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Circular

From the Prime Ministry for Foreign Trade

CIRCULAR REGARDING PREVENTION OF UNFAIR COMPETITION IN IMPORTS (2008/38)

Application

Article 1 - (1) Under the legally affiliation of No. 4412 with No. 3577 regarding Prevention of Unfair Competition in Imports, No. 99/13482 the decision on Prevention of Unfair Competition in Imports on October 20th, 1999, and No. 23861 the decision on Management of Preventing Unfair Competition (Decision) published in the Official Gazette on October 30th, 1999, local enterprises including Ugurlu Oto Cam San.Tic.Ltd.Şti and Ufuk Metal San. Tic.Ltd.Şti. requested a comprehensive investigation into the issue of dumping, damage it brought, and its inevitable recurrence based on a final decision on the domestic prevention of dumping "glass-made products such saucepans, fry-pans and teapot cover" produced by People's Republic of China (PRC). The application is also supported by Ada Cam Ltd.Şti., Varol Tic.Koll.Şti. and Royal Cam-Ali Ozdemir.

(2) Complaint companies also applied for an anti-dumping investigation according to laws concerning the prevention of unfair competition in imports, since these kinds of goods are also imported at dumping prices from Hong Kong and Indonesia, bringing heavy damage to local enterprises.

Status of Representatives of the Application

Article 2 - (1) The complaint companies are competent representatives of local manufacture industry.

Application Quantity

Article 3 - (1) The target products in the application are "glass-made saucepans, fry-pans and teapot cover" as registered on No. 7010.20.00.00.00 customs clearance table.

(2) The attestation does not have other functions except for providing customs statistics.

Present Status

Article 4 - (1) The charge standard of 0.91 USD/kg against PRC still exists under No. 2003/22 Circular on Prevention of Unfair Competition in Imports (No. 2003/22) based on the No. 7010.20.00.00.00 customs clearance table. In the table, "glass-made saucepans, fry-pans and teapot cover" imports are registered.

Claim of Damping

Article 5- (1) Hong Kong and Indonesia have implemented relevant trade procedures or have promised to determine reasonable prices that are suitable for local market based on data provided by complaint companies in local manufacture industry.

(2) The FOB export price of target products imported by Turkey from the manufacturers can be reached by deducting freight charge and insurance fee from the CIF price as determined by Turkish Statistical Institute.

(3) The collision between normal price and export price occurs in the trade course because exporters would gain benefits from FOB price which is accepted as part of the price.

(4) Significant dumping margin is generated through this algorithm.

Loss, Causality and Continuous Loss

Article 6-(1) The major problem of the imported products from PRC, Hong Kong and Indonesia is that the imported price is much lower than that of the local manufacturers who cannot help, but sell at less than the cost for the sake of survival in the competition.

(2) From 2004 to 2008 (the first half year), imports from Indonesia have been growing up continuously and rapidly. At the beginning of 2008, products made in Hong Kong also entered the Turkish market in an increasingly rapid pace.

(3) Indonesian products occupy significantly high market share in Turkey from 2004 to 2008 (the first half year), and the market share of domestic manufacturers has declined in 2008 (the first half year).

(4) Domestic manufacturers suffered continuous loss from 2004 to 2008 (the first half year).

(5) Domestic manufacturers suffered significant loss in 2008 (the first half year). The sales in domestic market declined; trade loss was going up; unit sales prices were lower while unit cost did not get reduced.

(6) It is testified by investigation given in accordance with data and formal documents provided for the application. It listed that product exported from Indonesia and Hong Kong to Turkey is dumping, and has caused serious impacts on domestic manufacture industry.

(7) Products of PRC are exported to Turkey at extremely low price, causing high potential of dumping.

The prevention of continuous dumping in Turkish market and other data have recognized the damage to domestic market caused by imports from PRC, and therefore protective measures shall be implemented.

Ratiocination

Article 7- (1) It is concluded from the above research that preventive and anti-dumping measures shall be adopted for products imports from PRC. Investigation and research shall be carried out in the purpose of protecting domestic manufacturers and of preventing damage to the domestic market.

