agricultural produce, an agricultural producer reported that there is an inconsistency regarding the test samples required by Palestine Standards Institution (PSI).

The gap in standards and conformity assessment procedures is one of the key concerns of the private sector in Palestine. A glass and ceramics producer mentioned the lack of a standards and regulations in the handicraft sector, which has negatively affected their export capacity. The same company is currently certifying their produce through an Israeli certification body, because there are no accredited certification bodies available.

Turning now to SPS measures, we find that phytosanitary standards in Palestine are high and respective regulations have been implemented in the past years. On the other hand, meat and processed meat exporters are sometimes unable to export due to the lack of sanitary regulations in Palestine. At the same time, it is considered unviable by several public sector representatives to implement respective legislations, due to high related efforts and expenses. However, the National Export Strategy (NES), which identified the processed meat sector as one of the promising sectors in Palestine, has proven otherwise. Moreover, our analysis suggests considerable export potential of processed meat in the Turkish market.

Finally, several companies raised the issue of mismanagement of the Palestinian handicraft sector as a whole. Most handicraft companies are small or medium enterprises with limited export capacities. Without being properly organized, these companies usually ship their goods individually, facing higher cost because of the low shipping load. In many cases, exporters consider it more efficient to send their goods via mail, and other exporters consider it not feasible at all to export to countries with a low demand for Palestinian handicraft, including Turkey.

Import-related measures applied by Turkey¹⁷

Concerning standards and regulations in the food and agricultural sectors, it has been the main goal of Turkey during the past years to harmonize related laws and regulations with the European Union’s *acquis communautaire*. In the scope of harmonizing according to EU standards, Turkey issued in 2010 a new Law no. 5996 on Veterinary Services, Phytosanitary, Food and Feed, with the objective of protecting and ensuring public health, food and feed safety, animal health and welfare, plant health and consumer interests regarding environmental protection. Furthermore, the Turkish government issued Law no 5977 on Biosafety, which covers potential risks related to genetically modified organisms; human, animal and plant health; protection of the environment and biological diversity.¹⁸ In the field of agriculture, many new regulations have been published and enforced different ministries, such as the Ministry of Food, Agriculture and Livestock (MoFAL), Ministry of Finance and Ministry of Health. By way of example, between 2011 and 2014, around a hundred implementing regulations of Law no. 5996 were published and enforced by MoFAL.

Unfortunately, Turkey’s efforts to harmonize its national laws on food safety with European Union regulations sometimes lead to non-transparency and confusion among firms exporting to Turkey. Turkey has failed in notifying or consulting with its trading partners about new regulatory requirements and methods of enforcement. In addition, due to the lack of guidelines for the enforcement of rules, some Turkish provinces may already apply certain regulations while others don’t, which creates additional confusion among exporters. Unawareness and confusion about regulatory requirements has reportedly resulted in additional cost to exporters.

¹⁷ This section strongly relies on US Trade Representative (URL: <http://www.ustr.gov/sites/default/files/2013%20NTE%20Turkey%20Final.pdf>)

¹⁸ Source: USDA Foreign Agricultural Service (URL: http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative_Ankara_Turkey_5-14-2014.pdf)

Regarding export documentation, exporters have reported on many occasions that shipments were held up at ports due to onerous, inconsistent and non-transparent documentation requirements for the import of food products.

Palestinian exporters should be aware that the harmonization of laws has increased Turkish standards, particularly in the field of health, food and bio-safety, and imposed stricter regulatory requirements on products imported into Turkey. Furthermore, exporting firms are required to frequently inform themselves about new introduced regulations.

There seems to be a general lack of transparency in Turkey's import licensing system for agricultural imports, leading to costly delays, demurrage charges and other uncertainties: Exporting firms in the agricultural sector have reported difficulties in obtaining import licenses during certain seasons, especially the domestic harvest season for products competing with domestic produce.

As for alcoholic beverages and tobacco, the company Tekel (state-owned until 2008) was for many years the sole manufacturer and distributor of all alcohol and tobacco products in Turkey. Although Tekel is no longer a monopoly, it seems that it still maintains a certain control over taxing and distribution of these products in Turkey. For this reason, compared to domestic producers, firms exporting to Turkey are facing inordinately high tariffs and taxes.

Pharmaceutical exporting firms have reported difficulties in exporting to Turkey, because, in the framework of the Turkish government's reimbursement system, the government requests very high discounts from pharmaceutical suppliers.

Revealed Market Access

Another way of assessing NTBs in these markets is to look at Revealed Market Access (RMA) indicators. For any given country, the RMA compares the level of market access into a particular economy with a comparator economy (e.g. Palestine's access to Turkey compared with its access to the world). The level of exports into a given market will, in good part, depend on the size of that market. So in comparing exports across two markets we need to control (or normalise) for this. In our analysis, we do this on the basis of the total level of their imports¹⁹.

An RMA greater than 1 indicates that the normalised value of exports for a given product is greater in one market relative to the other market and conversely for values of the index less than one. While the RMA controls for the level of demand in the receiving country through total imports, there are various other reasons which might result in trade in particular products being relatively higher to one market than another. These factors may depend on the nature of the product in question but can also include distance, previous colonial ties, common language, levels of trade facilitation and the existence of trade barriers especially NTBs. If we choose the source and destination countries carefully, we can also control for most of the other geographic and historical factors so that significant differences in market access between two destinations (RMA values significantly less or more than 1) are either product-specific or due to NTBs.

For the purpose of our analysis, we look at RMA indicators of Palestine's exports to Turkey compared to its exports to the world.

Thus, we assume that the costs in terms of distance for Palestinian firms exporting to Turkey are similar to the costs of exporting to the rest of the world. Calculating now RMA values for Palestine's top 10 exports to Turkey at the HS 1996 6-digit level, Table 19 illustrates that the RMA levels are, except for cigarettes, higher than 1. This suggests that the level of access for Palestine's exports in these sectors is relatively high for Turkey compared to the world.

Table 19: RMA values for Palestinian exports to Turkey compared to the world* (2012)

Product	Product Name	RMA	Exports PSE→TUR	Exports PSE→WLD
80410	Dates, fresh or dried	8.731129	497.08	4048.481
240220	Cigarettes containing tobacco	0.3831077	155.32	28829.722
410110	Bovine skins, whole, raw	10.639673	99.1	662.32
581099	Embroidery of natural textile fibres except cotton	10.941462	36.37	236.367
570320	Carpets nylon, polyamides, tufted	5.3233051	27.55	368.064
950490	Articles for funfair, table and parlour games, nes	2.0078809	17.6	623.492

Source: UN Comtrade via TradeSift

*Based on top 10 Palestinian exports to Turkey in 2012

$$RMA_{ij_1j_2}^k = \left(\frac{x_{ij_1}^k}{x_{jk_2}^i} \right) \left(\frac{\sum_i M_{j_2}}{\sum_i M_{j_1}} \right)$$

¹⁹ where k is the industry, i is the origin country and j1 and j2 are the destination countries.

Conclusion

While Palestine has accounted only for 0.001% of Turkey's imports and 0.19% of its exports in 2013, Turkey has been a more significant trade partner for Palestine: 0.33% of Palestinian exports are directed to the Turkish market. Furthermore, with 5.6% share of Palestinian imports, Turkey represents the third largest trade partner exporting to Palestine. In line with Rule of Thumb 5, this suggests that, in the event of further trade liberalization and based on Turkish export elasticities, there is likelihood of trade creation for Turkish exports in Palestine.

Now while the IFTA may well serve to increase the share of Turkey in the Palestinian market, the likelihood of trade effects for Palestine from shallow integration under IFTA seems to be low: Because Palestine has accounted only for a low share of Turkish imports, Rule of Thumb 5 suggests that the scope for trade creation for Palestinian exports in Turkey is limited. Furthermore, as revealed by the low FKI level calculated for the two economies, the lack of similarity between the production structures in Turkey and Palestine suggests there is little scope for trade creation on both sides (Rule of Thumb 4).

Rule of Thumb 3 suggests that the wider the differences in comparative advantage between partner countries, the more likely it is that the FTA enhances welfare. Our RCA analysis has revealed little similarity in patterns of comparative advantage between for Palestine and Turkey, which in turn suggests the likelihood of IFTA enhancing welfare in both countries.

Our tariff analysis shows that at the total trade level, Israeli and Turkish tariffs have been low. In line with Rule of Thumb 1, this would suggest that the extent of trade creation for Palestine and Turkey under IFTA is low. However, a deeper analysis of certain products and tariff lines reveals that there is considerable potential for trade creation for both countries.

As discussed above, Palestine's tariff policy is the same as applied in Israel, which considerably limits the scope of tariff measures that can be undertaken by Palestine. However, there are two sectors considered in the Protocol on Economic Relations between Israel and Palestine ("Paris Protocol"), for which Palestine may determine tariffs independently from Israeli customs duties:

- 1101 (wheat and meslin flour)
- 1001 (wheat and meslin)

Concerning 1101 (wheat and meslin flour), Turkey currently exports at a low tariff rate of 6%, which suggests relatively low likelihood of shallow integration induced trade effects (Rule of Thumb 1). On the other hand, Turkey supplies a staggering 19% of Palestine's imports in this sector, which suggests that exemption from tariffs under IFTA is likely to enhance welfare in Palestine because of the reduction of import prices (Rule of Thumb 5). Furthermore, because in this sector Turkey is competing with Israel (which supplies 75.5% of Palestine's imports), trade liberalization under IFTA is likely to divert trade away from Israel towards Turkey (Rule of Thumb 6).

As for 1001 (wheat and meslin), the only exporter for Palestine is Israel. Considering that Turkey currently exports this product to Israel at a 25% tariff rate, the liberalization of trade in this sector is likely to create trade for Turkish exporters. In this case, the liberalization of tariffs for this product is likely to enhance welfare, because Palestine will import the product from the most efficient supplier (Rule of Thumb 5). Thus, trade is likely to divert away from Israel and towards Turkey (Rule of Thumb 6).

Looking at Turkey's applied tariffs on imports from the world, we find that average tariffs in chapters 1-24 of the Harmonized System (agricultural and processed agricultural products) are considerably higher than for chapters 25-97. Therefore, exempting Palestinian export products in chapters 1-24 will give Palestine a competitive edge vis-à-vis other exporting countries that are excluded from preferential treatment. The boost in trade of dates since Turkey applied preferential tariff treatment in 2012 is an excellent example therefor.

Having said this, the analysis on tariffs, tariff peaks, comparative advantage as well as the potential demand in the Turkish market suggests that the reduction of Turkish tariffs is likely to cause trade effects in the following sectors:

- 240220: cigarettes
- 160100: sausages/processed meat
- 121190: plants and parts thereof
- 091099: spices
- 071190: vegetables and mixtures, prov. preserved

In each sector we have identified high tariff rates applied by Turkey, which, in line with Rule of Thumb 1, suggests high likelihood for shallow integration induced trade effects: Turkish applied tariff rates on Palestine and most other countries are 26% for 071190 (vegetables and mixtures, preserved), 30% for 121190 (plants) and 091099 (spices) and 96% for 160100 (sausages). For 240220 (cigarettes), Palestine faces relatively high tariffs (42%) compared to the world (13%). Thus, it is important to mention that from Turkey's perspective, Palestine is the most important supplier of this product. Trade liberalization might therefore imply enhanced welfare in Turkey (Rule of Thumb 5), and shifting trade away from Palestine's competitors (e.g. Switzerland, Poland and Jordan) towards Palestine (Rule of Thumb 6).

For all of the above mentioned products we have identified very high RCAs for 2012, with relatively low comparative RCAs for Turkey, whereas Turkey has even a comparative disadvantage for 160100 (sausages) and 121190 (plants). Furthermore, based on Turkish import data, the Turkish demand seems to be high in the sectors 121190 (plants), 091099 (spices) and 071190 (vegetables and mixtures, provisionally preserved).

Finally, we turn our attention towards the FTA that Turkey concluded with Israel. The agreement contains an extensive list of products (for details please refer to Annex VI), for which Turkey exempts/reduces customs duties on Israeli exports falling within chapters 1-24 of the HS. This list may, consequently, constitute a basis for further trade liberalization under the Palestine-Turkey IFTA. Table 20 shows therefore the list of products that Israel exports to Turkey under preferential tariff treatment and Palestine's export potential in these sectors according to its exported value to the world in 2012:

Table 20: Israeli exports receiving preferential tariff treatment under the Israel-Turkey FTA and Palestinian world exports in these sectors (2012)

Product	Product Name	Exports Value PSE>WLD ('000s USD)	Exports Share PSE>WLD
080440	Avocados, fresh or dried	428.80	0.055%
080450	Guavas, mangoes and mangosteens, fresh or dried	1,224.14	0.156%
081090	Fruits, fresh nes	0.00	0.000%
120991	Seed, vegetable, nes for sowing	136.56	0.017%
180631	Chocolate, cocoa preps, block, slab, bar, filled, ...	4,562.58	0.583%
180632	Chocolate, cocoa prep, block/slab/bar, not filled,...	660.13	0.084%
180690	Chocolate/cocoa food preparations nes	0.00	0.000%
190410	Cereal foods obtained by swelling, roasting of cer...	25.72	0.003%
190540	Rusks, toasted bread and similar toasted products	494.01	0.063%
190590	Communion wafers, rice paper, bakers wares nes	179.83	0.023%
200540	Peas, prepared or preserved, not frozen/vinegar	18.61	0.002%
200559	Beans nes, prepared or preserved, not frozen/vineg...	317.16	0.041%
200580	Sweet corn, prepared or preserved, not frozen/vine...	114.42	0.015%
200911	Orange juice, frozen, not fermented or spirited	0.00	0.000%
210111	Coffee extracts, essence	0.00	0.000%
210610	Protein concentrates and textured protein substanc...	0.00	0.000%
220300	Beer made from malt	467.54	0.060%
220860	Vodka	36.27	0.005%
230910	Dog or cat food (retail)	2.26	0.000%
230990	Animal feed preparations nes	325.74	0.042%
290543	Mannitol	0.00	0.000%
330210	Mixed odoriferous substances - food & drink indust...	121.54	0.016%

As illustrated, Palestine exports in most sectors listed in the table, and the following products are relatively strong in terms of exported value:

- 180631 and 180632 (chocolate and cocoa preparations)
- 080450 (fresh or dried guavas/mangos)
- 190540 (rusks, toasted bread)
- 220300 (beer)
- 080440 (avocados)
- 200559 (beans)
- 230990 (animal feed preparations)

Trade liberalization under IFTA will be essential to facilitate and enhance Palestinian exports in these sectors.

In addition, in order to create trade, tariff measures must go along with behind-the-border measures. As discussed above, the Palestine-Turkey IFTA provides a far-reaching coverage to several instruments of deep integration, in particular, investment cooperation, SMEs, standards, cooperation in agriculture & fisheries, services and tourism, customs cooperation, and provisions on competition, intellectual property rights, sanitary and phytosanitary standards, public procurement, trade remedies and rules of origin. Despite a wide range of such measures included in the agreement, our analysis suggests that behind-the-border barriers remain both on the Palestinian and Turkish side.

The most significant NTBs regarding export-related measures seems to be the gap in standards and conformity assessment procedures as well as the perceived red tape in order to receive export certification. Furthermore, a number of Turkish applied import-related measures are impeding Palestinian exporters: Turkey's efforts to harmonize its national laws on food safety with EU regulations have led to unawareness and confusion about many of the recently implemented regulations and methods of enforcement in the different Turkish provinces. Moreover, there seems to be non-transparency regarding required export documentation and Turkey's import licensing system for agricultural imports. Further impediments were reported for the alcoholic beverages and tobacco sector, where taxing and distribution mechanisms are clearly in favor of domestic production in the sector.

