

THE IMPACT OF CUSTOMS UNION ON ENVIRONMENT AND CONSUMER PROTECTION IN TURKEY

The Ankara Agreement, signed in 1963, constitutes a basis for the current EU-Turkey Customs Union. The final stage envisaged in the Ankara Agreement was about completing the establishment of a customs union between the EU and Turkey. The Customs Union Decision, adopted by Association Council in 1995, entered into force on 1 January 1996, as part of the integration process. By means of EU-Turkey Customs Union, Turkey adopted Common Customs Tariff and Turkey and the EU adopted a resolution to scrap custom duties and non-tariff barriers reciprocally. EU-Turkey bilateral trade, as well as direct investments have risen immensely over the course of 20 years.

However, the changing dynamics of the global and Turkey revealed some deficiencies in the design of the Customs Union. When the EU has started negotiations for the Transatlantic Trade and Investment Partnership (TTIP) with the US, Turkey expressed its concerns as it could not be automatically included in this partnership. This would create additional charges for Turkey, and render the Customs Union a disadvantageous agreement, rather than a beneficial one. Therefore the need for the modernisation of the Customs Union has started to be pronounced. The impacts analysis carried by the European Council also confirmed that the modernisation of Customs Union would be more advantageous than the current economic framework. Other than economic gains, the modernisation of the Customs Union could also have impact on consumer protection and environment.

Consumer Protection

The EU-Turkey Customs Union has provided significant returns on consumer protection for some time. As there was a need to comply with the EU's standards, Turkey adopted Consumer Protection Law No. 4077 on 8 March 1995. With the entry into force of this law, for the first time in Turkey, consumer rights were protected and the manufacturers were held responsible for the defective goods and services they provided. The Consumer and Health Protection chapter of the EU *acquis* has been one of the rare chapters which Turkey is considered to have a "good level of preparation". According to 2018 Turkey Report, Turkey has shown some level of preparation however national product safety legislation is not fully aligned with the EU *acquis*.

The Customs Union impact analysis carried out by the European Commission revealed that modernising the Customs Union would increase prices in the EU, however it would decrease the prices in Turkey as trade costs will be decreasing in parallel.

Environment and Sustainable Development

Sustainable development is development that meets the needs of today without compromising the future generations' ability to meet their own needs. The "Trade for All" strategy adopted by the EU aims to enhance investment, sustainable growth and jobs in both the EU and all over the world through Sustainable Development Goals, adopted by United Nations in 2015. Thus, the EU included sustainability and trade chapters in the FTAs negotiated with third parties. EU-Japan FTA was the first FTA to bind parties to their commitments for Paris Agreement.

On the other hand, EU-Turkey Customs Union does not contain obligations for environmental protection. The 2018 Turkey Report revealed that Turkey needs to have more ambitious and better coordinated policies still need to be established and implemented. Updating the Customs Union, in a way to include sustainability obligations, could also impose obligations for Turkey to ratify Paris Agreement and similar multilateral agreements on the environment.

In conclusion, following the coup d'état attempt on 15 July 2016, the relations between Turkey and the EU deteriorated. The political reasons, which would not let the accession process advance, also affected the modernisation of the Customs Union process. However, the modernisation of the

Customs Union could create a win-win scenario for both parties. As stated by MEP Kati Piri in her Draft Report, the modernisation of the Customs Union would “provide a valuable opportunity for democratic conditionality, positive leverage and the possibility of a roadmap where upgrading the Customs Union would go hand in hand with concrete commitments by Turkey on democratic reforms; further that the upgrading of the Customs Union would provide an important opportunity for policy dialogue on climate change as well as on labour rights in Turkey”. Therefore, it is safe to say that the modernisation of the Customs Union could be advantageous not only in economic sense but also in a political one.