

**No. 49320**

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**Turkey  
and  
Kenya**

**Agreed minutes of the first session of Turkey-Kenya Joint Economic Commission held in Nairobi, Kenya between 26<sup>th</sup>-28<sup>th</sup> October 2010. Nairobi, 28 October 2010**

**Entry into force:** *4 August 2011 by the exchange of the said notes*

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**Turquie  
et  
Kenya**

**Procès-verbal approuvé de la première session de la Commission économique mixte Turquie-Kenya, tenue à Nairobi (Kenya) du 26 au 28 octobre 2010. Nairobi, 28 octobre 2010**

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[ ENGLISH TEXT – TEXTE ANGLAIS ]

**AGREED MINUTES OF THE FIRST SESSION OF TURKEY/KENYA JOINT ECONOMIC COMMISSION HELD IN NAIROBI, KENYA BETWEEN 26<sup>TH</sup>-28<sup>TH</sup> OCTOBER 2010**

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**PREAMBLE**

The Joint Economic Commission, established in accordance with the Article 8 of the Agreement on Trade and Economic Cooperation between the Government of the Republic of Turkey and the Government of the Republic of Kenya, held its first session in Nairobi between October 26<sup>th</sup> -28<sup>th</sup>, 2010.

The Turkish Delegation was headed by H. E. Ömer Dinçer, Minister for Labour and Social Security and the Kenyan Delegation was headed by Hon. Amb. Chirau Ali Mwakwere, Minister for Trade. The list of the members of the two delegations is attached as Annexes I and II, respectively.

During his visit, H.E. Ömer Dinçer held talks with Hon. Moses Wetang'ula, Minister for Foreign Affairs, Hon. Mohammed Kuti, Minister for Livestock Development, Hon. Amb. Chirau Ali Mwakwere, Minister for Trade, Hon John Kiyonga Munyes Minister for Labour, Hon. Najib Balala, Minister for Tourism , Hon. Mohammed Elmi, Minister for Development of Northern Kenya and other Arid Lands, Hon. Franklin Bett, Minister for Roads and Hon. Farah Maalim Mohammed, Deputy Speaker of the National Assembly of Kenya.

At the Plenary Session, the heads of the two delegations made comprehensive presentations on the recent economic developments in their respective countries and reviewed the overall commercial, economic, technical and cultural relations between the two countries and reaffirmed their determination to further enhance the cooperation in these fields.

The negotiations were conducted in an atmosphere of mutual understanding and cooperation reflecting the traditionally close and brotherly relations between the two countries.

## **1. TRADE**

Considering the importance of trade between the two countries and acknowledging the fact that the volume of trade between the two countries is low relative to the potential, both parties discussed and agreed to cooperate in the following areas with a view to expanding bilateral trade and investment:

### **i. Joint Business Council**

Both parties expressed their satisfaction for the establishment of Kenya-Turkey Business Council aimed at exploiting the business opportunities that exist in their respective countries. The two sides reiterated the need to enhance cooperation in the exchange of trade and investment delegations, business forums and promotion of partnerships between businessmen, facilitated by the respective national business membership organizations of the two countries.

The Turkish side informed that Mr. Ali Nahit Bozatlı has been appointed by the Foreign Economic Relations Board of Turkey (DEIK) as the co-chairman of the Kenya-Turkey Business Council. In this context, both sides agreed to conclude the necessary arrangements between the Foreign Economic Relations Board of Turkey (DEIK) and the Kenyan National Chamber of Commerce and Industry (KNCC&I) in the earliest possible time in order for the Business Council to operate. It was agreed that the Memorandum of Understanding between DEIK and Kenyan National Chamber of Commerce and Industry needs to be implemented.

**ii. Free Trade Agreement**

The Turkish side expressed its clear intentions to start Free Trade Agreement negotiations with East African Community (EAC) in order to enhance the economic and commercial relations between Turkey and East African countries.

Since the Republic of Kenya is one of the members of the EAC, the Kenyan side expressed its readiness to give full support to start FTA negotiations between Turkey and East African Community.

**iii. Export Promotion Activities**

Both sides agreed to encourage Export Promotion Centre of Turkey and Export Promotion Council of Kenya to collaborate in assisting Small and Medium Enterprises (SMEs) to expand exports by training in programmes aimed at improving skills in product development, marketing and value addition for exports among other aspects.

The official institutions responsible for export promotions in both countries demonstrated the willingness to collaborate in assisting SMEs with expertise on market access and development. It was agreed that this will include trade information exchange, training in trade and business skills development and capacity building programs, and technical topics in export promotion. It was further reiterated that this will similarly cover areas such as export product development, international marketing, productivity and value addition practices on strategically prioritized fields among others.

**iv. Capacity Building**

Both sides agreed to deepen capacity building especially in the training of trade officials in the areas of trade policy and negotiation skills. The Turkish side expressed its willingness to train commercial attachés from Kenya in Turkey within the framework of a specific programme offered by the Undersecretariat for Foreign Trade of Turkey.

**v. Special Economic Zones (SEZs)**

The Kenyan side sought Turkish assistance in the transformation of Export Processing Zones (EPZs) to Special Economic Zones (SEZs). The Turkish side expressed its support on the transformation issue and its willingness to collaborate in investment activities in the SEZs such as Information and Communications Technology (ICT), pharmaceuticals, automotive, agro-processing and medical supplies.

**vi. Foreign Trade Finance**

Both sides expressed the importance of developing the banking correspondence relations between the two countries, and agreed to encourage the commercial banks to enhance cooperation.

Both sides agreed to the establishment of a financing facility on commercial terms between the two countries for the export of goods and services from Turkey to Kenya. For the functioning of this mechanism, the Turkish side assigned the Export Credit Bank of Turkey (TURK EXIMBANK) and the Kenyan side assigned IDB Capital Limited, operating as a public bank. In this context, TURK EXIMBANK will allocate a financing facility of up to USD 50 million to IDB Capital Limited under the sovereign guarantee of the Kenyan Government. The terms and conditions of this facility will be subject to the OECD Arrangement and will be settled between the two banks.

**vii. Sharing of Technologies**

Both sides noted that new technologies and innovation are crucial factors for trade between the two countries and agreed to cooperate in technology and know-how transfer.

**viii. Trade Fairs and Buyer/Seller Missions**