Appendices

Annex I: HS – Combined 2-digit product codes and descriptions

Product Code	HS - Combined Product Description
1	LIVE ANIMALS
2	MEAT AND EDIBLE MEAT OFFAL
3	FISH AND CRUSTACEANS, MOLLUSCS AND OTHER AQUATIC INVERTEBRATES
4	DAIRY PRODUCE; BIRDS' EGGS; NATURAL HONEY; EDIBLE PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED OR INCLUDED
5	PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED OR INCLUDED
6	LIVE TREES AND OTHER PLANTS; BULBS, ROOTS AND THE LIKE; CUT FLOWERS AND ORNAMENTAL FOLIAGE
7	EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS
8	EDIBLE FRUIT AND NUTS; PEEL OF CITRUS FRUIT OR MELONS
9	COFFEE, TEA, MATÉ AND SPICES
10	CEREALS
11	PRODUCTS OF THE MILLING INDUSTRY; MALT; STARCHES; INULIN; WHEAT GLUTEN
12	OIL SEEDS AND OLEAGINOUS FRUITS; MISCELLANEOUS GRAINS, SEEDS AND FRUIT; INDUSTRIAL OR MEDICINAL PLANTS; STRAW AND FODDER
13	LAC; GUMS, RESINS AND OTHER VEGETABLE SAPS AND EXTRACTS
14	VEGETABLE PLAITING MATERIALS; VEGETABLE PRODUCTS NOT ELSEWHERE SPECIFIED OR INCLUDED
15	ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVAGE PRODUCTS; PREPARED EDIBLE FATS; ANIMAL OR VEGETABLE WAXES
16	PREPARATIONS OF MEAT, OF FISH OR OF CRUSTACEANS, MOLLUSCS OR OTHER AQUATIC INVERTEBRATES
17	SUGARS AND SUGAR CONFECTIONERY
18	COCOA AND COCOA PREPARATIONS
19	PREPARATIONS OF CEREALS, FLOUR, STARCH OR MILK; PASTRYCOOKS' PRODUCTS
20	PREPARATIONS OF VEGETABLES, FRUIT, NUTS OR OTHER PARTS OF PLANTS
21	MISCELLANEOUS EDIBLE PREPARATIONS
22	BEVERAGES, SPIRITS AND VINEGAR
23	RESIDUES AND WASTE FROM THE FOOD INDUSTRIES; PREPARED ANIMAL FODDER
24	TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES
25	SALT; SULPHUR; EARTHS AND STONE; PLASTERING MATERIALS, LIME AND CEMENT
26	ORES, SLAG AND ASH
27	MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES
28	INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUNDS OF PRECIOUS METALS, OF RARE-EARTH METALS, OF RADIOACTIVE ELEMENTS OR OF ISOTOPES
29	ORGANIC CHEMICALS

30	PHARMACEUTICAL PRODUCTS
31	FERTILISERS
32	TANNING OR DYEING EXTRACTS; TANNINS AND THEIR DERIVATIVES; DYES, PIGMENTS AND OTHER COLOURING MATTER; PAINTS AND VARNISHES; PUTTY AND OTHER MASTICS; INKS
33	ESSENTIAL OILS AND RESINOIDS; PERFUMERY, COSMETIC OR TOILET PREPARATIONS
34	SOAP, ORGANIC SURFACE-ACTIVE AGENTS, WASHING PREPARATIONS, LUBRICATING PREPARATIONS, ARTIFICIAL WAXES, PREPARED WAXES, POLISHING OR SCOURING PREPARATIONS, CANDLES AND SIMILAR ARTICLES, MODELLING PASTES, 'DENTAL WAXES' AND DENTAL PREPARATION
35	ALBUMINOIDAL SUBSTANCES; MODIFIED STARCHES; GLUES; ENZYMES
36	EXPLOSIVES; PYROTECHNIC PRODUCTS; MATCHES; PYROPHORIC ALLOYS; CERTAIN COMBUSTIBLE PREPARATIONS
37	PHOTOGRAPHIC OR CINEMATOGRAPHIC GOODS
38	MISCELLANEOUS CHEMICAL PRODUCTS
39	PLASTICS AND ARTICLES THEREOF
40	RUBBER AND ARTICLES THEREOF
41	RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER
42	ARTICLES OF LEATHER; SADDLERY AND HARNESS; TRAVEL GOODS, HANDBAGS AND SIMILAR CONTAINERS; ARTICLES OF ANIMAL GUT (OTHER THAN SILKWORM GUT)
43	FURSKINS AND ARTIFICIAL FUR; MANUFACTURES THEREOF
44	WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL
45	CORK AND ARTICLES OF CORK
46	MANUFACTURES OF STRAW, OF ESPARTO OR OF OTHER PLAINTING MATERIALS; BASKETWARE AND WICKERWORK
47	PULP OF WOOD OR OF OTHER FIBROUS CELLULOSIC MATERIAL; RECOVERED (WASTE AND SCRAP) PAPER OR PAPERBOARD
48	PAPER AND PAPERBOARD; ARTICLES OF PAPER PULP, OF PAPER OR OF PAPERBOARD
49	PRINTED BOOKS, NEWSPAPERS, PICTURES AND OTHER PRODUCTS OF THE PRINTING INDUSTRY; MANUSCRIPTS, TYPESCRIPTS AND PLANS
50	SILK
51	WOOL, FINE OR COARSE ANIMAL HAIR; HORSEHAIR YARN AND WOVEN FABRIC
52	COTTON
53	OTHER VEGETABLE TEXTILE FIBRES; PAPER YARN AND WOVEN FABRICS OF PAPER YARN
54	MAN-MADE FILAMENTS; STRIP AND THE LIKE OF MAN-MADE TEXTILE MATERIALS
55	MAN-MADE STAPLE FIBRES
56	WADDING, FELT AND NONWOVENS; SPECIAL YARNS; TWINE, CORDAGE, ROPES AND CABLES AND ARTICLES THEREOF
57	CARPETS AND OTHER TEXTILE FLOOR COVERINGS
58	SPECIAL WOVEN FABRICS; TUFTED TEXTILE FABRICS; LACE; TAPESTRIES; TRIMMINGS; EMBROIDERY
59	IMPREGNATED, COATED, COVERED OR LAMINATED TEXTILE FABRICS; TEXTILE ARTICLES OF A KIND SUITABLE FOR INDUSTRIAL USE
60	KNITTED OR CROCHETED FABRICS
61	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, KNITTED OR CROCHETED
62	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHETED

63	OTHER MADE-UP TEXTILE ARTICLES; SETS; WORN CLOTHING AND WORN TEXTILE ARTICLES; RAGS
64	FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES
65	HEADGEAR AND PARTS THEREOF
66	UMBRELLAS, SUN UMBRELLAS, WALKING STICKS, SEAT-STICKS, WHIPS, RIDING-CROPS AND PARTS THEREOF
67	PREPARED FEATHERS AND DOWN AND ARTICLES MADE OF FEATHERS OR OF DOWN; ARTIFICIAL FLOWERS; ARTICLES OF HUMAN HAIR
68	ARTICLES OF STONE, PLASTER, CEMENT, ASBESTOS, MICA OR SIMILAR MATERIALS
69	CERAMIC PRODUCTS
70	GLASS AND GLASSWARE
71	NATURAL OR CULTURED PEARLS, PRECIOUS OR SEMI-PRECIOUS STONES, PRECIOUS METALS, METALS CLAD WITH PRECIOUS METAL, AND ARTICLES THEREOF; IMITATION JEWELLERY; COIN
72	IRON AND STEEL
73	ARTICLES OF IRON OR STEEL
74	COPPER AND ARTICLES THEREOF
75	NICKEL AND ARTICLES THEREOF
76	ALUMINIUM AND ARTICLES THEREOF
78	LEAD AND ARTICLES THEREOF
79	ZINC AND ARTICLES THEREOF
80	TIN AND ARTICLES THEREOF
81	OTHER BASE METALS; CERMETS; ARTICLES THEREOF
82	TOOLS, IMPLEMENTS, CUTLERY, SPOONS AND FORKS, OF BASE METAL; PARTS THEREOF OF BASE METAL
83	MISCELLANEOUS ARTICLES OF BASE METAL
84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF
85	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES
86	RAILWAY OR TRAMWAY LOCOMOTIVES, ROLLING STOCK AND PARTS THEREOF; RAILWAY OR TRAMWAY TRACK FIXTURES AND FITTINGS AND PARTS THEREOF; MECHANICAL (INCLUDING ELECTROMECHANICAL) TRAFFIC SIGNALLING EQUIPMENT OF ALL KINDS
87	VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STOCK, AND PARTS AND ACCESSORIES THEREOF
88	AIRCRAFT, SPACECRAFT, AND PARTS THEREOF
89	SHIPS, BOATS AND FLOATING STRUCTURES
90	OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF
91	CLOCKS AND WATCHES AND PARTS THEREOF
92	MUSICAL INSTRUMENTS; PARTS AND ACCESSORIES OF SUCH ARTICLES
93	ARMS AND AMMUNITION; PARTS AND ACCESSORIES THEREOF
94	FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS, CUSHIONS AND SIMILAR STUFFED FURNISHINGS; LAMPS AND LIGHTING FITTINGS, NOT ELSEWHERE SPECIFIED OR INCLUDED; ILLUMINATED SIGNS, ILLUMINATED NAMEPLATES AND THE LIKE; PREFABRICATED BUILDINGS
95	TOYS, GAMES AND SPORTS REQUISITES; PARTS AND ACCESSORIES THEREOF
96	MISCELLANEOUS MANUFACTURED ARTICLES
97	WORKS OF ART, COLLECTORS' PIECES AND ANTIQUES

Annex II: Geographical distribution of Turkey's imports and exports 1996-2013

Partner	Year	Imports Value ('000s USD)	Exports Value ('000s USD)	Imports share	Exports share
World	1996	42,930,274.30	23,047,716.86	100.00%	100.00%
World	1997	48,585,060.35	26,244,683.78	100.00%	100.00%
World	1998	45,908,185.09	26,881,361.92	100.00%	100.00%
World	1999	40,686,712.28	26,587,173.65	100.00%	100.00%
World	2000	54,149,795.28	27,485,359.10	100.00%	100.00%
World	2001	41,399,079.44	31,333,944.40	100.00%	100.00%
World	2002	51,270,195.62	35,761,981.31	100.00%	100.00%
World	2003	69,339,692.06	47,252,836.30	100.00%	100.00%
World	2004	97,539,765.97	63,120,948.80	100.00%	100.00%
World	2005	116,774,150.90	73,476,408.14	100.00%	100.00%
World	2006	139,576,174.10	85,534,675.52	100.00%	100.00%
World	2007	170,062,714.50	107,271,749.90	100.00%	100.00%
World	2008	201,960,779.40	132,002,384.60	100.00%	100.00%
World	2009	140,869,013.40	102,138,525.70	100.00%	100.00%
World	2010	185,541,036.70	113,979,451.80	100.00%	100.00%
World	2011	240,838,853.40	134,915,252.00	100.00%	100.00%
World	2012	236,544,494.20	152,536,652.60	100.00%	100.00%
World	2013	251,650,642.00	151,796,483.80	100.00%	100.00%
EU	1996	23,924,672.17	12,699,920.98	55.73%	55.10%
EU	1997	26,135,137.30	13,698,160.39	53.79%	52.19%
EU	1998	25,304,763.40	15,022,352.66	55.12%	55.88%
EU	1999	22,559,903.17	15,701,589.87	55.45%	59.06%
EU	2000	28,394,025.05	15,842,564.28	52.44%	57.64%
EU	2001	19,847,853.49	17,776,405.04	47.94%	56.73%
EU	2002	25,675,433.89	20,523,312.73	50.08%	57.39%
EU	2003	35,191,320.38	27,803,541.89	50.75%	58.84%
EU	2004	48,169,560.26	37,155,427.43	49.38%	58.86%
EU	2005	52,826,849.18	42,288,875.01	45.24%	57.55%
EU	2006	59,501,281.83	49,034,993.08	42.63%	57.33%
EU	2007	68,749,588.55	61,686,290.66	40.43%	57.50%
EU	2008	74,958,839.17	64,779,540.09	37.12%	49.07%
EU	2009	56,720,853.86	47,984,980.76	40.26%	46.98%
EU	2010	72,512,090.75	53,958,842.14	39.08%	47.34%
EU	2011	91,518,785.11	63,614,828.47	38.00%	47.15%
EU	2012	87,731,818.80	60,442,545.64	37.09%	39.62%
EU	2013	92,511,902.09	64,148,090.46	36.76%	42.26%
GAFTA	1996	3,846,751.73	2,667,398.79	8.96%	11.57%
GAFTA	1997	3,658,293.49	2,661,418.60	7.53%	10.14%
GAFTA	1998	2,732,631.56	3,021,774.27	5.95%	11.24%
GAFTA	1999	2,456,262.90	2,802,371.00	6.04%	10.54%
GAFTA	2000	4,038,324.48	2,373,136.86	7.46%	8.63%
GAFTA	2001	3,556,579.88	2,875,729.02	8.59%	9.18%

ASSESSING PALESTINIAN - TURKISH TRADE RELATIONS

GAFTA	2002	3,603,168.24	3,141,022.88	7.03%	8.78%
GAFTA	2003	4,257,164.60	4,951,782.79	6.14%	10.48%
GAFTA	2004	5,697,661.70	7,386,894.62	5.84%	11.70%
GAFTA	2005	7,329,015.12	9,548,687.02	6.28%	13.00%
GAFTA	2006	8,352,365.33	10,712,022.45	5.98%	12.52%
GAFTA	2007	7,941,262.18	14,317,635.63	4.67%	13.35%
GAFTA	2008	11,792,263.53	24,649,082.95	5.84%	18.67%
GAFTA	2009	7,620,783.72	20,937,594.56	5.41%	20.50%
GAFTA	2010	10,232,710.47	22,908,462.78	5.52%	20.10%
GAFTA	2011	8,685,696.80	25,500,522.40	3.61%	18.90%
GAFTA	2012	10,534,030.59	36,098,173.07	4.45%	23.67%
GAFTA	2013	12,411,704.51	34,840,398.24	4.93%	22.95%
Russia	1996	1,900,218.37	1,494,434.05	4.43%	6.48%
Russia	1997	2,174,235.39	2,056,470.27	4.48%	7.84%
Russia	1998	2,154,971.14	1,347,468.93	4.69%	5.01%
Russia	1999	2,374,101.32	588,603.29	5.84%	2.21%
Russia	2000	3,879,865.94	639,078.71	7.17%	2.33%
Russia	2001	3,435,672.62	924,106.73	8.30%	2.95%
Russia	2002	3,863,179.28	1,168,309.27	7.53%	3.27%
Russia	2003	5,451,315.44	1,367,590.91	7.86%	2.89%
Russia	2004	9,033,138.48	1,859,186.55	9.26%	2.95%
Russia	2005	12,905,619.88	2,377,049.94	11.05%	3.24%
Russia	2006	17,806,238.76	3,237,611.32	12.76%	3.79%
Russia	2007	23,508,494.29	4,726,853.15	13.82%	4.41%
Russia	2008	31,364,476.86	6,481,480.10	15.53%	4.91%
Russia	2009	19,718,966.64	3,202,372.95	14.00%	3.14%
Russia	2010	21,599,568.76	4,631,496.35	11.64%	4.06%
Russia	2011	23,952,931.14	5,992,714.93	9.95%	4.44%
Russia	2012	26,625,026.98	6,682,989.62	11.26%	4.38%
Russia	2013	25,064,213.88	6,964,747.68	9.96%	4.59%
USA	1996	3,287,569.41	1,616,792.32	7.66%	7.01%
USA	1997	4,329,596.93	2,027,092.10	8.91%	7.72%
USA	1998	4,043,450.62	2,228,525.06	8.81%	8.29%
USA	1999	3,080,263.18	2,437,078.27	7.57%	9.17%
USA	2000	3,887,342.99	3,074,128.04	7.18%	11.18%
USA	2001	3,261,380.05	3,125,803.61	7.88%	9.98%
USA	2002	3,067,891.76	3,336,809.68	5.98%	9.33%
USA	2003	3,496,592.31	3,753,865.30	5.04%	7.94%
USA	2004	4,745,221.44	4,848,743.21	4.86%	7.68%
USA	2005	5,375,592.64	4,910,817.09	4.60%	6.68%
USA	2006	6,260,881.92	5,061,329.78	4.49%	5.92%
USA	2007	8,166,787.86	4,177,593.15	4.80%	3.89%
USA	2008	11,976,923.83	4,307,034.10	5.93%	3.26%
USA	2009	8,572,185.00	3,234,111.07	6.09%	3.17%
USA	2010	12,322,795.31	3,773,893.99	6.64%	3.31%

