

**COMMUNIQUE ON THE PREVENTION OF UNFAIR COMPETITION IN IMPORTS
(COMMUNIQUE NO: 2010/12)**

**CHAPTER ONE
General Information and Procedures**

Applicable Measure and Investigation

ARTICLE 1 – (1) The measure against dumping at a rate of 0.91 US\$/kg was enacted with the Communiqué No. 2003/22 (Communiqué No. 2003/22) regarding the Prevention of Unfair Competition in Importing, published in the Official Journal No. 25322 dated 20December 2003for saucepans, fry-pans and teapot glass lids/covers (glass cover) made of glass declared under customs tariff number 7010.20.00.00 normally originating in the People's Republic of China (PRC).

(2) Prior to the expiry date of the applicable measure, it was announced in the Communiqué No. 2007/18 regarding the Prevention of Unfair Competition in Importing published in the Official Journal no. 26709 dated 23 November 2007 that there was a request for initiating a final review investigation.

(3) Domestic manufacturers, Uğurlu Oto Cam San Tic A Ş and Ufuk Metal San ve Tic Ltd Şti , have made a request for the initiation of a final review investigation (NGGS) of the measure in relation to the subject product originating in the PRC. The application was supported by the companies Ada Cam Ltd Şti , Varol Ticaret Koll Şti and Royal Cam – Ali Özdemir.

(4) The same domestic manufacturers have asserted that the glass covers originating in Indonesia and Hong Kong were imported under dumping prices and made claims for initiation of dumping investigation due to damage to the domestic production.

(5) Both applications were assessed and the NGSS investigation initiated for the glass covers of PRC origin and the dumping investigation initiated for the glass covers of Indonesian and Hong Kong origins were conducted. The investigations have been completed by Foreign Trade Undersecretariat Importing General Directorate with the publication of Communiqué No. 2008/38 regarding the Prevention of Unfair Competition in Importing published in the Official Journal No. 27083 dated 17 December 2008 .

Scope

ARTICLE 2 – (1) The disclosure herein covers the results of final review and dumping investigations conducted in the framework of the provisions of the Law No. 3577 regarding the Prevention of Unfair Competition in Importing amended by the Law No. 4412, the Decision (Decision) No. 99/13482 dated 20 October 1999 regarding Prevention of Unfair Competition in Importing and the Regulation (Regulation) regarding Prevention of Unfair Competition in Importing, published in the Official Journal no. 23861 dated 30 October 1999.

Representatives of the Domestic Production

ARTICLE 3- In the light of the available information, the two companies supporting the complaints actively have represented 75% of Turkey's production as of 2008 and in this regards, it was considered that the complaint is made on behalf of the domesticproduction as per Article 20 of the Regulation during the application phase. No further information was taken to change this fact during the investigation.

Notification to the Related Parties and Reviewing the Information

ARTICLE 4 – (1) Following the opening of the investigations, the relevant questionnaires, non-confidential summary of the application and the notification related to the initiation of the investigation were notified to the domesticdomestic manufacturers of the said products, Embassy of the PRC in Ankara and Embassy of Indonesia in Ankara for the purposes of informing the manufacturers/exporters known to be established in PRC, Indonesia and Hong Kong and furthermore to the other manufacturers/exporters established in the said countries.

(2) A period of 37 days including the mailing period was granted to the relevant parties for replying the questionnaires.

(3) The domestic manufacturers have also duly replied the questionnaire. Furthermore, the said companies have been in cooperation with our Undersecretariat during the investigation period and whenever necessary, supplied the additional information and documents.

(4) 12 importers out of 21 importing companies which have been notified regarding the initiation of the investigation have filled out the questionnaires and submitted their replies.

(5) No reply was received from the companies established in PRC and Hong Kong to which the questionnaires were sent; the company with the title PT. Sinar Baru Abadi established in Indonesia has replied the questionnaires.

(6) According to Article 25 of the Regulation, the Final Disclosure that includes information and findings on which the assignments at the end of the investigation will be based was sent to the related parties, and they were allowed a reasonable period of time for the submission of their opinions and evaluations. Within this scope; the company with the title PT. Sinar Baru Abadi established in Indonesia has submitted the opinions related to the communicate within the time period that was allowed by the Trade Ministry of Indonesia.