(2) In addition, an anti-dumping investigation shall be carried out for products from Indonesia and Hong Kong imported at dumping price which has caused serious damage to the domestic market.

Decision and Task

Article 8 – (1) According to the research, it is determined to carry out preventive measures against product imports from PRC, or to carry out anti-dumping investigation on product imports from PRC and give final reply by Fair Trade Protection Committee according to adequate evidence acquired in the preventive and dumping investigation of Indonesia and Hong Kong products; carry out investigation of exporters of PRC in accordance with Article 35 of the Management Regulations and carry out dumping investigation of exporters of Indonesia and Hong Kong in accordance with Article 20 of the Management Regulations.

(2) Investigations shall be executed by Direction General of Imports (Direction General) of the Undersecretariat of the Prime Ministry for Foreign Trade.

Market Protection Measures

Article 9 - (1) According to article 40 and article 41 in the *Regulations for the Management of Unfair Import Prevention* issued by the Direction General, some restrictions will be given to products imports from PRC subject to certain price difference that some price restriction will be given to the manufacturers or the exporters in accordance with annex 1 in the Management Regulations. Preventive measure will be implemented to the manufacturers in accordance with article 5 of the Management Regulations where adequate evidences are collected in the period specified in article 11 of the Circular. In case of other condition, decision will be made in accordance with article 7 in the Management Regulations that the equal trade cooperation subject to free market rules is required.

Questionnaire and feedback

Article 10 – (1) To achieve better investigation result, questionnaire will be sent to the importers and manufacturers in the target countries by the Undersecretariat of the Prime Ministry for Foreign Trade. The various exporters shall fill out the questionnaire within the specified time and send back in 15 days after the notice of the investigator is received.

(2) The questionnaire will be sent to representatives in the investigated countries so as to facilitate and ensure the receiving of questionnaire of importers and manufacturers in the target countries (send to representatives of Hong Kong area and PRC)

Duration

Article 11 – (1) The questionnaire shall be replied within 37 days (including the delivery time) from the day the questionnaire is received. The later item mentioned in article 10 shall be delivered to the Directorate General of Import within 37 days from the day this circular is issued.

(2) To ensure the investigation, all the documents related to this investigation shall be delivered to the Directorate General of Import within 37 days from the day this circular is issued.

(3) Except those who will receive the investigation questionnaire, who are not included in the questionnaire issuance scope as stated in article 10 (such as enterprises, trade organizations, consumer associations, labor unions and others who import relevant products) can send their opinions in written form to the Directorate General of Import within 37 days since the date of the circular is issued.

Corporation way

Article 12 (1) The investigation is performed according to Article 26 of this regulation. To ensure the questionnaire can be received within the specified period and avoid hiding answer, giving wrong answer or rejecting to answer, the questionnaire will be marked according to clear or underlying data.

Provisional preventive measures, confirmation of taxation

Article 13 – (1) Current regulations of measures will be effective until this investigation is completed according to Article 35 of this regulation, which product(s) origin of PRC.

(2) Related articles of decision show that temporary measures may be practicable during damping investigation and certain measures may be practicable.

(3) The started procedure and exception are not available during measures application.

Address and Contract

Article 14 -(1) Besides the above information and files on investigation, the following address and contract are also available.

UnderSecretariat of Prime Ministry for Foreign Trade
Directorate General of Import
Damping Research Office
Address: İnönü Bulvarı, 06510 Emek/ANKARA
Tel: +90 312 204 77 10

Fax:+ 90 312 212 87 65 / 212 87 11

E-mail: damping@dtm.gov.tr

ucarf@dtm.gov.tr

Start time for investigation

Article 15 – (1) The time of the investigation is started from the issued date of this circular.

Validity

Article 16 – (1) It becomes valid once this circular is issued.

Execution

Article 17 - (1) This circular is executed by the minister of UnderSecretariat of Prime Ministry for Foreign Trade.