ASSESSING PALESTINIAN - TURKISH TRADE RELATIONS

USA	2011	16,042,035.64	4,585,382.81	6.66%	3.40%
USA	2012	14,131,390.21	5,614,011.11	5.97%	3.68%
USA	2013	12,596,635.62	5,624,229.53	5.01%	3.71%
China	1996	551,283.58	65,076.06	1.28%	0.28%
China	1997	787,437.38	44,368.89	1.62%	0.17%
China	1998	846,063.62	38,036.48	1.84%	0.14%
China	1999	894,793.85	36,637.18	2.20%	0.14%
China	2000	1,321,621.77	91,336.50	2.44%	0.33%
China	2001	925,619.82	199,372.81	2.24%	0.64%
China	2002	1,365,933.26	265,532.59	2.66%	0.74%
China	2003	2,610,298.04	504,625.80	3.76%	1.07%
China	2004	4,476,077.42	391,585.39	4.59%	0.62%
China	2005	6,885,399.53	549,763.63	5.90%	0.75%
China	2006	9,669,110.14	693,037.51	6.93%	0.81%
China	2007	13,234,091.84	1,039,523.08	7.78%	0.97%
China	2008	15,658,200.68	1,437,203.86	7.75%	1.09%
China	2009	12,662,636.98	1,599,136.13	8.99%	1.57%
China	2010	17,180,806.35	2,259,784.89	9.26%	1.98%
China	2011	21,692,979.73	2,466,626.81	9.01%	1.83%
China	2012	21,295,132.97	2,833,443.62	9.00%	1.86%
China	2013	24,685,885.47	3,600,889.09	9.81%	2.37%
Iran	1996	805,278.91	296,384.06	1.88%	1.29%
Iran	1997	646,387.26	306,985.12	1.33%	1.17%
Iran	1998	432,834.78	193,588.24	0.94%	0.72%
Iran	1999	635,912.71	157,793.80	1.56%	0.59%
Iran	2000	814,669.31	234,321.49	1.50%	0.85%
Iran	2001	839,800.08	360,535.77	2.03%	1.15%
Iran	2002	920,461.52	308,088.71	1.80%	0.86%
Iran	2003	1,860,682.81	533,786.24	2.68%	1.13%
Iran	2004	1,962,058.69	812,580.13	2.01%	1.29%
Iran	2005	3,469,705.76	912,940.05	2.97%	1.24%
Iran	2006	5,626,610.16	1,066,901.63	4.03%	1.25%
Iran	2007	6,615,393.85	1,441,190.09	3.89%	1.34%
Iran	2008	8,199,689.00	2,029,706.21	4.06%	1.54%
Iran	2009	3,405,896.18	2,024,758.02	2.42%	1.98%
Iran	2010	7,644,781.61	3,043,425.64	4.12%	2.67%
Iran	2011	12,461,494.63	3,589,695.03	5.17%	2.66%
Iran	2012	11,964,612.63	9,922,579.89	5.06%	6.51%
Iran	2013	10,383,216.71	4,192,566.80	4.13%	2.76%
EFTA	1996	1,223,337.54	334,915.33	2.85%	1.45%
EFTA	1997	1,287,149.83	414,218.81	2.65%	1.58%
EFTA	1998	1,168,165.59	355,743.52	2.54%	1.32%
EFTA	1999	926,010.57	361,552.20	2.28%	1.36%
EFTA	2000	1,150,171.55	323,023.54	2.12%	1.18%
EFTA	2001	1,480,929.40	316,108.15	3.58%	1.01%

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EFTA	2002	2,482,474.38	405,847.54	4.84%	1.13%
EFTA	2003	3,395,678.24	538,086.11	4.90%	1.14%
EFTA	2004	3,911,430.33	657,980.71	4.01%	1.04%
EFTA	2005	4,439,552.42	820,848.97	3.80%	1.12%
EFTA	2006	4,522,434.29	1,189,266.71	3.24%	1.39%
EFTA	2007	5,774,587.08	1,327,976.72	3.40%	1.24%
EFTA	2008	6,217,519.19	3,261,838.53	3.08%	2.47%
EFTA	2009	2,780,423.28	4,327,148.20	1.97%	4.24%
EFTA	2010	4,002,404.76	2,416,470.26	2.16%	2.12%
EFTA	2011	5,845,525.71	1,887,286.62	2.43%	1.40%
EFTA	2012	5,238,253.62	2,601,452.58	2.21%	1.71%
EFTA	2013	10,654,293.55	1,661,918.33	4.23%	1.09%
Ukraine	1996	744,522.69	266,987.54	1.73%	1.16%
Ukraine	1997	917,756.35	336,997.38	1.89%	1.28%
Ukraine	1998	988,774.59	273,612.77	2.15%	1.02%
Ukraine	1999	773,675.07	225,777.27	1.90%	0.85%
Ukraine	2000	977,305.95	255,665.44	1.80%	0.93%
Ukraine	2001	757,625.63	289,179.62	1.83%	0.92%
Ukraine	2002	978,141.87	310,449.60	1.91%	0.87%
Ukraine	2003	1,331,505.47	444,967.28	1.92%	0.94%
Ukraine	2004	2,509,351.39	575,826.91	2.57%	0.91%
Ukraine	2005	2,651,017.08	821,033.66	2.27%	1.12%
Ukraine	2006	3,059,079.42	1,121,364.28	2.19%	1.31%
Ukraine	2007	4,519,113.92	1,481,155.81	2.66%	1.38%
Ukraine	2008	6,106,324.79	2,187,632.17	3.02%	1.66%
Ukraine	2009	3,155,709.93	1,033,517.34	2.24%	1.01%
Ukraine	2010	3,832,744.02	1,260,892.39	2.07%	1.11%
Ukraine	2011	4,812,060.12	1,729,822.28	2.00%	1.28%
Ukraine	2012	4,394,198.78	1,830,448.94	1.86%	1.20%
Ukraine	2013	4,516,332.51	2,189,378.58	1.79%	1.44%
Rep. of Korea	1996	714,609.86	101,731.08	1.66%	0.44%
Rep. of Korea	1997	1,085,495.81	54,209.61	2.23%	0.21%
Rep. of Korea	1998	1,124,095.36	37,483.10	2.45%	0.14%
Rep. of Korea	1999	871,041.42	101,558.67	2.14%	0.38%
Rep. of Korea	2000	1,169,866.68	130,865.41	2.16%	0.48%
Rep. of Korea	2001	759,498.59	62,364.46	1.83%	0.20%
Rep. of Korea	2002	899,998.00	53,218.54	1.76%	0.15%
Rep. of Korea	2003	1,312,442.23	57,928.03	1.89%	0.12%
Rep. of Korea	2004	2,572,537.06	79,623.16	2.64%	0.13%
Rep. of Korea	2005	3,485,388.79	99,770.85	2.98%	0.14%
Rep. of Korea	2006	3,556,269.13	155,965.84	2.55%	0.18%
Rep. of Korea	2007	4,369,903.38	152,310.77	2.57%	0.14%
Rep. of Korea	2008	4,091,119.40	271,254.34	2.03%	0.21%
Rep. of Korea	2009	3,116,078.24	234,828.41	2.21%	0.23%
Rep. of Korea	2010	4,764,048.29	304,590.35	2.57%	0.27%

ASSESSING PALESTINIAN - TURKISH TRADE RELATIONS

Rep. of Korea	2011	6,298,472.05	527,830.30	2.62%	0.39%
Rep. of Korea	2012	5,660,091.77	528,007.75	2.39%	0.35%
Rep. of Korea	2013	6,088,465.93	460,254.96	2.42%	0.30%
Japan	1996	1,414,446.59	166,610.45	3.29%	0.72%
Japan	1997	2,040,078.46	143,799.58	4.20%	0.55%
Japan	1998	2,044,466.30	111,744.24	4.45%	0.42%
Japan	1999	1,393,261.55	121,728.04	3.42%	0.46%
Japan	2000	1,590,302.39	149,088.43	2.94%	0.54%
Japan	2001	1,307,372.39	124,064.59	3.16%	0.40%
Japan	2002	1,462,786.12	128,656.30	2.85%	0.36%
Japan	2003	1,927,096.26	156,287.90	2.78%	0.33%
Japan	2004	2,684,287.05	190,116.69	2.75%	0.30%
Japan	2005	3,109,218.06	234,227.40	2.66%	0.32%
Japan	2006	3,216,725.40	263,084.34	2.30%	0.31%
Japan	2007	3,703,441.65	246,910.45	2.18%	0.23%
Japan	2008	4,026,764.49	330,461.94	1.99%	0.25%
Japan	2009	2,781,735.01	232,865.13	1.97%	0.23%
Japan	2010	3,297,783.35	272,259.74	1.78%	0.24%
Japan	2011	4,263,727.50	296,419.62	1.77%	0.22%
Japan	2012	3,601,410.68	332,006.24	1.52%	0.22%
Japan	2013	3,453,189.00	409,235.79	1.37%	0.27%
India	1996	254,854.58	56,327.78	0.59%	0.24%
India	1997	300,859.68	60,819.83	0.62%	0.23%
India	1998	276,276.64	73,344.21	0.60%	0.27%
India	1999	242,977.82	120,518.23	0.60%	0.45%
India	2000	437,204.18	56,016.69	0.81%	0.20%
India	2001	354,875.12	74,373.32	0.86%	0.24%
India	2002	564,129.81	72,488.86	1.10%	0.20%
India	2003	722,855.22	71,365.46	1.04%	0.15%
India	2004	1,046,398.38	136,317.41	1.07%	0.22%
India	2005	1,280,473.06	219,869.44	1.10%	0.30%
India	2006	1,579,404.94	222,242.43	1.13%	0.26%
India	2007	2,299,732.09	348,228.77	1.35%	0.32%
India	2008	2,457,908.42	542,703.58	1.22%	0.41%
India	2009	1,891,251.70	411,164.26	1.34%	0.40%
India	2010	3,409,937.59	606,835.31	1.84%	0.53%
India	2011	6,498,651.17	756,069.62	2.70%	0.56%
India	2012	5,843,582.13	791,737.88	2.47%	0.52%
India	2013	6,367,787.79	586,980.93	2.53%	0.39%
Israel	1996	192,018.11	253,918.70	0.45%	1.10%
Israel	1997	233,656.26	391,478.43	0.48%	1.49%
Israel	1998	282,897.89	479,392.45	0.62%	1.78%
Israel	1999	298,227.33	587,024.29	0.73%	2.21%
Israel	2000	503,205.46	622,035.26	0.93%	2.26%
Israel	2001	529,489.36	805,217.56	1.28%	2.57%

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Israel	2002	541,321.63	850,859.22	1.06%	2.38%
Israel	2003	459,488.30	1,082,998.17	0.66%	2.29%
Israel	2004	714,142.77	1,313,890.06	0.73%	2.08%
Israel	2005	804,690.52	1,466,912.92	0.69%	2.00%
Israel	2006	782,149.47	1,529,158.10	0.56%	1.79%
Israel	2007	1,081,742.96	1,658,194.86	0.64%	1.55%
Israel	2008	1,447,918.83	1,935,214.61	0.72%	1.47%
Israel	2009	1,069,688.08	1,528,369.78	0.76%	1.50%
Israel	2010	1,359,638.70	2,082,969.56	0.73%	1.83%
Israel	2011	2,057,298.66	2,391,219.05	0.85%	1.77%
Israel	2012	1,710,401.18	2,330,262.50	0.72%	1.53%
Israel	2013	2,417,873.83	2,649,681.66	0.96%	1.75%
Mercosur	1996	455,791.57	67,169.07	1.06%	0.29%
Mercosur	1997	603,857.08	89,114.47	1.24%	0.34%
Mercosur	1998	578,494.74	74,890.19	1.26%	0.28%
Mercosur	1999	341,990.66	84,223.14	0.84%	0.32%
Mercosur	2000	402,664.03	84,750.26	0.74%	0.31%
Mercosur	2001	304,810.22	134,459.91	0.74%	0.43%
Mercosur	2002	421,279.86	69,473.77	0.82%	0.19%
Mercosur	2003	725,723.36	85,495.55	1.05%	0.18%
Mercosur	2004	908,907.79	104,680.05	0.93%	0.17%
Mercosur	2005	1,162,480.29	184,091.66	1.00%	0.25%
Mercosur	2006	1,351,344.32	212,950.34	0.97%	0.25%
Mercosur	2007	1,761,654.61	345,995.98	1.04%	0.32%
Mercosur	2008	2,491,653.36	470,439.71	1.23%	0.36%
Mercosur	2009	1,554,331.94	516,424.35	1.10%	0.51%
Mercosur	2010	2,172,296.74	894,056.23	1.17%	0.78%
Mercosur	2011	3,178,529.75	1,237,788.19	1.32%	0.92%
Mercosur	2012	2,584,017.83	1,533,504.04	1.09%	1.01%
Mercosur	2013	2,386,490.50	1,395,010.11	0.95%	0.92%
Kazakhstan	1996	93,693.96	163,243.20	0.22%	0.71%
Kazakhstan	1997	165,282.80	210,495.65	0.34%	0.80%
Kazakhstan	1998	253,663.44	212,882.77	0.55%	0.79%
Kazakhstan	1999	295,908.82	96,523.00	0.73%	0.36%
Kazakhstan	2000	346,343.29	116,145.42	0.64%	0.42%
Kazakhstan	2001	90,342.70	119,795.05	0.22%	0.38%
Kazakhstan	2002	201,600.39	158,655.06	0.39%	0.44%
Kazakhstan	2003	266,638.01	233,993.79	0.38%	0.50%
Kazakhstan	2004	442,193.32	355,590.09	0.45%	0.56%
Kazakhstan	2005	558,899.94	459,945.92	0.48%	0.63%
Kazakhstan	2006	993,728.45	696,823.00	0.71%	0.81%
Kazakhstan	2007	1,284,049.19	1,079,886.74	0.76%	1.01%
Kazakhstan	2008	2,331,992.47	890,602.38	1.15%	0.67%
Kazakhstan	2009	1,077,077.83	633,503.25	0.76%	0.62%
Kazakhstan	2010	2,470,966.58	819,895.81	1.33%	0.72%
Kazakhstan	2011	1,995,114.93	947,896.42	0.83%	0.70%

Kazakhstan	2012	2,056,085.65	1,069,371.97	0.87%	0.70%
Kazakhstan	2013	1,760,114.64	1,039,466.62	0.70%	0.68%
Other Asia, nes	1996	450,363.17	39,308.82	1.05%	0.17%
Other Asia, nes	1997	510,710.91	49,326.22	1.05%	0.19%
Other Asia, nes	1998	515,562.85	25,128.24	1.12%	0.09%
Other Asia, nes	1999	374,265.60	31,817.90	0.92%	0.12%
Other Asia, nes	2000	550,206.50	68,872.38	1.02%	0.25%
Other Asia, nes	2001	316,326.89	67,456.98	0.76%	0.22%
Other Asia, nes	2002	521,296.37	229,396.99	1.02%	0.64%
Other Asia, nes	2003	752,654.68	130,159.68	1.09%	0.28%
Other Asia, nes	2004	1,206,364.59	162,542.14	1.24%	0.26%
Other Asia, nes	2005	1,530,266.23	77,585.69	1.31%	0.11%
Other Asia, nes	2006	1,649,209.44	80,030.07	1.18%	0.09%
Other Asia, nes	2007	1,884,288.70	94,700.74	1.11%	0.09%
Other Asia, nes	2008	1,683,904.05	97,447.79	0.83%	0.07%
Other Asia, nes	2009	1,339,661.98	130,142.27	0.95%	0.13%
Other Asia, nes	2010	1,843,019.64	136,782.76	0.99%	0.12%
Other Asia, nes	2011	2,025,398.26	163,740.37	0.84%	0.12%
Other Asia, nes	2012	2,058,796.96	119,461.74	0.87%	0.08%
Other Asia, nes	2013	1,947,112.63	117,858.26	0.77%	0.08%
South Africa	1996	256,060.40	65,700.71	0.60%	0.29%
South Africa	1997	183,768.58	71,393.13	0.38%	0.27%
South Africa	1998	153,858.66	73,133.91	0.34%	0.27%
South Africa	1999	124,303.39	59,648.01	0.31%	0.22%
South Africa	2000	171,158.45	70,564.18	0.32%	0.26%
South Africa	2001	345,028.14	77,870.74	0.83%	0.25%
South Africa	2002	211,032.48	87,205.90	0.41%	0.24%
South Africa	2003	335,712.63	121,527.87	0.48%	0.26%
South Africa	2004	1,006,682.72	190,113.32	1.03%	0.30%
South Africa	2005	1,259,977.52	315,738.88	1.08%	0.43%
South Africa	2006	1,793,112.69	598,488.64	1.28%	0.70%
South Africa	2007	2,172,297.52	653,785.22	1.28%	0.61%
South Africa	2008	1,502,492.49	1,238,631.58	0.74%	0.94%
South Africa	2009	1,102,512.60	866,720.54	0.78%	0.85%
South Africa	2010	889,635.18	369,230.43	0.48%	0.32%
South Africa	2011	1,954,585.94	510,523.37	0.81%	0.38%
South Africa	2012	1,289,820.60	381,845.72	0.55%	0.25%
South Africa	2013	1,479,338.15	619,806.57	0.59%	0.41%
Azerbaijan	1996	38,236.30	239,139.87	0.09%	1.04%
Azerbaijan	1997	58,264.19	319,619.81	0.12%	1.22%
Azerbaijan	1998	50,205.68	325,239.17	0.11%	1.21%
Azerbaijan	1999	44,000.20	247,979.71	0.11%	0.93%
Azerbaijan	2000	95,604.87	229,737.22	0.18%	0.84%
Azerbaijan	2001	78,075.38	225,214.06	0.19%	0.72%
Azerbaijan	2002	63,388.66	226,864.78	0.12%	0.63%
Azerbaijan	2003	122,607.28	315,488.30	0.18%	0.67%
Azerbaijan	2004	135,537.46	403,942.32	0.14%	0.64%