(7) All information, documents and remarks presented by the parties during the investigation were examined; the foregoing remarks that can be taken into account in the extent of the legislation are mentioned herein in the relevant sections of the disclosure.

On-site Verification

ARTICLE 5- (1) In the framework of Article 21 of the Regulation, the on-site validations were made at the premises of the domestic manufacturers, Uğurlu Oto Cam San Tic A Ş and Ufuk Metal San ve Tic Ltd Şti and at the administrative facilities of PT Sinar Baru Abadi located in Mojokerto (Indonesia).

Review and Investigation Period

ARTICLE 6- (1) In order to specify whether the dumping and the damage would continue or whether the damage would recur again whenever the measure is abrogated, the dates between 01 January 2006 and 30 September 2008 was taken as the review period.

(2) To determine the dumping, the dates between 01 January 2008 and 30 September 2008 was taken as the investigation period. In determining the damage, the dates between 01 January 2006 and 30 September 2008 was taken as basis for data collection and analysis.

(3) On the other hand, in order to assess the importing tendency after the measure, the importing data belonging to the period between 2004 and 2008 (9 months) were examined. In order to observe the change between the years, the data in 2008 were multiplied by 4/3 and thus rounded to 12 months.

CHAPTER TWO

Product or Similar Product Under Investigation

Product or Similar Product Under Investigation

ARTICLE 7- (1) The product in the subject investigation classified under CCT (customs clearance table) 7010.20.00.00.00 is the “saucepans, fry-pans and teapot lids/covers made of tempered (heat-resistant) glass.” The said product is manufactured by cutting the jumbo type glass in square form complying with the dimensions and cutting in round form, then smoothing the edges (8,10,12,14,16,18,20,22,24,26,28,30,32,36,40 cm diameter) by grinding and keeping the glass in round form in an oven at 700°C, subsequently shocking it with air at 1-1.5 bars at outlet. Then, the steel strip is cut according to the dimensions and the two ends are point-welded in circular form. The steel frame is opened and the sides of the glass lid/cover are closed and the steam hole drilled previously is riveted to obtain the final product. The product is used as the lids/covers of saucepan, fryer pan and teapot. The covers can be either colored or colorless according to the glass used.

(2) In the original investigation (main investigation) on which the application of the current measure was based, a determination of the similarity between the various glass covers manufactured by domestic production and the glass covers with PRC origin was made. In this investigation, no determination was made that rejects the original

determination on the similarity condition of the various glass covers manufactured by the domestic production and the various glass covers of PRC origins imported to Turkey.

(3) On the other hand, no objection was received related to the determination that glass lids/covers manufactured by the domestic production and the glass covers imported from Indonesia and Hong Kong are similar in terms of the functional properties, physical properties, usage areas, distribution channels, perception of the users and substitutability.

(4) During the investigation, no remark or objection was received regarding the scope of the commodity and its classification in the customs clearance table.

(5) The description of the product in the investigations has a general context, and has the definition of the commodity under the classification in the customs clearance table on which the application was based. Therewith, the changes to be made on the tariff classification and/or definitions of of the product in the Turkish CCT will not prejudice the implementation of the provisions of the communique.

CHAPTER THREE **Observations Related to Dumping**

SECTION ONE **Expiry Review Investigations-ERI**

Normal Value

ARTICLE 8- (1) The normal value for PRC, as specified in the Communiqué, is calculated by adding a reasonable profit to the production cost, sales, general and administrative figures in Turkey, which was taken as precedent country.

(2) No remark or objection was received within the specified period related to the selection of precedent country.

Export Price

ARTICLE 9 – (1) The data of Turkey Statistical Institute (TUIK) on the first 9 months of 2008 and the invoices that can be obtained related to the imports of 24 cm¹ glass lid/cover of PRC origin were taken into account to calculate the import price.

Price Comparison and Dumping Margin

ARTICLE 10- (1) As a result of the comparison between the 9-month average unit prices taken in 2008 from TUIK for the import of PRC origin and the normal value constituted by considering the domestic production data, it was determined that the imports of glass cover of PRC origin was made with dumping prices at a rate of 131% (1,363 USD/kg) of the CIF price. The indicative dumping margin by using the invoices obtained from the importers related to the 24 cm glass covering import of PRC origin was determined as 109% (1.37 USD/kg) of the CIF price.

