



Australian Government
**Department of Industry,
Innovation and Science**

**Anti-Dumping
Commission**

CUSTOMS ACT 1901 – PART XVB

**STATEMENT OF ESSENTIAL FACTS
NO. 495**

**ALLEGED DUMPING OF STEEL REINFORCING BAR
EXPORTED FROM THE REPUBLIC OF TURKEY**

AND

**ALLEGED SUBSIDISATION OF STEEL REINFORCING BAR
EXPORTED FROM THE REPUBLIC OF TURKEY**

18 April 2019

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ABBREVIATIONS

\$	Australian dollars
ABF	Australian Border Force
the Act	<i>Customs Act 1901</i>
ACRS	Australasian Certification Authority for Reinforcing and Structural Steels
ADN	Anti-Dumping Notice
ADRP	Anti-Dumping Review Panel
the applicant	Liberty OneSteel (Newcastle) Pty Ltd
BOTAS	Boru Hatlari ile Petrol Taşıma A.Ş.
CFR	Cost and Freight
Colakoglu	Çolakoğlu Metalurji A.Ş.
the Commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
China	the People's Republic of China
CON 495	<i>Consideration Report No. 495</i>
COTAS	Çolakoğlu Dis Ticaret A.Ş.
CTMS	cost to make and sell
DBIC	steel reinforcing bar in coil
DBIL	steel reinforcing bar in lengths
DDT	Diler Dis Ticaret A.Ş.
Diler	Diler Demir Celik Endustri ve Ticaret A.Ş
DITH	DITH Australia Pty Ltd
Duferco	Duferco International Trading Holding Australia Pty Ltd
Dumping and Subsidy Manual	Anti-Dumping Commission – Dumping and Subsidy Manual
EAF	electric arc furnace
EPR	electronic public record for Investigation 495 available at www.adcommission.gov.au
FOB	Free on Board
FTCC	Foreign Trade Corporate Companies
the goods	the goods the subject of the application (also referred to as the goods under consideration)
GoT	Government of Turkey
Habas	Habaş Sinai ve Tibbi Gazlar Istihsal Endüstrisi A.Ş.
IDD	interim dumping duty
Indonesia	the Republic of Indonesia
investigation period	1 October 2017 to 30 September 2018
injury analysis period	the injury analysis period is from 1 October 2014

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INV 240	<i>Anti-Dumping Commission Investigation No.240</i>
INV 264	<i>Anti-Dumping Commission Investigation No.264</i>
INV 300	<i>Anti-Dumping Commission Investigation No.300</i>
INV 322	<i>Anti-Dumping Commission Investigation No.322</i>
INV 418	<i>Anti-Dumping Commission Investigation No.418</i>
IPC	inward processing certificate
Kaptan	Kaptan Metal Dış Ticaret ve Nakliyat A.Ş.
Korea	Republic of Korea
Kroman	Kroman Çelik Sanayii A.Ş.
MCC	model control code
MESS	Turkish Employers' Association of Metal Industries
the Minister	the Minister for Industry, Science and Technology
mt	metric tonnes
OCOT	ordinary course of trade
PAD	Preliminary Affirmative Determination
PAD 495	<i>Preliminary Affirmative Determination No.495</i>
R&D	Research and Development
Regulation	<i>Customs (International Obligations) Regulation 2015</i>
REQ	response to the exporter questionnaire
RGQ	response to the government questionnaire
SCM Agreement	Agreement on Subsidies and Countervailing Measures
SEF	statement of essential facts
SFTC	Sectoral Foreign Trade Companies
SG&A	selling general and administration
TCB	the Central Bank of Turkey
Thailand	the Kingdom of Thailand
TKI	Turkish Coal Enterprises
TKM	thyssenkrupp Materials Australia Pty Ltd
TSEA	Turkish Steel Exporters' Association
TUBITAK	Scientific and Technological Research Council of Turkey
Turkey	the Republic of Turkey
Turk Eximbank	the Export Credit Bank of Turkey
TRY	Turkish Lira
USD	United States Dollar
USDOC	United States Department of Commerce
VAT	Value Added Tax
WTO	World Trade Organisation
YIIP	Yücelboru İhracat İthalat ve Pazarlama A.Ş.

1 SUMMARY AND RECOMMENDATIONS

1.1 Summary

This statement of essential facts (SEF) number 495 has been prepared in response to an application by Liberty OneSteel (Newcastle) Pty Ltd¹ (Liberty Steel, the applicant) for the publication of a dumping duty notice and a countervailing duty notice in respect of certain steel reinforcing bar (rebar or 'the goods') exported to Australia from the Republic of Turkey (Turkey).