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Azerbaijan	2005	272,256.27	528,075.64	0.23%	0.72%
Azerbaijan	2006	340,480.52	695,287.16	0.24%	0.81%
Azerbaijan	2007	329,647.32	1,047,668.22	0.19%	0.98%
Azerbaijan	2008	928,420.66	1,667,362.37	0.46%	1.26%
Azerbaijan	2009	752,842.31	1,398,469.94	0.53%	1.37%
Azerbaijan	2010	865,131.29	1,551,212.54	0.47%	1.36%
Azerbaijan	2011	262,262.56	2,064,205.25	0.11%	1.53%
Azerbaijan	2012	339,935.94	2,587,482.25	0.14%	1.70%
Azerbaijan	2013	333,747.61	2,960,414.66	0.13%	1.95%
Turkmenistan	1996	99,882.94	65,195.36	0.23%	0.28%
Turkmenistan	1997	73,544.02	117,445.58	0.15%	0.45%
Turkmenistan	1998	41,992.77	95,509.97	0.09%	0.36%
Turkmenistan	1999	67,028.20	106,541.46	0.16%	0.40%
Turkmenistan	2000	97,807.70	119,455.10	0.18%	0.43%
Turkmenistan	2001	71,738.65	105,277.89	0.17%	0.34%
Turkmenistan	2002	99,215.53	118,492.74	0.19%	0.33%
Turkmenistan	2003	123,681.65	170,347.34	0.18%	0.36%
Turkmenistan	2004	175,795.20	214,847.97	0.18%	0.34%
Turkmenistan	2005	160,743.54	180,634.72	0.14%	0.25%
Turkmenistan	2006	189,923.82	281,325.15	0.14%	0.33%
Turkmenistan	2007	396,723.09	339,988.93	0.23%	0.32%
Turkmenistan	2008	389,305.35	662,936.70	0.19%	0.50%
Turkmenistan	2009	330,739.26	944,917.20	0.23%	0.93%
Turkmenistan	2010	386,342.01	1,139,173.41	0.21%	1.00%
Turkmenistan	2011	392,712.34	1,493,446.23	0.16%	1.11%
Turkmenistan	2012	303,506.88	1,480,533.63	0.13%	0.97%
Turkmenistan	2013	653,814.96	1,957,829.95	0.26%	1.29%
Palestine*	1996	0	8,982.18	0.00000%	0.04%
Palestine*	1997	0	35,558.00	0.00000%	0.14%
Palestine*	1998	0	48,439.25	0.00000%	0.18%
Palestine*	1999	6.99	141,465.62	0.00002%	0.53%
Palestine*	2000	284.53	66,108.54	0.00053%	0.24%
Palestine*	2001	147.89	58,927.19	0.00036%	0.19%
Palestine*	2002	82.42	61,224.17	0.00016%	0.17%
Palestine*	2003	139.26	96,470.32	0.00020%	0.20%
Palestine*	2004	1,227.88	116,671.12	0.00126%	0.18%
Palestine*	2005	1,227.83	120,665.64	0.00105%	0.16%
Palestine*	2006	274.92	92,526.18	0.00020%	0.11%
Palestine*	2007	512.37	81,885.39	0.00030%	0.08%
Palestine*	2008	567.1	68,511.44	0.00028%	0.05%
Palestine*	2009	53	110,348.08	0.00004%	0.11%
Palestine*	2010	488.99	179,112.32	0.00026%	0.16%
Palestine*	2011	419.82	233,819.56	0.00017%	0.17%
Palestine*	2012	833.03	233,842.30	0.00035%	0.15%
Palestine*	2013	2,987.65	289,169.86	0.00119%	0.19%

*Source: PCBS

Annex III: Geographical distribution of Palestine's imports and exports 1996-2013

Partner	Year	Imports Value ('000s USD)	Exports Value ('000s USD)	Imports share	Exports share
World	1996	2,016,279.00	339,467.00	100.00%	100.00%
World	1997	2,238,560.00	380,423.00	100.00%	100.00%
World	1998	2,375,102.00	394,846.00	100.00%	100.00%
World	1999	3,007,227.00	372,148.00	100.00%	100.00%
World	2000	2,382,807.00	400,857.00	100.00%	100.00%
World	2001	2,033,647.00	290,349.00	100.00%	100.00%
World	2002	1,515,608.00	240,867.00	100.00%	100.00%
World	2003	1,800,268.00	279,680.00	100.00%	100.00%
World	2004	2,373,248.00	312,688.00	100.00%	100.00%
World	2005	2,667,592.00	335,443.00	100.00%	100.00%
World	2006	2,758,726.00	366,706.00	100.00%	100.00%
World	2007	3,141,279.29	512,982.82	100.00%	100.00%
World	2008	3,568,673.59	558,446.00	100.00%	100.00%
World	2009	3,600,785.37	518,355.48	100.00%	100.00%
World	2010	3,958,511.52	575,512.92	100.00%	100.00%
World	2011	4,221,105.70	719,588.97	100.00%	100.00%
World	2012	4,697,355.94	782,368.75	100.00%	100.00%
World	2013	5,163,897.46	900,617.86	100.00%	100.00%
Israel	1996	1,743,190.13	319,247.24	86.46%	94.04%
Israel	1997	1,852,943.48	360,250.78	82.77%	94.70%
Israel	1998	1,833,651.79	381,443.35	77.20%	96.61%
Israel	1999	1,857,229.43	360,426.99	61.76%	96.85%
Israel	2000	1,740,704.61	369,680.10	73.05%	92.22%
Israel	2001	1,352,896.73	273,109.09	66.53%	94.06%
Israel	2002	1,118,157.71	216,325.73	73.78%	89.81%
Israel	2003	1,309,641.90	256,018.62	72.75%	91.54%
Israel	2004	1,747,850.12	281,148.77	73.65%	89.91%
Israel	2005	1,873,700.41	290,558.19	70.24%	86.62%
Israel	2006	2,002,150.28	326,567.64	72.58%	89.05%
Israel	2007	2,307,935.29	455,231.68	73.47%	88.74%
Israel	2008	2,767,714.18	499,422.97	77.56%	89.43%
Israel	2009	2,651,128.87	453,494.35	73.63%	87.49%
Israel	2010	2,873,497.68	488,395.42	72.59%	84.86%
Israel	2011	2,938,379.64	617,781.53	69.61%	85.85%
Israel	2012	3,350,424.82	639,180.36	71.33%	81.70%
Israel	2013	3,694,820.63	785,110.86	71.55%	87.17%
EU	1996	155,743.94	244.14	7.72%	0.07%
EU	1997	188,825.10	915.15	8.44%	0.24%
EU	1998	233,608.42	1,649.95	9.84%	0.42%
EU	1999	498,001.40	1,526.16	16.56%	0.41%
EU	2000	272,589.97	1,708.87	11.44%	0.43%
EU	2001	374,485.22	2,480.65	18.41%	0.85%

EU	2002	179,737.18	8,921.95	11.86%	3.70%
EU	2003	161,285.31	7,073.67	8.96%	2.53%
EU	2004	215,814.95	7,058.54	9.09%	2.26%
EU	2005	252,291.91	11,556.07	9.46%	3.45%
EU	2006	227,589.51	2,640.60	8.25%	0.72%
EU	2007	250,863.57	18,078.26	7.99%	3.52%
EU	2008	289,237.77	8,121.22	8.10%	1.45%
EU	2009	348,496.32	4,739.52	9.68%	0.91%
EU	2010	368,048.76	9,874.67	9.30%	1.72%
EU	2011	444,337.19	14,462.80	10.53%	2.01%
EU	2012	469,295.84	14,392.09	9.99%	1.84%
EU	2013	455,472.33	13,151.73	8.82%	1.46%
GAFTA	1996	26,570.00	19,054.00	1.32%	5.61%
GAFTA	1997	56,146.00	19,058.00	2.51%	5.01%
GAFTA	1998	85,411.00	11,558.00	3.60%	2.93%
GAFTA	1999	81,071.00	9,638.00	2.70%	2.59%
GAFTA	2000	39,668.00	29,122.00	1.66%	7.26%
GAFTA	2001	36,781.00	14,576.00	1.81%	5.02%
GAFTA	2002	31,075.00	15,093.00	2.05%	6.27%
GAFTA	2003	45,721.00	14,977.00	2.54%	5.36%
GAFTA	2004	65,100.00	19,357.00	2.74%	6.19%
GAFTA	2005	69,000.00	25,855.00	2.59%	7.71%
GAFTA	2006	66,937.00	34,031.00	2.43%	9.28%
GAFTA	2007	78,239.47	34,771.88	2.49%	6.78%
GAFTA	2008	81,907.99	45,832.72	2.30%	8.21%
GAFTA	2009	91,959.41	47,247.73	2.55%	9.11%
GAFTA	2010	129,816.68	65,876.98	3.28%	11.45%
GAFTA	2011	162,301.23	73,958.40	3.84%	10.28%
GAFTA	2012	187,159.89	108,778.25	3.98%	13.90%
GAFTA	2013	214,774.86	84,214.46	4.16%	9.35%
Turkey	1996	8,982.18	0.00	0.45%	0.00%
Turkey	1997	35,558.00	0.00	1.59%	0.00%
Turkey	1998	48,439.25	0.00	2.04%	0.00%
Turkey	1999	141,671.29	6.99	4.71%	0.00%
Turkey	2000	65,905.51	284.53	2.77%	0.07%
Turkey	2001	58,984.59	147.96	2.90%	0.05%
Turkey	2002	61,280.56	82.42	4.04%	0.03%
Turkey	2003	96,469.87	139.26	5.36%	0.05%
Turkey	2004	116,670.66	1,227.88	4.92%	0.39%
Turkey	2005	120,665.64	1,227.83	4.52%	0.37%
Turkey	2006	92,526.18	274.92	3.35%	0.07%
Turkey	2007	81,885.39	429.01	2.61%	0.08%
Turkey	2008	68,511.44	123.09	1.92%	0.02%
Turkey	2009	110,348.08	53.00	3.06%	0.01%
Turkey	2010	179,112.32	483.49	4.52%	0.08%

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Turkey	2011	233,819.56	418.12	5.54%	0.06%
Turkey	2012	233,842.30	833.03	4.98%	0.11%
Turkey	2013	289,169.86	2,987.65	5.60%	0.33%
China	1996	10,643.33	0.00	0.53%	0.00%
China	1997	16,187.59	0.00	0.72%	0.00%
China	1998	33,816.98	0.00	1.42%	0.00%
China	1999	98,171.85	0.00	3.26%	0.00%
China	2000	88,652.88	0.00	3.72%	0.00%
China	2001	44,629.67	0.00	2.19%	0.00%
China	2002	42,881.81	0.00	2.83%	0.00%
China	2003	63,584.08	42.36	3.53%	0.02%
China	2004	88,705.31	504.06	3.74%	0.16%
China	2005	110,935.17	373.98	4.16%	0.11%
China	2006	114,326.27	139.03	4.14%	0.04%
China	2007	143,834.33	113.06	4.58%	0.02%
China	2008	125,963.10	46.94	3.53%	0.01%
China	2009	161,815.70	11.71	4.49%	0.00%
China	2010	181,261.40	20.30	4.58%	0.00%
China	2011	194,118.01	0.00	4.60%	0.00%
China	2012	197,319.71	0.00	4.20%	0.00%
China	2013	236,601.08	0.00	4.58%	0.00%
USA	1996	24,765.52	671.94	1.23%	0.20%
USA	1997	24,002.38	2.01	1.07%	0.00%
USA	1998	33,382.85	75.17	1.41%	0.02%
USA	1999	87,186.94	291.90	2.90%	0.08%
USA	2000	56,690.50	70.03	2.38%	0.02%
USA	2001	40,293.32	123.13	1.98%	0.04%
USA	2002	190.36	203.30	0.01%	0.08%
USA	2003	31,021.99	668.01	1.72%	0.24%
USA	2004	39,475.27	1,649.29	1.66%	0.53%
USA	2005	31,908.00	4,136.35	1.20%	1.23%
USA	2006	21,644.29	2,389.47	0.78%	0.65%
USA	2007	24,303.50	3,358.52	0.77%	0.65%
USA	2008	37,680.28	3,559.10	1.06%	0.64%
USA	2009	40,356.03	6,131.72	1.12%	1.18%
USA	2010	41,919.49	7,273.01	1.06%	1.26%
USA	2011	39,900.89	8,702.17	0.95%	1.21%
USA	2012	43,899.90	13,576.83	0.93%	1.74%
USA	2013	41,750.41	11,616.49	0.81%	1.29%
Japan	1996	3,901.21	0.00	0.19%	0.00%
Japan	1997	6,031.64	0.00	0.27%	0.00%
Japan	1998	6,710.43	0.00	0.28%	0.00%
Japan	1999	29,438.69	0.00	0.98%	0.00%
Japan	2000	8,761.94	23.85	0.37%	0.01%
Japan	2001	35,820.81	0.06	1.76%	0.00%

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Japan	2002	22,749.31	0.45	1.50%	0.00%
Japan	2003	13,634.65	0.00	0.76%	0.00%
Japan	2004	11,950.29	56.01	0.50%	0.02%
Japan	2005	46,970.11	187.79	1.76%	0.06%
Japan	2006	87,082.27	169.10	3.16%	0.05%
Japan	2007	103,109.41	101.17	3.28%	0.02%
Japan	2008	17,011.99	192.81	0.48%	0.03%
Japan	2009	18,712.35	460.13	0.52%	0.09%
Japan	2010	20,327.73	372.84	0.51%	0.06%
Japan	2011	17,013.07	256.78	0.40%	0.04%
Japan	2012	14,836.89	87.98	0.32%	0.01%
Japan	2013	12,485.66	476.10	0.24%	0.05%
South Korea	1996	8,349.55	0.00	0.41%	0.00%
South Korea	1997	9,750.32	0.00	0.44%	0.00%
South Korea	1998	17,174.59	0.00	0.72%	0.00%
South Korea	1999	46,702.77	0.00	1.55%	0.00%
South Korea	2000	15,448.18	0.00	0.65%	0.00%
South Korea	2001	8,292.93	0.13	0.41%	0.00%
South Korea	2002	5,010.45	0.00	0.33%	0.00%
South Korea	2004	3,261.40	15.31	0.14%	0.00%
South Korea	2005	10,788.38	0.00	0.40%	0.00%
South Korea	2006	2,492.50	0.00	0.09%	0.00%
South Korea	2007	12,872.51	0.00	0.41%	0.00%
South Korea	2008	27,696.97	0.00	0.78%	0.00%
South Korea	2009	50,511.95	0.00	1.40%	0.00%
South Korea	2010	29,654.56	258.94	0.75%	0.04%
South Korea	2011	46,900.96	697.18	1.11%	0.10%
South Korea	2012	42,403.61	231.45	0.90%	0.03%
South Korea	2013	38,352.45	299.48	0.74%	0.03%
EFTA	1996	5,497.21	0.00	0.27%	0.00%
EFTA	1997	7,525.45	6.74	0.34%	0.00%
EFTA	1998	14,151.69	3.06	0.60%	0.00%
EFTA	1999	11,810.72	0.00	0.39%	0.00%
EFTA	2000	8,334.63	0.00	0.35%	0.00%
EFTA	2001	5,748.72	0.01	0.28%	0.00%
EFTA	2002	5,187.06	239.72	0.34%	0.10%
EFTA	2003	7,250.37	318.23	0.40%	0.11%
EFTA	2004	9,181.94	77.73	0.39%	0.02%
EFTA	2005	15,947.90	172.72	0.60%	0.05%
EFTA	2006	16,125.39	273.97	0.58%	0.07%
EFTA	2007	35,462.09	116.02	1.13%	0.02%
EFTA	2008	53,901.76	168.25	1.51%	0.03%
EFTA	2009	4,670.74	173.21	0.13%	0.03%
EFTA	2010	37,348.82	453.67	0.94%	0.08%
EFTA	2011	40,756.83	461.06	0.97%	0.06%