SECTION TWO **Dumping Investigation**

General

ARTICLE 11- (1) The detailed information related to the normal value for the manufacturer – importer company from Indonesia and how the export price and dumping margins are calculated was notified to the related company in the disclosure.

(2) As per Article 26 of the Regulation, the dumping margin for the manufacturer-importer companies from the countries in the subject investigation which have not cooperated, is calculated through comparison of the import

¹ Since the 24 cm glass covers are the highest selling product type in the Turkish market, this product type is taken as basis in the calculation.

price of the relevant product received from TUIK data and the normal value calculated by adding a reasonable profit margin to the commercial activities of the domestic production.

Representation Test

ARTICLE 12- (1) As per article 5 of the Regulation, a representation test was applied for the cooperating manufacturer-importer companies in order to determine whether a suitable comparison can be made since the similar commodity sales volumes made in domestic market of the origin country is low.

(2) Accordingly, in case that the amount of sales of the similar product made in the regular commercial transactions in the domestic market of the origin country constitutes 5% or more, the normal value is calculated on the basis of the realized sales in the domestic market of the origin country, otherwise on the basis of generated value.

Regular Commercial Transaction Test

ARTICLE 13- (1) As per Article 5 of the Regulation, a regular commercial transaction test was applied for the cooperating manufacturer-importer company in order to determine whether the sales in the domestic market of the origin country are to be used for calculating the normal value in the light of the information supplied and validated by the company in the investigation. Accordingly the normal value is calculated as follows:

- a) In cases where the weighed average net sales price is above the weighed average unit price;
 - 1) In case that the sales amount is above the weighed average unit cost and constitutes 80% or more of the total sales amount, then on the basis of weighed average (with / without profit) of all domestic market sales realized during the investigation period;
 - 2) In case that the sales amount is above the weighed average unit cost and constitutes 80% or less of the total sales amount, then on the basis of weighed average of all profitable domestic market sales realized during the investigation period;
- b) In case that weighed average sales price is below the weighed average unit cost, then on the basis of weighed average of domestic market sales procedures with profit realized during the investigation period;
- c) In case there is no sales transaction with profit, then on the basis of generated value.

Normal Value on the Basis of Domestic Market Sales

ARTICLE 14- (1) As per article 5 of the Regulation, the normal value is determined on the basis of the prices paid or required to be paid by the independent buyers in regular commercial transactions for the similar product in the domestic market of the origin country when the domestic market sales are taken as basis.

Generated Normal Value

ARTICLE 15- (1) The generated normal value is calculated by adding a reasonable profit amount to the production cost, sales, general and administrative figures supplied by the companies.

(2) As per Article 6 of the Regulation, the weighed average profit rate obtained in the similar product sales in regular commercial transactions is taken as basis in the calculation of generated normal value.

Specifying the Export Price

ARTICLE 16- (1) For the cooperating manufacturer-importer company, the export price is calculated on the price actually paid by the independent buyers.

Price Comparison

ARTICLE 17- (1) To ensure a fair comparison, the normal value and the export price are leveled at the factory outlet prices (ex-works) and are compared accordingly.

(2) As per Article 10 of the Regulation, in order to level the normal value and the export price at the same commercial level and thus to perform a fair comparison, adjustments were made for the issues claimed by the Parties and affecting the price comparison and documented, applicable and considered fair such as transportation, packaging, insurance, payment conditions, discount, reimbursement, banking charges etc.

Dumping Margins

ARTICLE 18- (1) A dumping margin at a rate of 10.04% (0.143 USD/kg) of CIF value for PT Sinar Baru Abadi from Indonesia cooperating in the investigation, was determined. The related company and the Trade Ministry of Indonesia expressed two opinions on the calculation of company margins. These are: the packaging costs should be considered as production costs, and the commission expenses are related to the domestic sales of the product only. Primarily, the packaging costs related to glass lids/covers are not included in the production costs. The inclusion of the export packaging expenses under the company's production costs does not mean that they are the items of the production costs. These types of costs are deducted from the sales prices while reaching the drop-shipping price. Within the scope of Article 10 of the Prevention of Unfair Competition in Importing Regulations,, for ensuring a fair comparison, the packaging costs were deducted from the export prices as well as from the Indonesian domestic sale prices. Within this scope, the objection is deemed to be not just or fair. The objection related to the distribution of the commission expenses is deemed as unsubstantial because the company was able to submit a document indicating the only commission expenses made for the related product during the on site verification. No discrimination was observed on the expenditure records in the reference document to the objection.