Liberty Steel alleges that the Australian industry has suffered material injury caused by rebar exported to Australia from Turkey at dumped and subsidised prices.

This SEF sets out the facts on which the Commissioner of the Anti-Dumping Commission (the Commissioner) proposes to terminate this investigation, subject to any submissions received in response to this SEF.

1.2 Authority to make decision

Division 2 of Part XVB of the *Customs Act 1901*² (the Act) describes, among other things, the procedures to be followed and the matters to be considered by the Commissioner in conducting investigations in relation to the goods covered by an application under subsection 269TB(1).

1.2.1 Application

On 19 October 2018, Liberty Steel lodged an application alleging that the Australian industry has suffered material injury caused by rebar exported to Australia from Turkey at dumped and subsidised prices.

Having considered the application, the Commissioner decided not to reject the application and initiated an investigation into the alleged dumping and subsidisation of rebar from Turkey on 16 November 2018.

Consideration Report No. 495 (CON 495) and a public notice (Anti-Dumping Notice (ADN) No. 2018/175) provide further details relating to the initiation of the investigation and are available on the Anti-Dumping Commission's (the Commission) website at www.adcommission.gov.au.³

¹ Liberty Steel's application includes production data from two other related party rebar producers, OneSteel NSW Pty Ltd and The Australian Steel Company (Operations) Pty Ltd. Both related party producers provided letters of support for the application. The applicant and the related party entities are referred to collectively in this SEF as the Australian industry for like goods.

² All legislative references in this report are to the *Customs Act 1901*, unless otherwise stated.

³ Case 495 Public Record Item Nos.002 and 003.

1.2.2 Preliminary affirmative determination

In accordance with section 269TD, the Commissioner may make a preliminary affirmative determination (PAD) if satisfied that there appears to be sufficient grounds for the publication of a dumping duty notice or a countervailable duty notice, or if satisfied that it appears that there will be sufficient grounds for the publication of such a notice subsequent to the importation of the goods into Australia.

The Commissioner, after having regard to the application, submissions and other relevant information, was satisfied that there appeared to be sufficient grounds for the publication of a dumping duty notice in respect of rebar exported to Australia from Turkey. As a result, the Commissioner made *Preliminary Affirmative Determination No. 495* (PAD 495) on 15 January 2019, in respect of the dumping investigation.⁴ ADN No. 2019/07⁵ provides further details and is available on the public record.

Following PAD 495, and to prevent material injury to the Australian industry occurring while the investigation continued, securities were taken in respect of interim dumping duty (IDD) that may become payable in respect of rebar exported to Australia from Turkey, entered for home consumption on or after 16 January 2019.

This notice also states, consistent with PAD 495 that the preliminary findings are subject to change, and that further analysis was required to adequately consider whether the goods have been exported from Turkey to Australia at subsidised prices.

1.2.3 Statement of essential facts

The Commissioner must, within 110 days after the initiation of an investigation, or such longer period as the Minister for Industry, Science and Technology (the Minister) allows under subsection 269ZHI(3),⁶ place on the public record a SEF on which the Commissioner proposes to base a recommendation to the Minister in relation to the application.⁷

The SEF was originally due to be placed on the public record by 6 March 2019. However, the due date for the SEF and final report was extended on one occasion.⁸

The Commissioner is now required to place the SEF on the public record by 18 April 2019.

⁴ Subsection 269TD(1).

⁵ Case 495 Public Record Item No.007.

⁶ Note that this power has been delegated to the Commissioner. ADN No. 2017/10 provides further explanation.

⁷ Subsection 269TDAA(1).

⁸ Case 495 ADN No. 2019/28 at Public Record Item No.017.

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The Commission received a request for an extension of time to respond to this SEF by Liberty Steel.⁹ Due consideration has been given to the extension request by the General Manager of the Commission, having regard to the circumstances and the *Customs (Extensions of Time and Non-cooperation) Direction 2015*.¹⁰ The Commission has granted an extension of time to all interested parties in which to respond to this SEF. Responses to this SEF should be made by 15 May 2019.

1.2.4 Final report

The Commissioner's final report and recommendations in relation to this investigation must be provided to the Minister on or before 24 June 2019,¹¹ unless the investigation is terminated earlier.

1.3 Findings and conclusions

The Commissioner's findings and conclusions in this SEF are based on available information at this stage of the investigation. A summary is provided below and there is greater detail in the remainder of this report.