EFTA	2012	14,162.91	378.65	0.30%	0.05%
EFTA	2013	10,139.09	382.82	0.20%	0.04%
MERCOSUR	1996	2,702.00	0.00	0.13%	0.00%
MERCOSUR	1997	3,796.19	0.00	0.17%	0.00%
MERCOSUR	1998	4,361.45	0.00	0.18%	0.00%
MERCOSUR	1999	4,052.02	0.00	0.13%	0.00%
MERCOSUR	2000	5,879.33	0.00	0.25%	0.00%
MERCOSUR	2001	8,550.60	0.14	0.42%	0.00%
MERCOSUR	2002	5,908.25	0.00	0.39%	0.00%
MERCOSUR	2003	8,546.22	0.00	0.47%	0.00%
MERCOSUR	2004	12,986.71	0.00	0.55%	0.00%
MERCOSUR	2005	14,642.75	0.00	0.55%	0.00%
MERCOSUR	2006	19,673.31	0.00	0.71%	0.00%
MERCOSUR	2007	13,087.38	2.31	0.42%	0.00%
MERCOSUR	2008	21,090.17	0.00	0.59%	0.00%
MERCOSUR	2009	20,481.50	0.00	0.57%	0.00%
MERCOSUR	2010	11,734.16	204.99	0.30%	0.04%
MERCOSUR	2011	21,886.26	65.33	0.52%	0.01%
MERCOSUR	2012	24,073.00	72.00	0.51%	0.01%
MERCOSUR	2013	26,395.85	0.00	0.51%	0.00%
Thailand	1996	507.11	0.00	0.03%	0.00%
Thailand	1997	1,030.86	0.00	0.05%	0.00%
Thailand	1998	5,926.49	0.00	0.25%	0.00%
Thailand	1999	21,088.13	0.00	0.70%	0.00%
Thailand	2000	5,690.57	0.00	0.24%	0.00%
Thailand	2001	9,992.86	0.00	0.49%	0.00%
Thailand	2002	4,169.09	0.00	0.28%	0.00%
Thailand	2003	3,604.88	0.00	0.20%	0.00%
Thailand	2004	4,912.80	0.00	0.21%	0.00%
Thailand	2005	49,096.46	0.00	1.84%	0.00%
Thailand	2006	9,389.69	0.00	0.34%	0.00%
Thailand	2007	25,460.43	0.00	0.81%	0.00%
Thailand	2008	8,316.52	0.00	0.23%	0.00%
Thailand	2009	14,263.41	0.00	0.40%	0.00%
Thailand	2010	9,089.27	3.72	0.23%	0.00%
Thailand	2011	12,872.63	0.00	0.30%	0.00%
Thailand	2012	16,875.37	0.00	0.36%	0.00%
Thailand	2013	23,353.78	0.00	0.45%	0.00%
India	1996	2,661.78	0.00	0.13%	0.00%
India	1997	3,201.33	0.00	0.14%	0.00%
India	1998	7,456.72	0.00	0.31%	0.00%
India	1999	14,005.29	0.00	0.47%	0.00%
India	2000	7,674.28	0.00	0.32%	0.00%
India	2001	5,796.61	0.00	0.29%	0.00%
India	2002	6,659.79	0.00	0.44%	0.00%

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India	2003	7,566.68	0.00	0.42%	0.00%
India	2004	9,613.26	0.00	0.41%	0.00%
India	2005	12,375.11	0.00	0.46%	0.00%
India	2006	10,969.03	0.00	0.40%	0.00%
India	2007	12,560.24	0.00	0.40%	0.00%
India	2008	12,352.33	0.00	0.35%	0.00%
India	2009	15,112.18	0.00	0.42%	0.00%
India	2010	17,084.51	0.02	0.43%	0.00%
India	2011	21,465.90	462.81	0.51%	0.06%
India	2012	22,670.83	33.59	0.48%	0.00%
India	2013	23,506.68	0.00	0.46%	0.00%
Russia	1996	284.83	0.92	0.01%	0.00%
Russia	1997	1,036.40	71.08	0.05%	0.02%
Russia	1998	4,700.89	0.00	0.20%	0.00%
Russia	1999	12,302.69	0.00	0.41%	0.00%
Russia	2000	17,534.55	0.00	0.74%	0.00%
Russia	2001	11,846.92	0.05	0.58%	0.00%
Russia	2002	3,611.81	0.00	0.24%	0.00%
Russia	2003	6,715.92	1.97	0.37%	0.00%
Russia	2004	2,592.91	0.11	0.11%	0.00%
Russia	2005	7,071.04	0.00	0.27%	0.00%
Russia	2006	11,868.19	25.50	0.43%	0.01%
Russia	2007	7,988.44	10.59	0.25%	0.00%
Russia	2008	16,187.68	1.25	0.45%	0.00%
Russia	2009	2,512.46	7.20	0.07%	0.00%
Russia	2010	10,262.54	23.57	0.26%	0.00%
Russia	2011	8,548.02	291.52	0.20%	0.04%
Russia	2012	3,963.46	576.22	0.08%	0.07%
Russia	2013	6,185.30	150.30	0.12%	0.02%
Australia	1996	2,216.72	0.00	0.11%	0.00%
Australia	1997	4,839.20	0.00	0.22%	0.00%
Australia	1998	7,276.75	0.00	0.31%	0.00%
Australia	1999	5,148.84	0.00	0.17%	0.00%
Australia	2000	15,063.36	0.00	0.63%	0.00%
Australia	2001	12,824.81	1.00	0.63%	0.00%
Australia	2002	9,506.96	0.00	0.63%	0.00%
Australia	2003	9,601.35	18.11	0.53%	0.01%
Australia	2004	8,754.18	0.00	0.37%	0.00%
Australia	2005	7,693.68	0.00	0.29%	0.00%
Australia	2006	14,642.84	6.60	0.53%	0.00%
Australia	2007	1,968.46	94.16	0.06%	0.02%
Australia	2008	4,034.44	110.05	0.11%	0.02%
Australia	2009	2,171.15	62.29	0.06%	0.01%
Australia	2010	3,743.75	11.79	0.09%	0.00%
Australia	2011	3,299.44	35.61	0.08%	0.00%

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Australia	2012	12,480.95	17.34	0.27%	0.00%
Australia	2013	4,834.92	20.98	0.09%	0.00%
Ukraine	1996	157.30	0.00	0.01%	0.00%
Ukraine	1997	301.51	2,002.97	0.01%	0.53%
Ukraine	1998	358.37	4.01	0.02%	0.00%
Ukraine	1999	4,213.21	0.00	0.14%	0.00%
Ukraine	2000	548.57	0.00	0.02%	0.00%
Ukraine	2001	515.06	1.42	0.03%	0.00%
Ukraine	2002	884.92	0.00	0.06%	0.00%
Ukraine	2003	6,106.57	0.00	0.34%	0.00%
Ukraine	2004	3,803.01	0.00	0.16%	0.00%
Ukraine	2005	553.78	0.00	0.02%	0.00%
Ukraine	2006	7,402.62	0.00	0.27%	0.00%
Ukraine	2007	4,828.88	0.00	0.15%	0.00%
Ukraine	2008	7,174.28	32.77	0.20%	0.01%
Ukraine	2009	6,303.45	14.44	0.18%	0.00%
Ukraine	2010	3,460.75	33.31	0.09%	0.01%
Ukraine	2011	3,022.29	25.66	0.07%	0.00%
Ukraine	2012	8,663.97	67.47	0.18%	0.01%
Ukraine	2013	22,177.82	11.92	0.43%	0.00%
Canada	1996	684.31	133.85	0.03%	0.04%
Canada	1997	582.49	15.29	0.03%	0.00%
Canada	1998	598.41	0.00	0.03%	0.00%
Canada	1999	3,285.66	0.00	0.11%	0.00%
Canada	2000	1,382.87	1.20	0.06%	0.00%
Canada	2001	768.57	4.46	0.04%	0.00%
Canada	2002	458.71	0.00	0.03%	0.00%
Canada	2003	568.54	134.35	0.03%	0.05%
Canada	2004	1,283.66	50.94	0.05%	0.02%
Canada	2005	1,405.40	82.16	0.05%	0.02%
Canada	2006	2,603.92	164.06	0.09%	0.04%
Canada	2007	5,151.99	242.57	0.16%	0.05%
Canada	2008	1,767.88	267.73	0.05%	0.05%
Canada	2009	2,649.62	2,664.82	0.07%	0.51%
Canada	2010	8,168.77	2,028.70	0.21%	0.35%
Canada	2011	2,394.00	1,788.69	0.06%	0.25%
Canada	2012	2,872.00	3,259.00	0.06%	0.42%
Canada	2013	2,686.51	908.04	0.05%	0.10%
Swaziland	2005	1.54	0.00	0.00%	0.00%
Swaziland	2008	3.17	0.00	0.00%	0.00%
Swaziland	2009	23,070.28	3,079.18	0.64%	0.59%
Swaziland	2010	102.40	0.00	0.00%	0.00%
Swaziland	2012	0.35	0.00	0.00%	0.00%
Swaziland	2013	1,407.07	0.00	0.03%	0.00%

Annex IV: Palestinian exports to Turkey (by product and year) 1999-2013

Palestinian exports to Turkey between 1999 and 2006 SITC Rev.3 5-digit, Source: PCBS				
Year	Product	Product	Exports Value ('000s USD)	Exports Share
1999	66135	Monumental or building stone (except slate) and ar...	6.99	100.00%
	Total		6.99	100.00%
2000	61151	Sheep- or lambskin leather, without wool on, tanne...	192.08	67.51%
	61141	Other bovine and equine leather, without hair on, ...	64.05	22.51%
	61121	Composition leather with a basis of leather or leat..	28.4	9.98%
	Total		284.53	100.00%
2001	21171	Sheepskins and lambskins without wool on	83.29	56.29%
	21161	Sheepskins and lambskins (not those of Astrakhan..	32.48	21.95%
	78121	Motor vehicles for the transport of persons	23.42	15.83%
	52223	Silicon	8.56	5.79%
	84311	Overcoats, car coats, capes, cloaks, anoraks	0.14	0.10%
	89215	Printed books, brochures, leaflets and similar pri...	0.06	0.04%
	91101	Postal packages not classified according to kind	0.01	0.01%
	Total		147.96	100.00%
2002	61151	Sheep- or lambskin leather, without wool on, tanne...	53.83	65.31%
	89911	Worked ivory, bone, tortoiseshell, horn, coral, mo...	20.15	24.45%
	61141	Other bovine and equine leather, without hair on, ...	8.44	10.24%
	Total		82.42	100.00%
2003	21191	Parings and other waste of leather or of compositi...	139.26	100.00%
	Total		139.26	100.00%
2004	61151	Sheep- or lambskin leather, without wool on, tanne...	1,147.05	93.42%
	84141	Trousers, bib and brace overalls, breeches and shorts	52.33	4.26%
	55411	Soap and organic surface-active products and prepa...	14.95	1.22%
	42141	Virgin olive oil	7.21	0.59%
	26811	Shorn wool, greasy	5.12	0.42%
	61161	Goat- or kidskin leather, without hair on, tanned	1.2	0.10%
	66135	Monumental or building stone (except slate) and ar...	0.02	0.00%
	Total		1,227.88	100.00%
2005	61151	Sheep- or lambskin leather, without wool on, tanne...	615.88	50.16%
	21171	Sheepskins and lambskins without wool on	601.64	49.00%
	66135	Monumental or building stone (except slate) and ar...	5.72	0.47%
	65112	Yarn of carded wool, containing 85% or more by wei...	4.59	0.37%
	Total		1,227.83	100.00%
2006	61151	Sheep- or lambskin leather, without wool on, tanne...	134.25	48.83%
	89399	Other articles of plastics	81.37	29.60%
	42141	Virgin olive oil	23.24	8.45%
	6161	Natural honey	4.36	1.59%
	7528	Thyme, saffron and bay-leaves	4.36	1.59%
	9899	Other food preparations	4.36	1.59%
	55415	Soap and organic surface-active products and prepa...	4.36	1.59%
	55421	Organic surface-active agents (other than soap), w...	4.36	1.59%
	63541	Wooden frames for paintings, photographs, mirrors ...	4.36	1.59%
	63543	Manufactures of wood for domestic or decorative use	4.36	1.59%
	66629	Statuettes and other ornamental ceramic articles, ...	4.36	1.59%
	5671	Vegetables, fruit, nuts and other edible parts of ...	1.18	0.43%
	Total		274.92	100.00%
Total exported value 1999-2006			3,391.78	

Palestinian exports to Turkey between 2007 and 2013
HS 1996 6-digit, Source: PCBS

Year	Product	Product	Exports Value (‘000s USD)	Exports Share
2007	420500	Articles of leather and composition leather, nes	352.93	82.27%
	410431	Bovine and equine leather, full or split grain, ne...	76.08	17.73%
	Total		429.01	100.00%
2008	410439	Bovine and equine leather, nes	48	39.00%
	902830	Electricity supply, production and calibrating met...	37.87	30.76%
	80410	Dates, fresh or dried	17.28	14.04%
	640510	Footwear, nes, uppers leather	16	13.00%
	701939	Webs, mattresses, other nonwoven iberglass produc...	3.94	3.20%
	Total		123.09	100.00%
2009	410110	Bovine skins, whole, raw	31	58.49%
	410439	Bovine and equine leather, nes	22	41.51%
	Total		53	100.00%
2010	391990	Self-adhesive plates, sheets, film, plastic, w >20...	175.56	36.31%
	80410	Dates, fresh or dried	147.2	30.45%
	410431	Bovine and equine leather, full or split grain, ne...	52.84	10.93%
	392321	Sacks & bags (including cones) of polymers of ethy...	45.78	9.47%
	750890	Articles of nickel, nes	8.28	1.71%
	442010	Statuettes and other ornaments of wood	7.03	1.45%
	340119	Soaps for purposes other than toilet soap, solid	6	1.24%
	691310	Statuettes & ornamental articles of porcelain or c...	4	0.83%
	491199	Printed matter, nes	2.96	0.61%
	611710	Shawls, scarves, veils etc, textile material, knit	2.7	0.56%
	Others		31.15	6.44%
	Total		483.49	100.00%
2011	410110	Bovine skins, whole, raw	84	20.09%
	392321	Sacks & bags (including cones) of polymers of ethy...	76.14	18.21%
	701939	Webs, mattresses, other nonwoven iberglas..	75.63	18.09%
	80410	Dates, fresh or dried	53.3	12.75%
	846410	Sawing machines for stone, ceramics and glass	32	7.65%
	391990	Self-adhesive plates, sheets, film, plastic, w >20...	26.68	6.38%
	392690	Plastic articles nes	25.2	6.03%
	691490	Articles of ceramics, except porcelain or china, n...	16.56	3.96%
	680229	Cut or sawn slabs of stone nes	14.29	3.42%
	410431	Bovine and equine leather, full or split grain, ne...	14	3.35%
	391722	Tube, pipe or hose, rigid, of polypropylene	0.32	0.08%
	Total		418.12	100.00%
2012	80410	Dates, fresh or dried	497.08	59.67%
	240220	Cigarettes containing tobacco	155.32	18.65%
	410110	Bovine skins, whole, raw	99.1	11.90%
	581099	Embroidery of natural textile fibres except cotton	36.37	4.37%
	570320	Carpets nylon, polyamides, tufted	27.55	3.31%
	950490	Articles for funfair, table and parlour games, nes	17.6	2.11%
	Total		833.03	100.00%

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2013	80410	Dates, fresh or dried	2,561.30	85.73%
	410120	Whole raw hides and skins of bovine	209	7.00%
	410441	Full grains leather, unsplit and grain splits leather,..	130.5	4.37%
	70200	Tomatoes, fresh or chilled	45.25	1.51%
	121190	Plants & parts, pharmacy, perfume, insecticide use..	12.74	0.43%
	190240	Couscous	11.63	0.39%
	70310	Onions and shallots, fresh or chilled	7.85	0.26%
	640419	Footwear,sole rubber/plastic,upper textile, not sports	4.55	0.15%
	91099	Spices nes	2.43	0.08%
	90920	Coriander seeds	0.82	0.03%
	70970	Spinach fresh or chilled	0.78	0.03%
	70990	Vegetables, fresh or chilled nes	0.36	0.01%
	91010	Ginger	0.22	0.01%
	91091	Mixtures of spices	0.19	0.01%
	70529	Chicory, fresh or chilled, except witloof	0.02	0.00%
	Total		2,987.64	100.00%
Total exported value 2007-2013			5,327.38	