(2) A dumping margin at a rate of 70% (0.991 USD/kg) of CIF value for the companies from Indonesia not cooperating in the investigation was determined.

(3) A dumping margin at a rate of 95% (1,172 USD/kg) of CIF value for Hong Kong was determined.

CHAPTER FOUR

Injury

SECTION ONE

Trends of the Import Subjected to Investigation

General Import Situation of the Product

ARTICLE 19- (1) The quantities of the import of the product under investigation were 3,789,535 pcs in 2006, 4,481,883 pcs in 2007 and 3,779,925 pcs in the investigation period (2008/9).

Import of the Product from PRC, Indonesia and Hong Kong

ARTICLE 20- (1) While the quantity of the product imported from PRC was 2,723,010 pcs in 2004, it is 1,606,271 pcs in 2005, and 880,338 pcs in 2006, and 1,559,944 pcs in 2007, and 949,607 pcs in the investigation period and 1,226,143 pcs in 2008 by rounding up to annual sum. Accordingly, in the total glass lid/cover export, the PRC accrued the share of 63.9% in 2004, and 38.2% in 2005, and 23.2% in 2006, and 34.8% in 2007 and 25.1% in the investigation period.

(2) While the quantity of the product imported from Indonesia was 300,840 pcs in 2004, it is 851,680 pcs in 2005, and 1,110,530 pcs in 2006, and 1,329,940 pcs in 2007, and 1,870,218 pcs in the investigation period and 2,439,624 pcs in 2008 by rounding up to annual sum. Accordingly, imports from Indonesia accounted for a share of 7.1% in 2004, and 20.3% in 2005, and 29.3% in 2006, and 29.7% in 2007 and 49.5% in the investigation period.

(3) While there is no importation of the product from Hong Kong in 2004, 2005, 2006 and 2007, the quantity of the product import is 160,000 pcs in the investigation period and 213,333 pcs in 2008 by rounding up to annual sum. Accordingly, imports from Hong Kong accounted for a share of 4.2% in the investigation period.

Market Share of the Dumped Import

ARTICLE 21- (1) The domestic consumption of the product under investigation was calculated by adding the total sales of the products produced by the domestic manufacturers and overall quantities of the imported glass lids/covers.

(2) Within this context, it shows that the total consumption index was 100 in 2006, and 145 in 2007, and 107 in the investigation period, and 143 in 2008 by rounding up the annual data.

(3) The market share index of the PRC in the total consumption was 100 in 2006, and 122 in 2007, and 101 in the investigation period.

(4) The market share index of the Indonesia in the total consumption was 100 in 2006, and 83 in 2007, and 158 in the investigation period.

(5) The market share index of the Hong Kong in the total consumption cannot be calculated due to no import from the country in 2006 and 2007.

Price Trends of the Product under Investigation

ARTICLE 22- (1) The unit prices of imports of PRC origin were \$0.25/pcs in 2004 and \$ 0.54/pcs in 2005 and \$ 0.55/pcs in 2006 and \$ 0.42/pcs in 2007 and \$ 0.43/pcs in the investigation period.

(2) The unit prices of imports of Indonesian origin were \$0.11/pcs in 2004 and \$ 0.44/pcs in 2005 and \$ 0.43/pcs in 2006 and \$ 0.55/pcs in 2007 and \$ 0.67/pcs in the investigation period.

(3) The unit prices of imports of Hong Kong origin were \$ 0.44/pcs in the investigation period.

Impacts of the Dumped Imports on the Prices of Domestic Production

ARTICLE 23- (1) The price cuts were examined to identify the impacts of the dumped imports on the prices of the domestic production. The price cuts show whether the imports prices for the Turkey market (CIF import prices + customs duty and fees) of the product under investigation are below the prices of the domestic production .