1.3.1 The goods and like goods (Chapters 3 and 4)

The Commissioner considers that locally produced rebar are 'like' to the goods the subject of the application and is satisfied that there is an Australian industry producing those like goods, which comprises of Liberty Steel and related party producers.

1.3.2 Australian market (Chapter 5)

The Australian rebar market is supplied from local production and by imports from several countries, including Turkey.

1.3.3 Dumping margins (Chapter 6)

The Commission's assessment of dumping margins is set out in Table 1.

Exporter	Dumping Margin
Çolakoğlu Metalurji A.Ş. (Colakoglu)	-1.4%
Diler Demir Celik Endustri ve Ticaret A.Ş (Diler)	-7.4%
Habaş Sinai ve Tibbi Gazlar Istihsal Endüstrisi A.Ş. (Habas)	-3.4%
Kroman Çelik Sanayii A.Ş. (Kroman)	-2.5%
All Other Exporters	-1.4%

Table 1 Dumping margins

⁹ Case 495 Public Record Item No.020.

¹⁰ From 19 December 2016, the Commissioner delegated his powers to consider and decide requests for extensions of time to the General Managers of the Commission. This delegation was made under Delegation Instrument No. 2 of 2016.

¹¹ Under section 269TEA.

1.3.4 Subsidy margins (Chapter 7)

The Commission's assessment of subsidy margins is set out in Table 2.

Exporter	Subsidy Margin
Colakoglu	0.01%
Diler	0.91%
Habas	0.68%
Kroman	0.46%
All other exporters	1.15%

Table 2 Subsidy margins

1.3.5 Material injury caused by dumped and subsidised goods

On the basis of the findings in Chapters 6 and 7; that dumping has not occurred in relation to exports of rebar from Turkey, and that subsidies received in relation to these exports did not exceed the negligible levels, the Commissioner is proposing to terminate the entire investigation (as outlined in Chapter 8). Accordingly, the Commissioner does not consider it necessary to determine whether exports of rebar from Turkey have caused material injury to the Australian industry.

1.3.6 Non-injurious price

The Commissioner is proposing to terminate the entire investigation for the reasons outlined in Chapter 8. Therefore, the Commissioner is not recommending that the Minister publish a notice under subsections 269TG(1) or (2) or subsections 269TJ(1) or (2).

As such, there is no requirement for the Commissioner to make a recommendation regarding whether the Minister should consider the desirability of fixing a lesser amount of duty for the purposes of removing injury, pursuant to the *Customs Tariff (Anti-Dumping) Act 1975*.

1.3.7 Proposal to terminate the dumping and countervailing investigation (Chapter 8)

Section 269TDA provides for when the Commissioner must terminate an investigation.

Subject to any submissions received in response to this SEF, the Commissioner proposes to:

- terminate the dumping investigation in relation to Colakoglu, Diler, Habas, Kroman and the category of 'all other exporters' from Turkey, on the basis that there has been no dumping by those exporters of any of those goods the subject of the application, in accordance with subsection 269TDA(1);
- terminate the dumping investigation in relation to Turkey on the basis that the total volume of goods that have been exported to Australia over a reasonable examination period from Turkey that have been dumped from all Turkish exporters is negligible, as defined by subsection 269TDA(4), in accordance with subsection 269TDA(3); and

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- terminate the countervailing investigation in relation to Colakoglu, Diler, Habas, Kroman and the category of 'all other exporters' from Turkey on the basis that countervailable subsidies have been received in respect of some or all of the goods, but the subsidy never, at any time during the investigation period, exceeded the negligible level of countervailable subsidy, as defined by subsection 269TDA(16), in accordance with subsection 269TDA(2) as far as it relates to the exporters.¹²

1.3.8 Revision of securities (Chapter 9)

Based on the findings in this SEF, submissions received and other information considered relevant, as specified in this SEF, under subsection 269TD(4)(b), the Commissioner is no longer satisfied that it is necessary to require and take securities in relation to exports of the goods to Australia from Turkey to prevent material injury to the Australian industry occurring while the investigation continues.

The Commissioner's notice (ADN No. 2019/56) published on 18 April 2019 advised that securities would no longer be taken by the Commonwealth in relation to exports of the goods from Turkey. The effective date of the revision is 18 April 2019.

¹² The effect of the above recommendations is that the dumping and countervailing investigation will be terminated in its entirety.