Annex V: Palestinian imports from Turkey (by product and year) 1996-2012

Palestinian imports from Turkey between 1996 and 2006 SITC Rev.3 5-digit, Source: PCBS				
Year	Product	Product	Imports Value ('000s USD)	Imports Share
1996	5772	Brazil nuts, fresh or dried, whether or not shelle...	522.44	5.82%
	69243	Containers of iron or steel for compressed or liqu...	520.49	5.79%
	6221	Chewing-gum, whether or not sugar-coated, not cont...	442.37	4.93%
	66129	Other hydraulic cements	366.47	4.08%
	5422	Chick-peas, dried, shelled, whether or not skinned...	362.85	4.04%
	72711	Machinery used in the milling industry or for the ...	302.26	3.37%
	72811	Machine tools for working stone, ceramics, concret...	249.44	2.78%
	69741	Household articles and parts thereof, n.e.s., of i...	235.5	2.62%
	55415	Soap and organic surface-active products and prepa...	215.12	2.39%
	4843	Bread, pastry, cakes, biscuits and other bakers' wares	213.28	2.37%
	Others		5,551.95	61.81%
	Total		8,982.18	100.00%
1997	67632	Bars and rods (not of 676.1) iron,n/a steel, coldr...	13,451.26	37.83%
	67613	Bars and rods, hot-rolled, in ir. Wound coils, oth...	4,417.66	12.42%
	67351	Flat-rld prod. Iron,n/a steel, not coated, n.e.s.,...	1,378.75	3.88%
	65319	Woven fabrics of synthetic filaments, n.e.s.	1,049.01	2.95%
	67553	Flat-rld prod. Of stnls steel, coldrld,w>600mm,l<t...	859.96	2.42%
	5779	Edible nuts (excluding mixtures), fresh or dried, ...	719.15	2.02%
	72832	Machinery for crushing or grinding earth, stone, o...	718.83	2.02%
	66122	Portland cement	706.54	1.99%
	66129	Other hydraulic cements	660.68	1.86%
	6221	Chewing-gum, whether or not sugar-coated, not cont...	509.2	1.43%
	Others		11,086.97	31.18%
	Total		35,558.00	100.00%

1998	67632	Bars and rods (not of 676.1) iron,n/a steel, coldr...	14,086.25	29.08%
	67611	Bars and rods, hot-rolled, in irregularly wound co...	4,321.99	8.92%
	66122	Portland cement	2,507.05	5.18%
	67613	Bars and rods, hot-rolled, in ir. Wound coils, oth...	1,577.10	3.26%
	67612	Bars and rods, hot-rolled, in ir. Wound coils, of ...	1,291.93	2.67%
	65393	Other pile fabrics and chenille fabrics	1,072.33	2.21%
	67683	Other angles, shapes and sections, hot-rolled, hot...	955.16	1.97%
	4842	Sweet biscuits, waffles and wafers, gingerbread an...	859.88	1.78%
	6221	Chewing-gum, whether or not sugar-coated, not cont...	761.23	1.57%
	5422	Chick-peas, dried, shelled, whether or not skinned...	696.77	1.44%
	Others		20,309.55	41.93%
	Total		48,439.25	100.00%
1999	78122	Motor vehicles for the transport of persons	19,142.94	13.51%
	76415	Telephonic or telegraphic switching apparatus	11,144.95	7.87%
	66245	Glazed ceramic flags and paving, hearth or wall ti...	8,876.39	6.27%
	12221	Cigarettes containing tobacco	7,823.21	5.52%
	76432	Transmission apparatus incorporating reception app...	4,896.53	3.46%
	89421	Wheeled toys designed to be ridden by children (e...	4,465.43	3.15%
	69421	Screws, bolts, nuts, coach screws, screw hooks, ri...	2,948.58	2.08%
	78219	Motor vehicles for the transport of goods, n.e.s.	2,853.89	2.01%
	76493	Parts and accessories suitable for use solely or p...	2,749.87	1.94%
	5996	Mixtures of fruit or vegetable juices	2,657.28	1.88%
	Others		74,112.20	52.31%
	Total		141,671.29	100.00%
2000	67621	Bars and rods (not of 676.1) iron,n/a steel	10,313.85	15.60%
	66122	Portland cement	5,374.97	8.13%
	77314	Other electric conductors, for a voltage not excee...	4,186.91	6.33%
	55422	Surface-active washing or cleaning preparations, n...	3,022.41	4.57%
	69978	Articles of tin, n.e.s.	1,759.90	2.66%
	82159	Furniture, n.e.s., of wood	1,731.41	2.62%
	76413	Teleprinters	1,580.68	2.39%
	67631	Bars and rods (not of 676.1) of n/a free-cutting s...	1,303.02	1.97%
	4842	Sweet biscuits, waffles and wafers, gingerbread an...	1,246.84	1.89%
	67643	Other bars and rods of iron and steel, iron,n/a st...	1,120.81	1.70%
	Others		34,467.73	52.14%
	Total		66,108.54	100.00%
2001	67621	Bars and rods (not of 676.1) iron,n/a steel	8,530.35	14.46%
	55422	Surface-active washing or cleaning preparations, n...	5,804.70	9.84%
	66122	Portland cement	3,498.04	5.93%
	67241	Ingots of iron (other than iron of heading 671.33)...	3,269.86	5.54%
	4842	Sweet biscuits, waffles and wafers, gingerbread an...	1,291.62	2.19%
	7321	Other food preparations containing cocoa, in blocks, ...	1,241.11	2.10%
	77314	Other electric conductors, for a voltage not excee...	1,076.13	1.82%
	64295	Sanitary towels and tampons, napkins (diapers) and...	1,054.94	1.79%
	6229	Other sugar confectionery, not containing cocoa	793.25	1.34%
	67624	Bars and rods (not of 676.1) iron,n/a steel, conta...	700.21	1.19%
	Others		31,724.37	53.78%
	Total		58,984.59	100.00%

2002	67241	Ingots of iron (other than iron of heading 671.33)...	9,068.24	14.80%
	55422	Surface-active washing or cleaning preparations, n...	5,704.92	9.31%
	67621	Bars and rods (not of 676.1) iron,n/a steel	5,310.53	8.67%
	66122	Portland cement	4,112.29	6.71%
	64295	Sanitary towels and tampons, napkins (diapers) and...	3,576.25	5.84%
	4842	Sweet biscuits, waffles and wafers, gingerbread an...	1,400.54	2.29%
	65833	Blankets and travelling rugs (other than electric)...	1,365.89	2.23%
	7321	Other food preparations containing cocoa, in blocks, ...	1,234.40	2.01%
	65949	Carpets, tufted, whether or not made up, of other ...	939.9	1.53%
	5778	Pistachios, fresh or dried, whether or not shelled...	906.59	1.48%
	Others		27,661.01	45.14%
	Total		61,280.56	100.00%
2003	67241	Ingots of iron (other than iron of heading 671.33)...	21,781.31	22.58%
	67621	Bars and rods (not of 676.1) iron,n/a steel	14,341.43	14.87%
	84222	Ensembles, women's or girls', of textile materials...	5,552.17	5.76%
	55422	Surface-active washing or cleaning preparations, n...	5,352.82	5.55%
	66122	Portland cement	2,848.63	2.95%
	64295	Sanitary towels and tampons, napkins (diapers) and...	2,500.73	2.59%
	4842	Sweet biscuits, waffles and wafers, gingerbread an...	2,133.73	2.21%
	7321	Other food preparations containing cocoa, in blocks, ...	2,048.10	2.12%
	5778	Pistachios, fresh or dried, whether or not shelled...	1,377.99	1.43%
	2511	Birds' eggs, in shell, fresh, preserved or cooked	972.93	1.01%
	Others		37,560.04	38.93%
	Total		96,469.87	100.00%
2004	67241	Ingots of iron (other than iron of heading 671.33)...	33,516.52	28.73%
	67621	Bars and rods (not of 676.1) iron,n/a steel	20,276.62	17.38%
	55422	Surface-active washing or cleaning preparations, n...	7,155.52	6.13%
	64295	Sanitary towels and tampons, napkins (diapers) and...	4,195.42	3.60%
	66122	Portland cement	2,757.46	2.36%
	7321	Other food preparations containing cocoa, in blocks, ...	2,449.44	2.10%
	78122	Motor vehicles for the transport of persons	2,389.23	2.05%
	4842	Sweet biscuits, waffles and wafers, gingerbread an...	2,269.32	1.95%
	77521	Refrigerators, household-type (electric or other),...	1,213.61	1.04%
	4849	Bread and bread products, n.e.s.	1,077.08	0.92%
	Others		39,370.44	33.74%
	Total		116,670.66	100.00%
2005	67621	Bars and rods (not of 676.1) iron,n/a steel	27,568.76	22.85%
	67241	Ingots of iron (other than iron of heading 671.33)...	19,095.49	15.83%
	55422	Surface-active washing or cleaning preparations, n...	9,818.41	8.14%
	78439	Other parts and accessories of the motor vehicles ...	4,872.07	4.04%
	64295	Sanitary towels and tampons, napkins (diapers) and...	4,594.36	3.81%
	78122	Motor vehicles for the transport of persons	4,201.79	3.48%
	7321	Other food preparations containing cocoa, in blocks, ...	2,341.87	1.94%
	4842	Sweet biscuits, waffles and wafers, gingerbread an...	1,812.36	1.50%
	77521	Refrigerators, household-type (electric or other),...	1,381.56	1.14%
	65943	Carpets, tufted, whether or not made up, of other ...	1,216.79	1.01%
	Others		43,762.17	36.27%
	Total		120,665.64	100.00%

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2006	67621	Bars and rods (not of 676.1) iron,n/a steel	12,792.00	13.83%
	67241	Ingots of iron (other than iron of heading 671.33)...	12,329.49	13.33%
	55422	Surface-active washing or cleaning preparations, n...	10,489.14	11.34%
	64295	Sanitary towels and tampons, napkins (diapers) and...	6,351.24	6.86%
	7321	Other food preparations containing cocoa, in blocks, ...	2,952.14	3.19%
	4842	Sweet biscuits, waffles and wafers, gingerbread an...	2,332.72	2.52%
	67613	Bars and rods, hot-rolled, in ir. Wound coils, oth...	1,339.33	1.45%
	6229	Other sugar confectionery, not containing cocoa	1,177.78	1.27%
	78122	Motor vehicles for the transport of persons	1,145.76	1.24%
	77521	Refrigerators, household-type (electric or other),...	1,138.60	1.23%
	Others		40,477.98	43.75%
	Total		92,526.18	100.00%
Total imported value 1996-2006			847,153.73	

Palestinian imports from Turkey between 2007 and 2013 HS 1996 6-digit, Source: PCBS

Year	Product	Product	Imports Value ('000s USD)	Imports Share
2007	340220	Washing and cleaning preparations, retail	11,217.07	13.70%
	720610	Iron or non-alloy steel in ingots, <99.94% iron	10,118.42	12.36%
	481840	Sanitary articles of paper, sanitary towels, diape...	6,795.76	8.30%
	721420	Bar/rod, i/nas, indented or twisted, nes	6,738.10	8.23%
	190530	Sweet biscuits, waffles and wafers	2,488.22	3.04%
	570330	Carpets of other manmade textile materials, tufted	1,727.50	2.11%
	180690	Chocolate/cocoa food preparations nes	1,585.51	1.94%
	190590	Communion wafers, rice paper, bakers wares nes	1,580.65	1.93%
	180631	Chocolate, cocoa preps, block, slab, bar, filled, ...	1,438.98	1.76%
	570242	Carpets of manmade yarn, woven pile, made up,nes	1,019.49	1.25%
	Others		37,175.69	45.40%
	Total		81,885.39	100.00%
2008	721420	Bar/rod, i/nas, indented or twisted, nes	7,797.40	11.38%
	720610	Iron or non-alloy steel in ingots, <99.94% iron	3,621.78	5.29%
	854459	Electric conductors, 80-1,000 volts, no connectors	3,558.05	5.19%
	190530	Sweet biscuits, waffles and wafers	2,772.31	4.05%
	902830	Electricity supply, production and calibrating met...	2,721.35	3.97%
	570330	Carpets of other manmade textile materials, tufted	1,980.57	2.89%
	720719	Semi-finished product, iron/nas <0.25%C, nes	1,699.52	2.48%
	180631	Chocolate, cocoa preps, block, slab, bar, filled, ...	1,306.49	1.91%
	190590	Communion wafers, rice paper, bakers wares nes	1,279.55	1.87%
	392330	Plastic carboys, bottles and flasks, etc	1,250.92	1.83%
	Others		40,523.53	59.15%
	Total		68,511.44	100.00%
2009	721420	Bar/rod, i/nas, indented or twisted, nes	15,910.36	14.42%
	720719	Semi-finished product, iron/nas <0.25%C, nes	14,445.15	13.09%
	340220	Washing and cleaning preparations, retail	5,791.19	5.25%
	190530	Sweet biscuits, waffles and wafers	4,062.31	3.68%
	481840	Sanitary articles of paper, sanitary towels, diape...	3,945.16	3.58%
	570330	Carpets of other manmade textile materials, tufted	2,498.96	2.26%
	110100	Wheat or meslin flour	2,346.09	2.13%
	190590	Communion wafers, rice paper, bakers wares nes	1,993.20	1.81%
	271000	Petroleum oils&oils obta	1,801.44	1.63%
	180690	Chocolate/cocoa food preparations nes	1,706.49	1.55%
	Others		55,847.72	50.61%
	Total		110,348.08	100.00%

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2010	721420	Bar/rod, i/nas, indented or twisted, nes	37,472.48	20.92%
	340220	Washing and cleaning preparations, retail	18,526.55	10.34%
	481840	Sanitary articles of paper, sanitary towels, diape...	15,738.61	8.79%
	720719	Semi-finished product, iron/nas <0.25%C, nes	5,991.97	3.35%
	190530	Sweet biscuits, waffles and wafers	5,326.92	2.97%
	110100	Wheat or meslin flour	3,733.50	2.08%
	180690	Chocolate/cocoa food preparations nes	3,484.67	1.95%
	690890	Glazed ceramic flags, tiles wider than 7 cm	3,388.86	1.89%
	151529	Maize oil, fractions, refined not chemically modif...	2,768.14	1.55%
	854459	Electric conductors, 80-1,000 volts, no connectors	2,329.79	1.30%
	Others		80,350.84	44.86%
	Total		179,112.32	100.00%
2011	721420	Bar/rod, i/nas, indented or twisted, nes	45,584.18	19.50%
	340220	Washing and cleaning preparations, retail	16,869.27	7.21%
	481840	Sanitary articles of paper, sanitary towels, diape...	14,508.69	6.21%
	110100	Wheat or meslin flour	8,954.18	3.83%
	190530	Sweet biscuits, waffles and wafers	11,220.80	4.80%
	854449	Electric conductors, nes < 80 volts, no connectors	4,944.17	2.11%
	854459	Electric conductors, 80-1,000 volts, no connectors	4,936.35	2.11%
	180690	Chocolate/cocoa food preparations nes	3,851.17	1.65%
	690890	Glazed ceramic flags, tiles wider than 7 cm	3,781.24	1.62%
	271019	Light petroleum distillates nes	3,550.50	1.52%
	Others		115,619.01	49.45%
	Total		233,819.56	100.00%
2012	721420	Bar/rod, i/nas, indented or twisted, nes	61,205.50	26.17%
	340220	Washing and cleaning preparations, retail	11,385.54	4.87%
	110100	Wheat or meslin flour	9,729.08	4.16%
	190530	Sweet biscuits, waffles and wafers	8,788.97	3.76%
	961800	Tailors dummies, display dummies and automata	7,048.75	3.01%
	690890	Glazed ceramic flags, tiles wider than 7 cm	5,679.70	2.43%
	180690	Chocolate/cocoa food preparations nes	4,458.42	1.91%
	190590	Communion wafers, rice paper, bakers wares nes	3,779.78	1.62%
	151529	Maize oil, fractions, refined not chemically modif...	3,650.39	1.56%
	271019	Light petroleum distillates nes	3,411.53	1.46%
	Others		114,704.64	49.05%
	Total		233,842.30	100.00%
2013	721420	Bar/rod, i/nas, indented or twisted, nes	67,069.60	23.19%
	110100	Wheat or meslin flour	24,509.44	8.48%
	340220	Washing and cleaning preparations, retail	18,941.38	6.55%
	481840	Sanitary articles of paper, sanitary towels, diape...	14,892.03	5.15%
	690890	Glazed ceramic flags, tiles wider than 7 cm	10,234.83	3.54%
	190532	Unknown	5,398.77	1.87%
	271019	Light petroleum distillates nes	5,326.87	1.84%
	180690	Chocolate/cocoa food preparations nes	4,980.81	1.72%
	220210	Beverage waters, sweetened or flavoured	4,948.87	1.71%
	190531	Sweet biscuits, waffles and wafers	4,918.25	1.70%
	Others		127,949.01	44.25%
	Total		289,169.86	100.00%
Total imported value 2007-2013			1,196,688.93	