(2) The price cut was calculated by using the weighted average domestic sales price of the domestic production and average imports prices based on the Turkish Statistics Agency-TUIK DATA.

(3) It showed that the prices of imports of PRC origin were lower than the prices of the domestic production at the rate of 79.2% in the investigation period. It was found that the calculated price cuts for the previous years have considerably higher rates as well.

(4) It showed that the prices of imports of Indonesian origin were lower than the prices of the domestic production at the rate of 33.2% in the investigation period. It was found that the calculated price cuts for the previous years have considerably higher rates as well.

(5) It showed that the prices of imports of the cooperating company from Indonesia, PT Sinar Baru Abadi Firm , were lower than the prices of the domestic production at the rate of 38% in the investigation period.

(6) It showed that the prices of imports of Hong Kong origin were lower than the prices of the domestic production industry at the rate of 50% in the investigation period.

SECTION TWO

Situation of the Domestic Industry

Economical Indicators of the Domestic Product Industry

ARTICLE 24- (1) the TUIK DATA on the glass lids/covers of the firms Uğurlu Oto Cam San Tic A.Ş (Uğurlu Oto Cam ind trade corporation) and Ufuk Metal San ve Tic Ltd Şti (Ufuk Metal ind.trade.co.Ltd) was used as the basis for assessing the impacts of the dumped imports on the domestic production.

(2) On the other hand, for an accurate examination of the trend, the real values, net of inflation, were used, having regard to the annual average of the Producer Price Index - PPI in Turkish Liras. Furthermore, the investigation period of 2008 covers 9 months. Therefore, available 9-month data was rounded up to an annual value by multiplying the factor of 4/3.

a) Production, capacity and capacity utilization ratio (CUR)

While the production quantity (in pieces) index of the domestic production under investigation was 100 in 2006, it increased to the level of 191 in 2007, and to the level of 174 in 2008. While the capacity

index of the domestic industry for the product was respectively 100, 175 and 208, it decreased to the level of 84 for the CUR in the same period.

b) Domestic sales

1) While the sales quantity index of the domestic production industry for the product subjected to investigation was 100 in 2006, it decreased to the level of 190 in 2007, and it increased to the level of 174 in 2008. While the total sale was 100 in 2006, it increased to the level of 186 in 2007, and it decreased to the level of 162 in 2008.

c) Domestic Prices

1) While the domestic production industry weighted average domestic prices based on pieces for the product subjected to investigation was 100 on real base in 2006, it decreased to the level of 98 in 2007, and 90 in the investigation period.

d) Exports

1) Since the exports quantity of the domestic production for the product under investigation was 0 in 2006, it was considered as 100 in 2007. The index decreased to the level of 56 in 2008.

e) Market share

1) While the domestic market share of the domestic production was 100 in 2006, it was 122 in the investigation period.

f) Costs

1) While weighted average of the commercial unit cost for the product of the domestic production under investigation was 100 on real base in 2006, it increased to the level of 110 in 2007, and decreased to the level of 100 in the investigation period.

g) Profitability

1) While the profitability per unit from the domestic sales of the domestic production for the product subjected to investigation was 100 in 2006, it decreased to the level of -551 in 2007 and -429 in the investigation period.

h) Stocks

1) While the stock level index of the domestic production was 100 in 2006, it increased to the level of 112 in 2007, and to the level of 114 in 2008.

i) Employment

1) The administrative personnel index of the domestic production had no change in 2006-2008 period. The manpower index was 100 in 2006, and 117 in 2007, and 134 in 2008.

j) Wages

1) While the real monthly wages index of the employees in the production was 100 in 2006, it increased to the level of 138 in the investigation period.

k) Productivity

1) While the productivity per employee index in production was 100 in 2006, it increased to the level of 164 in 2007 and decreased to the level of 130 in 2008.

l) Cash Flow

1) While the real cash flow index of the domestic production for the product subjected to investigation was 100 in 2006, it decreased to the level of -133 in 2007 and -103 in 2008.

m) Growth

1) While the size of the assets from the overall activities of the domestic production was 100 in 2006 on real base, it increased to the level of 119 in 2007 and 126 in 2008.

n) Increase of Capital

1) While the equity capital related to the overall activities of the domestic production was 100 in 2006, it increased to the level of 114 in 2007 and decreased to the level of 113 in 2008.

o) Increases on Investments

1) While the aggregate investments of the domestic production for the product subjected to investigation was 0 in 2006, it was 94 in 2007, and 39 in 2008.

p) Return on equities and investment profits

1) While the returns on equities (Profit/Equity Capital) index related to overall activities of the domestic manufacturer was 100 units by 2006, it was 93 units in 2007 and 64 units in 2008.