2 BACKGROUND

2.1 Initiation

2.1.1 Background

On 19 October 2018, Liberty OneSteel lodged an application under subsection 269TB(1) seeking the publication of dumping and countervailing duty notices in respect of rebar exported to Australia from Turkey. The applicant provided further information in support of the application under subsection 269TC(2A) on 22 October 2018.

Liberty Steel alleges that the Australian industry has suffered material injury caused by exports of rebar from Turkey at dumped and subsidised prices. Liberty Steel alleges that the Australian industry has experienced injury in the form of:

- loss of market share;
- price suppression;
- loss of profits;
- reduced profitability;
- reduced return on investment;
- reduced investment in research and development (R&D) and value of assets deployed;
- reduced capacity utilisation;
- increased stock levels of finished goods;
- reduced cash flow; and
- lost revenue.

Having considered the application, the Commissioner decided not to reject the application and initiated an investigation on 16 November 2018.

ADN No. 2018/175 and CON 495¹³ provide further details relating to the initiation of the investigation and are available on the Commission's website at www.adcommission.gov.au

In respect of the investigation:

- the investigation period¹⁴ for the purpose of assessing dumping, subsidisation and material injury is 1 October 2017 to 30 September 2018; and
- the injury analysis period is from 1 October 2014.¹⁵

¹³ Case 495 Public Record Item Nos.002 and 003.

¹⁴ As that term is defined in subsection 269T(1).

¹⁵ The purpose of the injury period is to allow the Commission to identify and examine trends in the market which in turn assists the Commission in its examination of whether material injury has occurred over the investigation period.

2.1.2 Submissions in relation to initiation of the investigation

Kaptan Metal Diş Ticaret ve Nakliyat A.Ş. (Kaptan) submitted¹⁶ that they were an exporter of rebar in Turkey but that they did not export to Australia during the investigation period. As they did not export to Australia during the investigation period, Kaptan sought confirmation from the Commission that they were not required to respond to the exporter questionnaire. The Commission conducted a preliminary analysis of the Australian Border Force (ABF) import database and concluded that Kaptan was not an exporter of the goods to Australia during the investigation period and was not required to complete the exporter questionnaire.

Kroman submitted¹⁷ that they were an exporter of rebar from Turkey and did export to Australia during the investigation period. They advised that they intended to cooperate with the investigation and planned to submit a completed exporter questionnaire. Findings in relation to Kroman are outlined in Chapters 6 and 7.

2.2 Previous cases

Anti-dumping measures currently apply to rebar exported to Australia from the Republic of Korea (Korea), Singapore, Taiwan, the People's Republic of China (China), the Republic of Indonesia (Indonesia), the Kingdom of Thailand (Thailand), Spain and Greece. A history of the main cases is summarised here and further information is available on the Commission's website.

2.2.1 Dumping Investigation ADC 264 – Rebar Exported from Korea, Malaysia, Singapore, Spain, Taiwan, Thailand and Turkey

Investigation No. 264 (INV 264), the findings of which can be found in *Anti-Dumping Commission Report No. 264*, assessed claims that rebar was exported to Australia from Korea, Malaysia, Singapore, Spain, Taiwan, Thailand and Turkey at dumped prices. The investigation found that the goods exported from Korea, Singapore, Spain and Taiwan (with the exception of Power Steel Co. Ltd) during an investigation period of 1 July 2013 to 30 June 2014 were exported at dumped prices, and that the dumped goods had caused material injury to the Australian industry. Anti-dumping measures were imposed from 19 November 2015 (ADN No. 2015/133 refers¹⁸). On 20 October 2015, INV 264 was terminated as far as it related to exports from Malaysia, Thailand, Taiwan (for exports by Power Steel Co. Ltd) and Turkey (ADN No. 2015/122 refers).

The then Parliamentary Secretary's decision to impose anti-dumping measures was reviewed by the Anti-Dumping Review Panel (ADRP) and on 4 March 2016, the ADRP found that the decision of the then Parliamentary Secretary was the correct and preferable decision except in relation to Nervacero S.A. The ADRP's recommendation was published in ADRP Report No. 34. As a result of the ADRP's recommendations (which were accepted by the then Parliamentary Secretary), rebar exported from Spain by

¹⁶ Case 495 Public Record Item No.004.

¹⁷ Case 495 Public Record Item No.005.

¹⁸ Public notice of the decisions by the then Parliamentary Secretary can be found on the Commission's website.

Nervacero S.A are not subject to the dumping duty notice applying to rebar from Korea, Singapore, Spain and Taiwan.