Annex VI: Annex I and II to Protocol A of the Israel-Turkey FTA

ANNEX I TO PROTOCOL A				
Arrangements applicable to the importation into Israel of agricultural and processed agricultural products originating in Turkey				
Israel's Customs Code	PRODUCT DESCRIPTION	Duty (%) or % reduction of the MFN customs Duty	tariff quota (tons)	specific provisions
		A	B	C
0802 21 22	Hazelnuts	0	100	
0802 50 00	Pistachio	0	100	
0804 20 90	Figs (dry)	9.6		
0813 10 00	Apricot (dry)	0	50	
1512 11 19	Sunflower oil	9	500	
1515 21 29	Maize oil	9	500	
1516 20	Mixtures of sunf. oil & maize oil	9	200	
1604 14	Tunas, preserved	0	15	
1605	Prepared or preserved crustaceans etc.	15 % reduction		
1806 32	Chocolate bars	0		
1806 90 90	Other chocolate confectionery	0		
1905 3010		10 + 0.82 NIS/kg		
1905 3090	Wafers	10 + 0.32 NIS/kg	50	
2005 70	Canned olives	20 % reduction	500	
2005 90	Other vegetables & mixture of vegetables (excluding 2005 90 30 carrots)			
2007 99	Processed hazelnuts	10		
2008 40	Pears (canned)			
	Apricots (canned)	10 or 12 %		Maximum 12 % duty for the products with 13.5 or 15.2 duty Maximum 10 % duty for others
2008 50	Cherries (canned)			
2008 60	Peaches (canned)			
2008 70				
2008 19	Prepared or processed hazelnuts	12 or 14		Maximum 12 % duty for the products with 16 % duty Maximum 14 % duty for the products with 21 % duty

Israel's Customs Code	PRODUCT DESCRIPTION	Duty (%) or % reduction of the MFN customs Duty	tariff quota (tons)	specific provisions
		A	B	C
2102 10 31	Bakers' yeast (dry)	50 % reduction		
2201	Water (mineral)	50 % reduction		
2203	Beer	50 % reduction		
2402 20	Cigarettes cont. tobacco	0		
2403	Other manufactured tobacco	20 % reduction		
2905 43	Mannitol	0		
2905 44	D-glucitol (sorbitol)	0		
3302 10 29	Mixtures of odoriferous substances and mixtures	0		
3809	Finishing agents, dye carriers to accelerate the dyeing or fixing of dye stuffs and other products and preparations, of a kind used in the textile, paper, leather or like industries			
3809 10	With a basis of amylaceous substances	0		
	Other			
3809 91 00	Of a kind used in the textile or like industries	0		
3809 92 00	Of a kind used in the paper or like industries	0		
3809 93 00	Of a kind used in the leather or like industries	0		
3824 60	Sorbitol other than that of subheading 2905 44	0		
4501	Natural cork, raw or simply prepared, waste cork, crushed, granulated or ground cork			
4501 10 00	Natural cork, raw or simply prepared	0		
4501 90 00	Other	0		
5301	Flax, raw or processed but not spun, flax tow and waste (including yarn waste and garnetted stock)	0		
5302	True hemp (Cannabis sativa L.), raw or processed but not spun, tow and waste of true hemp (including yarn waste and garnetted stock)	0		

ANNEX II TO PROTOCOL A

Arrangements applicable to the importation into Turkey of agricultural and processed agricultural products originating in Israel

Turkey's Customs Code	Product Description	Duty (%) or % reduction of the MFN customs duty	specific duty(ecu/100kg) or % reduction	tariff quota (tons)	specific provisions
		A	B	C	D
0804.40	avocados	free	-	100	
ex 0804.50	ex. mangoes	free	-	100	
ex 0810.90.85.00.19	ex. persimmon	free	-	100	
1209.91	vegetable seeds	50% reduction	-	10	
1806.31	chocolate, filled	0	EA	-	see footnote 1
ex 1806.32	ex. chocolate bars	0	EA	-	see footnote 1
ex 1806.90	ex. chocolate snacks, halva with cocoa	0	EA	-	see footnote 1
1904.10.10	obtained from maize	0	55,63	-	see footnote 3
1904.10.30	obtained from rice	0	44,21	-	
1904.10.90	other	0	62,62	-	see footnote 4
1905.90.10	matzos	0	62,17	15	see footnote 5
ex 1905.40.90	ex. baked pretzels	0	EA	15	see footnote 1
2005.40.90	peas, canned	50% reduction	-	500	
2005.59.00	other, (canned beans)		-		
2005.90.00	carrots, canned		-		
ex 2005.90.70	ex mixture of carrot and beans		-		
2005.80.00	sweet corn	0	22,19	50	see footnote 6
2008.30	citrus fruit	25% reduction	-	300	
ex 2009.11.19	ex. orange juice		-		
2009.20.11.19	grapefruit juice, density exceed 1,33 g/cm ³ at 20 °C		-		
2009.60.59.90	other (grape juice)	25% reduction	-	50	
ex 2101.11	ex. instant coffee	free	-	10	
ex 2106.10	ex. protein concentrates	50% reduction	-		
2106.10.20.00.11	Dietic baby food (containing no milk fat, sucrose...)		-		
2106.10.20.00.19	other, (containing no milk fat, sucrose...)		-		
2106.10.80.00.11	Dietic baby food, other		-		
2106.10.80.00.19	other, other	0	EA	-	see footnote 2
22.03	Beer	50% reduction	-	-	

Turkey's Customs Code	Product Description	Duty (%) or % reduction of the MFN customs duty	specific duty(ecu/100kg) or % reduction	tariff quota (tons)	specific provisions
		A	B	C	D
ex 2204.21.79.80.83.84.94.98.99.	ex. kosher wines	29% reduction	-	-	
ex 2208.20.89	ex. brandy-kosher	0	50% reduction	5000 Lt	
2208.60	vodka	0	50% reduction	2500 Lt	
23.09	preparations of a kind used in animal feeding	50% reduction	-	100	
2905.43	Mannitol	0	9.04		
2905.44	D-glucitol (sorbitol)	0	1.56		
3302.10.29	Mixtures of odoriferous substances and mixtures	0	EA		
3505.20	Glues				
3505.20.10	Containing, by weight, less than 25 % of starches or dextrins or other	0	1.39		
3505.20.30	Containing, by weight, 25 % or more but less than 55 % of starches	0	2.76		
3505.20.50	Containing, by weight, 55 % or more but less than 80 % of starches	0	4.39		
3505.20.90	Containing, by weight, 80 % or more of starches or dextrins	0	5.49		
3809.10	With a basis of amylaceous substances				
3809.10.10	Containing by weight of such substances less than 55 %	0	2.76		
3809.10.30	Containing by weight of such substances less than 55 % or more but	0	3.84		
3809.10.50	Containing by weight of such substances less than 70 % or more but	0	4.68		
3809.10.90	Containing by weight of such substances 83 % or more	0	3.67		
3824.60	Sorbitol other than that of subheading 2905.44				
3824.60.11	Containing 2 % or less by weight of D-mannitol, calculated...	0	2.35		
3824.60.19	Other	0	4.48		
3824.60.91	Containing 2 % or less by weight of D-mannitol, calculated...	0	3.3		
3824.60.99	Other	0	5.28		

1: for those products Meursing table will be applied in parallel to the EU and target agricultural component will be achieved by 1.1.1999

2: for those products Meursing table will be applied in parallel to the EU and target agricultural component will be achieved by 1.1.1997

3: Agricultural component will be reduced to 35,86 on 1.1.1997; 21,03 on 1.1.1998 and 6,19 ECU/100 KG on 1.1.1999.

4: Agricultural component will be reduced to 45,55 on 1.1.1997; 32,75 on 1.1.1998 and 19,94 ECU/100 KG on 1.1.1999.

5: Agricultural component will be reduced to 42,3 on 1.1.1997; 27,4 on 1.1.1998 and 12,49 ECU/100 KG on 1.1.1999.

6: Agricultural component will be reduced to 14,91 on 1.1.1997; 8,91 on 1.1.1998 and 2,91 ECU/100 KG on 1.1.1999.

التوصية:

- الاعتراف المتبادل حول شهادات المطابقة والجودة
- استمرار تبادل البيانات والمعلومات والمواصفات ودورات التدريب بين مؤسسات المواصفات الفلسطينية والتركية، وخاصة فيما يتعلق بالمواصفات والمقاييس الإسلامية

خامساً: عدم تنظيم العلاقة التجارية الخاصة بقطاع التجارة بالخدمات بين البلدين إلى الآن، بالرغم من ان هذا القطاع يعتبر من أهم ركائز عملية التنمية الاقتصادية، وعليه يجب القيام بتنظيمه وتحرير التجارة بالخدمات وفق المصالح الاقتصادية واحتياجات كل قطاع ووضع الضوابط اللازمة لضمان المنافسة العادلة. وتجدر الإشارة إلى أن هذا القطاع يساهم بما يزيد عن 60% من الناتج المحلي الإجمالي الفلسطيني، ويساهم في تشغيل ما يزيد عن 60% من القوى العاملة في فلسطين. وقد تضمنت الاتفاقية مع تركيا بأن يتم تنظيم العلاقة التجارية لقطاع الخدمات لأهمية هذا القطاع، والبدء في بلورة اتفاقية تجارة خدمات ثنائية بين البلدين تتحقق فيها المصالح والرؤية الاقتصادية لهما. ومن أهم النقاط التي يمكن بحثها بشكل عام خلال التحضير لهذه الاتفاقية هي:

- تحرير التجارة بالخدمات وفق مصالح كل قطاع، وضع جداول الالتزامات والميزات التفضيلية لكلا البلدين
- المعاملة بالمثل والاعتراف المتبادل بين الطرفين بالمعايير الضابطة للمنتجات الخدمية
- تحفيز انشاء مشاريع مشتركة بين البلدين بناءً على تعريف القطاعات والمنتجات الخدمية ذات الميزة النسبية
- وضع خطة عملية وتحديد اطار زمني للتوصل إلى اتفاقية التجارة بالخدمات
- ضمان مشاركة القطاع الخاص في عمليات الإعداد والتحضير والتفاوض حول هذه الاتفاقية

التوصية:

1. بلورة اتفاقية حول التجارة بالخدمات بين البلدين.
2. التركيز على قطاع السياحة وجذب السياح الأتراك إلى فلسطين، وخاصة إلى مدينة القدس. وتنظيم نشاطات سياحية متنوعة تستهدف السياحة الدينية والثقافية وسياحة الأعمال والتضامن مع فلسطين.

مقترحات وتوصيات

1. اضافة السلع الزراعية والأغذية المصنعة إلى قائمة السلع المعفاة من الرسوم الجمركية، ورفع تحديد الكمية الخاصة بالتمور وعدم حصرها بـ 1,000 طن سنوياً
2. تخفيض التعرفة الجمركية على أهم المنتجات الفلسطينية التي يتم تصديرها عالمياً، خاصة السجائر وزيت الزيتون ومنتجات الالبان ومنتجات اخرى كالزيتون والمخللات والصابون والمطرزات والاعمال اليدوية.
3. الاعتراف المتبادل حول شهادات المطابقة والجودة، واستمرار تبادل المعلومات والمواصفات ودورات التدريب بين مؤسسات المواصفات الفلسطينية والتركية، وخاصة فيما يتعلق بالمواصفات والمقاييس الإسلامية.
4. عقد إجتماعات للجنة الاقتصادية المشتركة بشكل دوري ومنتظم لتطبيق ما تم الاتفاق عليه، ووضع الخطط والبرامج والاليات الافضل وكذلك الاطار الزمني المناسب للتنفيذ، وتحقيق التعاون الاقتصادي في المجالات المشار اليها في الاتفاقية خاصة في مجال الاستثمار في فلسطين وخلق شراكات حقيقية تساهم في تنمية الصادرات.
5. بلورة اتفاقية حول التجارة بالخدمات بين البلدين، التركيز على قطاع السياحة وجذب السياح الأتراك إلى فلسطين، وخاصة إلى مدينة القدس. وتنظيم نشاطات سياحية متنوعة تستهدف السياحة الدينية والتضامن مع فلسطين وسياحة الأعمال
6. توسيع نطاق التعاون الاقتصادي بين البلدين بما يشمل قطاعات الطاقة والاتصالات وتكنولوجيا المعلومات والتعليم والنقل والسياحة، وذلك وفقاً لما تم الإشارة اليه ضمن الاتفاقية
7. مساندة الجهود الفلسطينية للانضمام إلى منظمة التجارة العالمية
8. دعم المنتج الفلسطيني في السوق التركي ومعاملته كمعاملة المنتج الوطني، ومساندة المنتج الفلسطيني في استهداف اسواق عالمية من خلال شراكات حقيقية مع قطاع الأعمال التركي، والعمل على اعطاء ميزات تفضيلية خاصة بمنتجات الشركات التي تملكها سيدات اعمال فلسطينيات والشركات التي تقوم بتشغيل نسبة مرتفعة من السيدات والأشخاص ذوي الاحتياجات الخاصة.
9. بناء جسور تواصل بين مؤسسات القطاع الخاص التي تعنى بالتجارة والتصدير، وأن يكون الهدف الرئيس من هذه العلاقات:
 - تبادل البيانات والمعلومات حول الاسواق والقطاعات الاقتصادية لكلا البلدين وآليات الدخول اليها والمنافسة فيها.
 - العمل على تنظيم فعاليات ونشاطات ترويجية تساهم في التعريف بالمنتجات الوطنية.
 - مساعدة الشركات في معرفة اجراءات ومتطلبات الاستيراد والتصدير.
 - دراسة مشاريع استثمارية مشتركة تساهم في عملية التنمية الاقتصادية.

أهمية زيادة الصادرات إلى تركيا

إن العمل على زيادة الصادرات الفلسطينية وخاصة إلى السوق التركي يأتي بالتوافق مع أهداف الاستراتيجية الوطنية للتصدير، والتي تعتبر تركيا سوقاً واعداً، وتتوفر به العديد من الفرص خاصة أن البلدين يتمتعان بروابط تاريخية وطيدة مما يتيح المجال أمام المنتج الفلسطيني لدخول السوق التركي والمنافسة فيه. وعليه فإن عدم القيام بتنمية الصادرات بشكل ممنهج وانسيابي وتسهيل التجارة بين البلدين سيؤدي إلى تفويت فرص عديدة لاستهداف سوق هام بحجم وامكانات السوق التركي، وبالتالي يحد من زيادة وتنمية الصادرات الفلسطينية بشكل عام.

وقد تم التأكيد على أهمية هذا السوق من خلال الاستراتيجية الوطنية للتصدير، والتي اشتملت على وضع خطة لاربعة عشر قطاعاً إقتصادياً منها قطاعين من تجارة الخدمات. وتهدف الخطة بشكل رئيسي إلى تنمية الإقتصاد الفلسطيني من خلال زيادة قيمة الصادرات للسنوات الخمس القادمة بمعدل 16%. وعليه فإن المطلوب هو القيام بتسهيل حركة التجارة إلى السوق التركي وزيادة مستوى التعاون الإقتصادي بشكل أكبر. وتأتي أهمية هذا الموضوع، في هذا الوقت بالتحديد، لما له من دور أساسي في تحقيق السياسة التجارية الخاصة بتنمية الصادرات والبدء بتطبيق بنود الخطة الوطنية للتصدير للخمس سنوات القادمة، وتوفير البيئة التجارية الملائمة للقطاع الخاص، وتمكينه من منافسة المنتجات العالمية، وزيادة حصته السوقية في الأسواق المستهدفة.