2) The investment profitability ratio index value was 100 units in 2006, it decreased to the level of 89 units in 2007 and 58 units in 2008.

r) Magnitude of the dumping margin

1) The calculated dumping margins of glass lids/covers of PRC origin with its indicative dumping margin, and glass lids/covers of Indonesian and Hong Kong were found to be significant.

Evaluation of the Economical Indicators of the Domestic Production

ARTICLE 25- (1) When examined the economical indicators of the domestic production, increases were observed in production, domestic sales and capacity. This indicates the impact of the PRC-oriented measure in force.

(2) The domestic production made investments for increasing the capacity by expecting a recovery in the market after the PRC-oriented measures were taken. The profitability of 2006 supported the expectation. However, while the real unit commercial costs of the domestic production were not changed, the real unit sale prices decreased again after 2006 because of the dumped imports originating in Indonesia and Hong Kong. Therefore, unit profitability, and accordingly, the total profitability changed into negative. Consequently, while the domestic production was profitable in 2006, it began to lose following 2006.

SECTION THREE

Expiry Review Investigations-ERI

Probability of the Recurrence or Continuation of the Dumping and the Injury

ARTICLE 26- (1) Within the scope of Article 35 of the Regulation, in the case that the measure ceases to have effect, the probability of the recurrence or continuation of the dumping and the injury were evaluated.

Status of the Sector in the Country subjected to Measures

ARTICLE 27- (1) Although there is no information available on the production capacities of PRC, the country subjected to the measure, its most important leading position on exportation in the world and its larger volume of exportation indicate that the PRC has a significant capacity.

(2) The country subjected to measure is the largest glass lid/cover exporter in the world. According to International Trade Center (ITC) Data, the PRC performed 45.8% of the overall export activities for the glass lids/covers under the Customs Tariff Statistics Position- CTSP 7010.20 in 2008 with \$ 50,911,000 and 32,240 tons. The total glass lids/covers import of Turkey in the investigation period is 1,819 tons, including 391 tons from PRC. In this sense, in case the measure ceases to have effect, it is considered that the PRC has a significant production capacity available for diverting towards Turkey.

(3) According to the ITC Data, on value basis, the market share of the PRC in 2005-2008 for the glass lids/covers exports under the CTSP 7010.20 are 42.8%, 47.6%, 44.8% and 45.8% by the years. The PRC's worldwide overall glass lids/covers export (in US\$), increased by 56% in the 2005-2008 period, and 23% in the 2007-2008 period. While the PRC's worldwide glass lids/cover export increased by 20.9% in the 2005-2008 period, it increased by 1% in the 2007-2008 period on quantity basis.

(4) The PRC increased the quantity of export by the years, due to the higher export capacity and lower unit prices. The impact of the global economic crisis reduced the rate of increase on the glass lids/covers export. Concordantly, with the unutilized capacity in PRC, it is considered that the PRC would need the markets for

diverting this capacity. On the other hand, when compared with the worldwide total export of the PRC for the related products to the Turkey's total consumption, the capacity of the PRC is significantly higher than the consumption of Turkey. In the case that the measure ceases to have effect, the PRC has the ability to meet the demand of Turkey. In the case that even diverting relatively a small portion of the capacity towards Turkey on dumped prices, it is possible to give damages which is hard to recover to the domestic production industry.

Prices

ARTICLE 28- (1) The unit prices of the PRC exports are significantly lower than the unit prices of other countries' exports. That is the point indicating the lower price policy of the PRC.

