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Country Presentation
Statistics Turkey

Item 11: Coverage and time of recording

Inward and Outward Processing in Turkey

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Outline

- Introduction
- Customs Procedure Codes (CPCs)
- Statistical Procedure Codes (SPCs)
- Nature of Transaction
- Inward Procedure (IPR)
- Outward Procedure (OPR)
- Encountered Problems

Introduction

- Turkey joined the Customs Union with the EU in 1996.
- Customs practices are harmonized with EU.
- Turkey is member of a number of international conventions, such as the revised Kyoto Convention, the Convention on Harmonised System
- Customs in Turkey has a comprehensive computer system, BILGE, in place for customs control and trade facilitation. This system into a web-based technology. EDI system is used more common. 99% of declaration are electronic.
- TURKSTAT is responsible for producing and dissemination of external trade statistics
- Special trade system (Relaxed definition)

Customs Procedure Codes (CPC)

- The Customs Procedure Codes (CPCs) identify the customs and/or excise regimes to which goods are being entered and from which they have been removed (where this applies).
- The CPC is completed at export as well as import.

Main Customs Procedures

- 1) Release for free Circulation (Importation)
- 2) Transit
- 3) Customs Warehousing
- 4) Inward Processing**
- 5) Processing under customs control
- 6) Temporary Admission
- 7) Outward Processing**
- 8) Export

Statistical Procedure Codes (SPC)

SPC	Exports	Imports
0	Exclusion	Exclusion
1	Normal	Normal
3	for outward processing	after outward processing
5	after inward processing, suspension system	for inward processing, suspension system
6	after inward processing, drawback system	for inward processing, drawback system
7	for economic outward processing for textiles	after economic outward processing for textiles

Nature of Transaction

- Nature of transaction codes are useful mainly for adjusting data for BOP and National Accounts purposes, to exclude certain movements and for data checking (e.g. processing)

41	Operations with a view to processing under contract
42	Operations with a view to repair and maintenance against payment
51	Operations following processing under contract
52	Operations following repair and maintenance against payment

Responsible Bodies in Turkey

- Under Secretariat for Customs
- Under Secretariat for Foreign Trade
- General Secretariats of Exporters Union
- TURKSTAT

Inward Processing

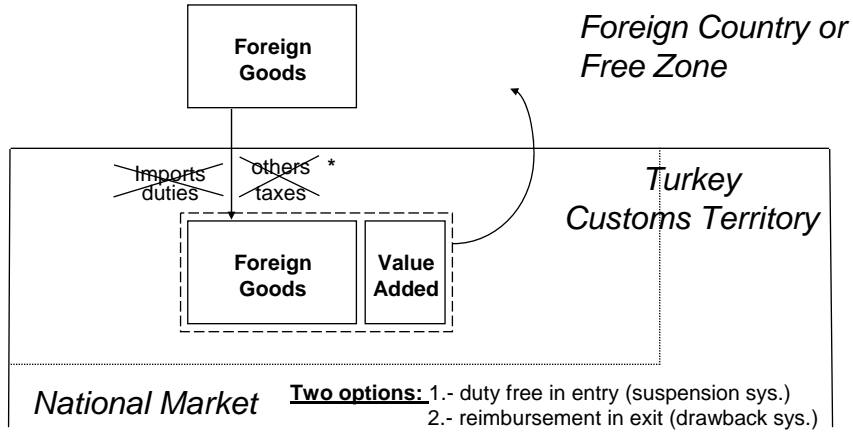
- The inward processing procedure makes it possible to import goods temporarily so that they can be processed (assembling, manufacturing, transforming) or repair) and then to export the resulting compensating products, while benefiting from an exemption from import duties or taxes which would be carried out under the trade policy normally applicable to imported goods.
- The aim of the Inward Processing regime is to enable exporters to supply raw materials, intermediate unfinished goods for the production of their exports without being subject to customs duties, including VAT. The customs duties or other relevant charges are not applied when the goods are exported to a third country.
- Goods that are not to be evaluated in accordance with this regime are animals, fishes, goods causing environmental pollution.
- Period of Authorization is at most 12 months in respect of sectors. In some exceptional cases, it can be more than 12 months.

Inward Processing

Inward processing can be classified by two main types of systems

- The Suspension System
 - **Equivalent goods**
- The Drawback System

Procedure of Inward Processing



Inward Processing

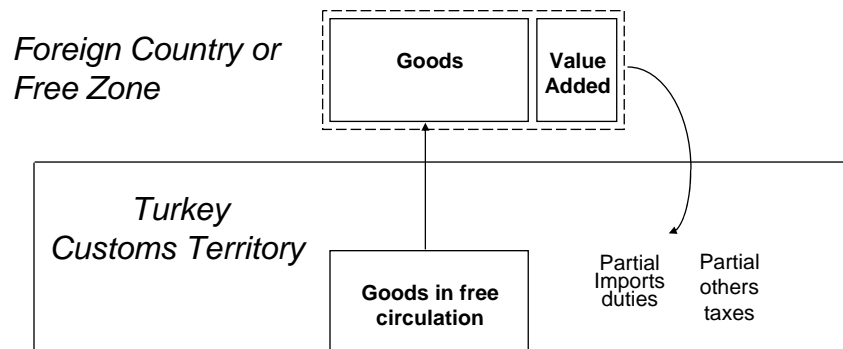
Data are available separately on:

- Imports for inward processing (suspension system)
- Imports for inward processing (drawback system)
- Exports after inward processing (suspension system).
- Exports after inward processing (drawback system)

Outward Processing

➤ Outward processing makes it possible to export goods temporarily for processing and to import the compensating products with a full or partial exemption from duties and levies.

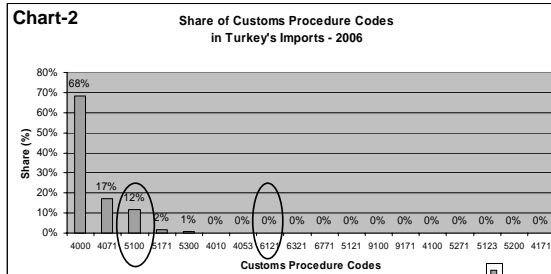
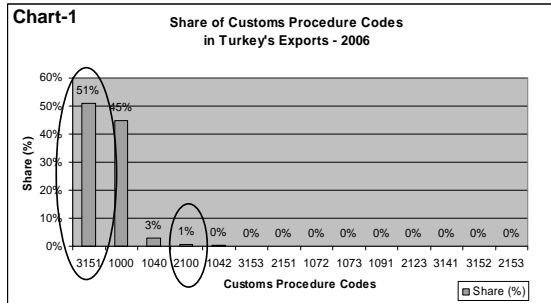
Procedure of Outward Processing



Outward Processing

Data are available separately on:

- Exports for outward processing
- Exports for outward processing for textiles
- Imports after outward processing
- Imports after outward processing for textiles



Trade by SPCs

Value: M\$

	SPC	Exports	Share%	Imports	Share%	Difference
0	Excluding	1,804	2.1	21,171	13.2	
1	Normal	41,415	47.4	120,594	75.0	
3	Outward PR	563	0.6	183	0.1	380
5	Inward PR (Suspension)	43,557	49.9	18,799	11.7	24,758
6	Inward PR (DrawBack)	0	0.0	1	0.0	
7	Economic Outward for textiles	0	0.0	0	0	
	Total	87,339	100.0	160,747	100.0	

Encountered Problems

- Statistical value is not always gross value
- Errors in the nature of transaction codes
- Goods for processing for BOP definition not recorded separately
- How can ownership of the goods be recorded?

Thank you
for your attention!