القضايا والتحديات القائمة

تواجه عملية التصدير من فلسطين إلى تركيا العديد من المعوقات التي تحد من استهداف السوق التركي والمنافسة فيه بشكل فاعل، ومن أهمها ما يلي:

أولاً: بموجب الاتفاقية مع تركيا فإن السلع المعفاة من الرسوم الجمركية تنحصر على السلع الصناعية ولا تشمل السلع الزراعية والأغذية المصنعة، باستثناء الاعفاء الخاص بالتمور والذي تم تحديده بكمية 1,000 طن سنوياً. وبناءً على ذلك تواجه العديد من المنتجات الفلسطينية الزراعية والغذائية المصنعة صعوبة في المنافسة في السوق التركي، علماً بأن هناك أحد عشر منتجاً منها يعتبر من أهم المنتجات الفلسطينية التي يتم تصديرها إلى العالم ولديها فرصة كبيرة في السوق التركي والاسواق التي يمكن الوصول إليها واستهدافها من خلال الشركات التركية. ومن أهم هذه المنتجات السجائر، وزيت الزيتون، ومنتجات الالبان.

التوصية:

- رفع تحديد حصة التمور وعدم حصرها بـ 1,000 طن سنوياً
- توسيع قاعدة الاعفاء الجمركي لتشمل السلع الزراعية والأغذية المصنعة والأدوية

ثانياً: لم يتم الاستفادة بشكل أمثل إلى الآن من بنود الاتفاقية التجارية بين البلدين والتي تم توقيعها عام 2005، والتي أشارت إلى التعاون الإقتصادي في العديد من القضايا أهمها تشجيع الاستثمار، والتعاون بما يتعلق بالمشاريع المتوسطة والصغيرة، والمواصفات والمقاييس، وفي المجال الصناعي والزراعي والسياحي. ويوجد هناك العديد من الفرص الاستثمارية في فلسطين خاصة للمنتجات (سلع وخدمات) التي يمكن من خلالها استهداف السوق التركي بشكل رئيس.

التوصية:

- عقد إجتماعات للجنة الاقتصادية المشتركة بشكل دوري ومنتظم لتطبيق ما تم الاتفاق عليه، ووضع الخطط والاطار الزمني للتنفيذ
- اشراك القطاع الخاص باللجان المنبثقة عن اللجنة الاقتصادية المشتركة، وتأكيد مشاركة المرأة في رسم السياسات التجارية
- تشجيع قطاع الأعمال التركي على الاستثمار في فلسطين

ثالثاً: تواجه الشركات الفلسطينية صعوبة في المنافسة وتسويق منتجاتهم في السوق التركي نظراً للمنافسة العالية، المحلية والعالمية، وعدم توفر وسائل كافية تساعد على ترويج المنتج الفلسطيني وتمكنه من دخول السوق التركي.

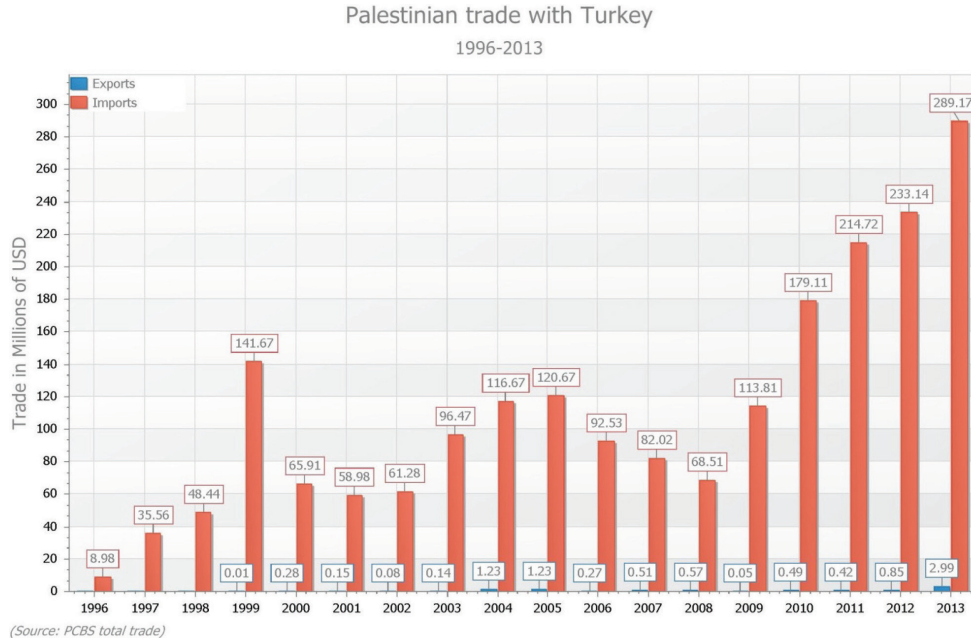
التوصية:

- معاملة المنتجات الفلسطينية كمعاملة المنتج المحلي التركي وإعطائه الأفضلية أمام منتجات الدول الأخرى
- دعم المنتج الفلسطيني وتسويقه في تركيا والاسواق العالمية من خلال شركات التسويق التركية

رابعاً: من أهم المعوقات التي يواجهها المصدر الفلسطيني هي التباين بين المواصفات والمعايير الفلسطينية والتركية، والبطء في عملية منح شهادة التصدير من الجانب التركي في بعض الاحيان. بالإضافة إلى وجود مفارقات بين عدد من المقاطعات التركية فيما يتعلق بالتشريعات النافذة وتطبيقها والتي ترتبط بعملية دخول المنتجات إليها، خاصة أن تركيا تسعى إلى التوافق بشكل كبير مع معايير واجراءات السوق الأوروبي، وعليه يوجد هناك بعض الغموض حول التشريعات النافذة التي تنظم الواردات إلى تركيا وبين ما يتم تطبيقه لضمان التوافق مع معايير السوق الأوروبي.

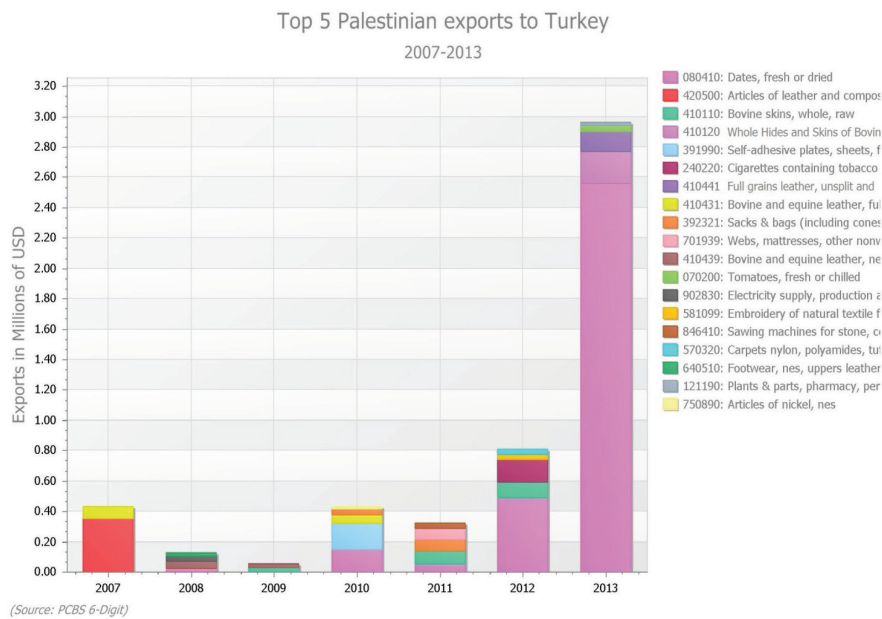
ويبين الشكل التالي حجم التبادل التجاري للسلع مع تركيا للفترة ما بين عام 1996 وحتى عام 2013، والذي يبين الحجم المنخفض للصادرات الفلسطينية إلى تركيا بالرغم من إعفاء المنتجات الصناعية الفلسطينية من الجمارك، علماً بأن متوسط التعرفة الجمركية التركية بلغ 2.4% عام 2011.

حجم التبادل التجاري مع تركيا (1996-2013)



كما يبين الشكل التالي أهم المنتجات الفلسطينية التي تم تصديرها إلى تركيا خلال الفترة ما بين 2007 إلى 2013، ويتضح من ذلك أن تنوع المنتجات التي يتم تصديرها إلى تركيا لا يرقى إلى المستوى المطلوب، وتتركز بشكل رئيس على التمور والتبغ والمطرزات اليدوية والجلود.

أهم المنتجات الفلسطينية التي تم تصديرها إلى تركيا خلال الفترة 2007 إلى 2013



جهاز الإحصاء المركزي الفلسطيني

انعكست العلاقة المتميزة مع تركيا إيجاباً على حركة التبادل التجاري بين البلدين، خاصة بعد توقيع اتفاقية التجارة الحرة عام 2005، إلا أن هذا الانعكاس كان أكثر لصالح حركة الاستيراد من تركيا وليس التصدير إليها، حيث شكلت قيمة التصدير إلى الاستيراد فقط 1% (تم تصدير حوالي 3 مليون دولار مقابل استيراد حوالي 290 مليون دولار في عام 2013). وعليه يجب القيام بتطوير آليات اختراق السوق التركي وزيادة الصادرات إليه من خلال توسيع نطاق الاتفاقيات التجارية لتشمل قطاع الخدمات وكذلك توسيع مجالات التعاون الاقتصادي، هذا من جهة، ومن جهة أخرى تفعيل عمل اللجان الاقتصادية واللجان الفرعية المنبثقة عنها وإشراك القطاع الخاص فيها، وإنشاء شراكات بين مؤسسات القطاع الخاص وتبادل الخبرات فيما بينها، إضافة إلى إنشاء مشاريع استثمارية مشتركة تستهدف السوق التركي والأسواق الإقليمية والدولية. كما يجب التأكيد على ضرورة مشاركة المرأة في صنع السياسات التجارية وأن يتم تمثيلها في اللجان الاقتصادية المشتركة.

مقدمة

تميزت العلاقة التجارية مع تركيا بوجود رؤية مشتركة تقوم على دعم العلاقات الاقتصادية بين البلدين وتوسيع قاعدة المصالح والمنافع في مختلف المجالات، وتعزيز التكامل الاقتصادي بين البلدين، وتحرير التبادل التجاري بينهما بما يخدم عملية التنمية الاقتصادية بشكل دائم. ومن هذا المنطلق، تتواصل الجهود لتسهيل عملية التبادل التجاري بين البلدين، وتأتي هذه الورقة لتعكس أهم القضايا التي تتعلق بتسهيل التبادل التجاري وإزالة العقبات التي تواجه عملية التصدير إلى تركيا، وتقديم المزيد من التسهيلات للمصدر الفلسطيني وزيادة تنافسيته في السوق التركي، مع التأكيد على أهمية تعزيز العمل المشترك بين البلدين بما يخدم مصالحهما الاقتصادية والتنموية.

وتشير هذه الورقة إلى عدد من التوصيات التي من شأنها المساهمة في تحقيق زيادة فعلية في قيمة وحجم الصادرات الفلسطينية إلى تركيا. ومن أهم هذه التوصيات أولاً: إعفاء السلع الزراعية والأغذية المصنعة من الرسوم الجمركية، ثانياً: توسيع نطاق التعاون الاقتصادي ليشمل قطاعات إضافية خاصة قطاع الخدمات، ثالثاً: إشراك القطاع الخاص بشكل أكبر في أعمال اللجان الاقتصادية المشتركة ورسم السياسات التجارية بين البلدين، رابعاً: ضرورة أن تشمل الاتفاقية قسم خاص بالتجارة في الخدمات بين البلدين ووضع الضوابط اللازمة لذلك وتوفير ميزات تفضيلية تهدف إلى تحرير التجارة في الخدمات وتنميتها، خامساً: تفعيل دور سفارتي البلدين في الجوانب التجارية والقيام بدور أكبر في عملية التشبيك بين قطاع الأعمال في البلدين.

وقد تم تطوير هذه الورقة بناءً على المعلومات الواردة في دراسة تقييم الاتفاقيات التي تحكم العلاقة التجارية مع تركيا والتي تم إعدادها من قبل فريق وطني يضم كافة الأطراف ذات العلاقة، ومن خلال الحصول على معلومات بشكل مباشر من الشركات الفلسطينية التي قامت بالتصدير إلى تركيا واستعراض أهم المعوقات التي واجهتهم لاستهداف ودخول السوق التركي، بالإضافة إلى عقد حلقات نقاش للأطراف ذات العلاقة من القطاعين العام والخاص لبحث أهم القضايا والمعوقات التجارية والاستفادة من التجارب السابقة في تعزيز العلاقات التجارية مع الشركاء الدوليين. وتعرض هذه الورقة مجموعة من المطالب والمقترحات التي تحقق المصالح الاقتصادية الوطنية وتساهم في تنمية الصادرات، بمشاركة كافة الأطراف ذات العلاقة من القطاعين العام والخاص.

القضية الرئيسية

زيادة الصادرات الفلسطينية إلى تركيا وتعزيز العلاقة التجارية بين البلدين من خلال بلورة اتفاقيات وتفاهات تجارية ثنائية تقوم على أساس تحقيق المصالح الاقتصادية والتنموية. وتسعى فلسطين إلى زيادة التبادل التجاري مع تركيا بشكل عام من خلال تحرير التجارة بين البلدين، وتذليل العقبات أمام الحركة التجارية، ومعاملة المنتج الفلسطيني معاملة تفضيلية تمكنه من استهداف السوق التركي والمنافسة فيه. وقد بلغت قيمة الصادرات الفلسطينية إلى تركيا ذروتها عام 2005 حوالي 1.23 مليون دولار أمريكي، بينما بلغت قيمة الواردات من تركيا حوالي 233.8 مليون دولار أمريكي لعام 2012 والصادرات 833 ألف دولار للعام نفسه، وعليه فإن حجم وقيمة الصادرات الفلسطينية إلى تركيا ضعيف جداً ولا يرقى إلى المستوى المطلوب ولا يلبي الأهداف المنشودة من الاتفاقيات التجارية معها.

وعليه فإن الهدف الرئيس هو زيادة التبادل التجاري بين البلدين بشكل عام وتخفيض العجز القائم في الميزان التجاري الفلسطيني أمام تركيا بشكل خاص من خلال زيادة قيمة وحجم الصادرات الفلسطينية بشكل تصاعدي ومستدام.

العلاقة التجارية بين البلدين

دخلت العلاقة التجارية بين فلسطين وتركيا عهداً جديداً بعد توقيع اتفاقية التجارة الحرة بينهما عام 2005، وشكلت هذه الاتفاقية الأساس للتعاون الاقتصادي في العديد من المجالات خاصة فيما يتعلق بمعايير السلامة الصحية والصحة النباتية، حقوق الملكية، المشتريات العامة، مكافحة الإغراق، أصول المنشأ، وغيرها. بالإضافة إلى منح إعفاء جمركي للمنتجات الصناعية، ومنتج زراعي واحد (التمور) محدد بكمية 1,000 طن سنوياً.

ولكن هذه العلاقة بصورتها الحالية لم تؤد إلى حصول زيادة ملموسة في حجم وقيمة الصادرات إلى تركيا، وبقيت دون المستوى المطلوب، حيث بلغت قيمة الصادرات الفلسطينية في عام 2013 حوالي ثلاثة ملايين دولار، بينما زاد حجم الواردات من تركيا بشكل كبير وبأني ترتيها في المرتبة الثالثة كأكبر دولة مصدرة إلى فلسطين، وقد بلغت حوالي 289 مليون دولار عام 2013. وبذلك تشكل 5% من حجم الواردات إلى فلسطين.

ويتطلع الجانب الفلسطيني في هذه المرحلة إلى التأكيد على أهمية تعزيز التجارة مع تركيا وزيادة قيمة الصادرات الفلسطينية إليها والوصول إلى شراكات تجارية ومشاريع استراتيجية تساهم في عملية التنمية الاقتصادية لكلا البلدين، حيث أن التبادل التجاري بين فلسطين وتركيا يتركز على الاستيراد من تركيا بشكل رئيس.

ورقة موقف

تعزيز التبادل التجاري بين تركيا وفلسطين

زيادة الصادرات الفلسطينية الى تركيا

تم إعداد هذه الورقة من قبل

مركز التجارة الفلسطيني - بال تريد

ضمن مشروع «تنمية الصادرات» الممول من الحكومة الكندية

وبالتعاون مع مركز التجارة الدولي (ITC) وبرنامج الأمم المتحدة للتنمية (UNDP).

والذي يتم تنفيذه من قبل مركز التجارة الفلسطيني - بال تريد

بالشراكة مع وزارة الاقتصاد الوطني الفلسطيني.

حقوق الطبع محفوظة، بال-تريد: فلسطين، 2014

ورقة موقف

تعزيز التبادل التجاري بين تركيا وفلسطين

زيادة الصادرات الفلسطينية الى تركيا

2014