(2) The unit prices of the glass lids/covers exports of the PRC to the third countries were reviewed as per the World Trade Atlas Data (WTA), and the unit prices of the glass lids/covers exported to Turkey and the other countries were compared. As per the WTA data, under the CTSP 7010.20, while the average unit price of export to Turkey was US \$859 /ton in 2008, it is US \$1,458 /ton for USA, US \$2,019 /ton for Thailand, and US \$1,342 /ton for Italy. The PRC's overall export unit price of the glass lids/covers in the world is US \$1,579 /ton. This indicates that the PRC exports to the Turkish market at the lower prices than the other countries.

Probable Dumped Import Prices, Price Cuts and their Impacts on the Demand

ARTICLE 29- (1) The price of the related product is one of the most significant decision-making factors for the buyers. It is considered that the shrinking demand due to the current global crisis increased the competition in the international markets on price basis, and the trend will continue. Further, according to the ITC Data, for the product subjected to investigation, the PRC, which is the biggest exporter in the world and exports at the lowest unit price among the 5 biggest exporters (Table 7), would probably increase the import to Turkey if the measure ceases to have effect. Accordingly, when the calculated price cut (79.2% in the investigation period) are considered, and in the case that the measure ceases to have effect, the imports of PRC origin would probably cause damages to the domestic production.

(2) According to the WTA data, for the product subjected to investigation, the average unit price of the export of the PRC to Turkey was below the average unit prices of the overall export to the world in the 2006-2008 period. This indicates that the PRC continues to apply more strict lower price strategy for Turkey than it does in general.

Probable Import Level subjected to Dumping Measures

ARTICLE 30- (1) To evaluate the probable level of the import subjected to dumping measure, the trends in the general imports and the imports from the country subjected to the measure were considered as of the date of the entry into force of the measure. For this purpose, the 2004-2008(9 months) period that is expiry review period, including the 2006-2008(9 months) period, was reviewed. For securing an accurate comparison, 9-month data of 2008 was rounded up to annual (twelve-month) value by multiplying the factor of 4/3.

(2) The glass lids/cover imports decreased at the level of 28.4% in the 2004–2008 period.

(3) The significant decreases of the imports from the PRC, that is the biggest exporter of the product under investigation, indicate the impacts of the measure. When considered that the PRC is the biggest exporter in the world, and the import of the glass lids/covers continues, the price is the most important factor on decision making for the customers in domestic market. In the case that the measure ceases to have effect, it is considered that the import of the product will probably increase.

Dumping Margin observed in the Principal Investigation

ARTICLE 31 - (1) Dumping margin observed in the principal investigation is considered since it is the significant indicator for reflecting the possible behaviors of the manufacturers/exporters in PRC, and in the case that the measure ceases to have effect. Accordingly, the dumping margin for the PRC that was calculated during the principal investigation was 150.55% (0.91 US\$/Kg) of the CIF value, and that is a significant level.

Importance of the Turkish market

ARTICLE 32 - (1) According to ITC Data, the PRC's the glass lids/covers exports to Turkey in 2005-2008 are respectively 1,057 tons, 293 tons, 344 tons and 298 tons. As of the year 2008, Turkey has the share of 0.5% in the glass lids/covers exports of the PRC and Turkey ranked the 22nd in the world ranking.

(2) Since the PRC has one of the largest capacities in the world and the manufacturer/exporters in the country subjected to the measure know the conditions of the Turkish market, marketing and distribution channels well, it makes the Turkish market attractive for the manufacturers.

Power Factors on the Demand

ARTICLE 33 - (1) It was expressed in the replies given to the questionnaires by the importer companies that the price was the most important factor influencing the demand, and that following the price, the issues such as payment form, after sales service and delivery term are also important. In the light of these data, and in case that the measure against the glass lid/cover of PRC origin was abolished, with its lower export price in comparison with the other countries, a serious demand for PRC products may arise and it is possible that it will cause damage to the domestic production.

Evaluation

ARTICLE 34 - (1) It is seen that total imports of glass cover has increased at a rate of 117.7% in terms of quantity after 2004, and the imports from PRC has declined at a rate of 28.4%. This shows that the measure has been effective.

(2) For the subject product, price is one of the most important factors influencing the decisions of the buyers. As in many other sectors in the PRC, a low price policy is also applied in this sector. As mentioned above, UTM data also confirm this fact.

