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## Republic of Korea and Republic of Turkey Have Taken an Additional Important Step Forward to Augment Their Investment and Economic Relationship

*On 14.04.2016, Council of Ministers' affirming decision regarding "Agreement on Investment Under the Framework Agreement Establishing a Free Trade Area Between the Republic of Turkey and the Republic of Korea" ('the Agreement') was published on the Official Gazette.*

Since the commencement of political relationship of the respective countries 67 years ago, the economic relationship has shown a promising rise in the last 10 years. For example, in 2013, total trade has generated a volume of USD 6.1 billion. Indeed, it is safe to assume that the instruments that were entered into force i.e. "Framework Agreement Establishing a Free Trade Area between the Republic of Turkey and The Republic of Korea" and "Agreement on Trade in Goods between the Republic of Turkey and The Republic of Korea" have devised legal framework of such increase.

It is in this climate that the Agreement, while *substituting* and *replacing* Bilateral Investment Treaty between Turkey and Korea, it also seem to enhance scope of

investment by adding following elements in its Section B; licenses, authorizations, permits, and similar rights conferred pursuant to domestic law as well as turnkey, construction, management, production revenue-sharing, and other similar contracts. Notably, the Agreement also introduces an article to maintain a high level of environmental and health measures and not lowering these standards in order to attract or expand investment from the other Party.

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