(3) As a result of the shrinkage in demand due to the current global crisis, it is assessed that the excess capacity to arise in the PRC may be directed to Turkey in case that the measure is removed. Furthermore, considering the issues such as the PRC, being the world's largest glass cover exporter, continuance of cheap glass cover import from the PRC, and despite the measure, dumping margin determined in the main investigation is at high level, and the import unit prices for Turkey are below the import average unit price for the world. With good knowledge of the PRC manufacturers about the Turkish market as well as the dumping margin calculated as an indicator for the PRC being at a substantial level, in case that the measure is removed, it is seen as possible that the dumping import will increase.

(4) In case that the dumping import increases, it is assessed that the current damage on the domestic production will possibly increase.

SECTION FOUR Dumping Investigation

Causal Relation Between Dumped Import and Injury

Causal Link

ARTICLE 35 (1) Pursuant to Article 17 of the Regulation, the impact of the amount and the price of the dumped imports of origin from countries in the investigation over the domestic production and other issues that may lead to damage are examined.

Impacts of the Dumped Imports

ARTICLE 36 - (1) The imports of glass cover from the countries (Indonesia and Hong Kong) in the dumping investigation has increased in the period 2004-2008. In the period between 2004 and 2008, import of Indonesia origin has increased 3,000% on kg basis and 728% on quantity basis. However, import of Hong Kong origin penetrated the market with an instant significant share in 2008.

(2) It was determined that the prices of the import originating from the countries in the subject investigation were dumping prices and that they were considerably below the prices of the domestic production.

(3) On the other hand, considering the economic indicators of the domestic production, there is increase in dumping import and in the said period, there is some negativity in the economic indicators of the domestic production. Due to simultaneous emergence of the price breaking of the domestic production by dumping import and the increase tendency in the dumping import and the negative developments in the domestic production, it was concluded that there was a causal link between the dumping import and the damage on the domestic production.

Imports from the Third Countries

ARTICLE 37- (1) The measure towards the PRC from the countries in the subject investigation is still effective. On the other hand, the import from the third countries apart from the PRC, Indonesia and Hong Kong has declined in the period 2006-2008 and it was seen that the import prices in terms of unit prices were above the prices of the countries under investigation.

(2) As a result, the import in the subject investigation arising from other countries is not considered as damaging to the domestic production at this phase in terms of quantity, tendency in the market share and prices.

Impacts of the Other Factors

ARTICLE 38- (1) Pursuant to the provisions of Article 17 of the Regulation, in the preliminary examination made to determine whether there were other factors that might affect the economic indicators of the domestic production apart from the dumping import, it was determined that there was no other factor that might cause any damage and that the most important reason for the importing companies to prefer the dumping import was the low price that gave competition advantage for them.

CHAPTER FIVE

Conclusion

Decision

ARTICLE 39 – (1) With the decision of the Assessment Committee for Unfair Competition in Importing and the ministerial approval;

(3) Based on the finding of the injury to the domestic production due to the dumping of the imports of Indonesia and Hong Kong origins, and the existence of the causal connection between both; it was decided to enact the measure against dumping on country and company basis as described below.

(2) Since it was determined that the dumping and the injury will possibly continue or reoccur in case of abolishment of the measure on the mentioned product on the Communique No. 2003/22 for the PRC; it was decided to continue exercising the current measure without any change as described below. CTSP	Description of the Commodity	Country of Origin	Manufacturers	Measure against the Dumping (USD/kg)
7010.20.00.00.00	Only lids/covers of saucepan, fryer pan and teapot made of glass.	Indonesia	PT Sinar Baru Abadi	0.14
			Others	0.50
		Hong Kong	All manufacturers/exporters	0.91
		People's Republic of China	All manufacturers/exporters	0.91

Treatment

ARTICLE 40 – (1) The Customs Administration will implement the measure against the dumping with the amounts that correspond within the scope of the entry to the free circulation regime for the product of which the CTSP number, description, country origin were indicated in the Decision Article, without prejudice to the other provisions of the legislation.

Entry into Force

ARTICLE 41 – (1) This communique shall enter into force on the publication date.

Implementation

ARTICLE 42 – (1) The provisions of the communique shall be implemented by the Minister to whom the Undersecretariat for Foreign Trade is attached.