2.2.2 Dumping Investigation ADC 300 – Rebar Exported from China

Investigation No. 300 (INV 300), the findings of which can be found in *Anti-Dumping Commission Report No. 300*, assessed claims that rebar was exported to Australia from China at dumped prices. The investigation found that the goods exported from China during an investigation period of 1 July 2014 to 30 June 2015 were at dumped prices, and that the dumped goods had caused material injury to the Australian industry. Anti-dumping measures were imposed on exports of rebar from China from 13 April 2016 (ADN No. 2016/39 refers).

2.2.3 Subsidisation Investigation ADC 322 – Rebar Exported from China

Investigation No. 322 (INV 322), the findings of which can be found in *Anti-Dumping Commission Report No. 322*, assessed claims that rebar exported to Australia from China had received countervailable subsidies. The investigation found that the goods exported from China during an investigation period of 1 July 2014 to 30 June 2015 were subsidised, however the injury caused by that subsidisation was unable to be isolated and therefore no measures were imposed (ADN No. 2016/95 refers).

2.2.4 Dumping Investigation ADC 418 – Rebar Exported from Greece, Indonesia, Spain (Nervacero S.A), Taiwan (Power Steel Co. Ltd) and Thailand

Investigation No. 418 (INV 418), the findings of which can be found in *Anti-Dumping Commission Report No. 418* (REP 418), assessed claims that rebar was exported to Australia from Greece, Indonesia, Spain exported by Nervacero S.A., Taiwan exported by Power Steel Co. Ltd and Thailand at dumped prices. On 22 January 2018, INV 418 was terminated as far as it related to exports from Indonesia by PT Ispat Panca Putera and PT Putra Baja Deli (ADN No. 2018/08 refers).

The investigation found that the goods exported from Greece, Indonesia (with the exception of PT Ispat Panca Putera and PT Putra Baja Deli), Spain (by Nervacero S.A.), Taiwan (by Power Steel Co. Ltd) and Thailand were exported at dumped prices, during an investigation period of 1 April 2016 to 31 March 2017 and that the dumped goods had caused material injury to the Australian industry. Anti-dumping measures were imposed from 8 March 2018 (ADN No. 2018/10 refers).

On 27 April 2018, the ADRP received two applications to review the then Parliamentary Secretary to the Minister's decision as it relates to exports from Taiwan by Power Steel Co. Ltd. and Spain by Nervacero S.A. After conducting a review, on 4 April 2019, the ADRP published a notice of the Minister's decision to revoke the reviewable decision in so far as it relates to Nervacero S.A from Spain and substitute it with a new decision.¹⁹ The effect of the new decision was that the anti-dumping measures remained applicable to Nervacero S.A, however there was a reduction in Nervacero S.A's dumping margin from 7.5 per cent to 6.3 per cent.

¹⁹ The findings in relation to Power Steel Co. Ltd were upheld.

2.3 Conduct of the investigation

2.3.1 Statement of essential facts

The initiation notice advised that the SEF would be placed on the public record by 6 March 2019. However, as advised in ADN No. 2019/28, the Commissioner approved an extension of time for the publication of the SEF until 18 April 2019.

2.3.2 Australian industry

The Commissioner is satisfied that the applicant for the investigation, Liberty Steel and its related party producers, represent the Australian industry producing like goods to the goods the subject of the investigation.

The Commission conducted a verification visit to Liberty Steel's premises in November 2018. The report made in relation to the visit is available on the public record.²⁰

2.3.3 Importers

The Commission identified several importers in the ABF import database that imported rebar from Turkey during the investigation period. The Commission forwarded importer questionnaires to three major importers and placed a copy of the importer questionnaire on the Commission's website for completion by other importers who were not contacted directly. The Commission received fully completed questionnaire responses from two importers, DITH Australia Pty Ltd (DITH) and thyssenkrupp Materials Australia Pty Ltd (TKM). The Commission verified the information provided by DITH and TKM by undertaking on-site verification visits to each importer. Verification reports relating to each importer are available on the public record.^{21 22}

2.3.4 Exporters

At the outset of the investigation the Commission forwarded questionnaires to major exporters of the goods from Turkey via their Australian importer of the goods and also placed a copy of the exporter questionnaire on the Commission's website for completion by other exporters who were not contacted directly. After granting an extension of 21 days to the initial deadline for the receipt of questionnaires by 24 December 2018²³ the Commission received completed responses to the exporter questionnaire (REQ) from the following four Turkish exporters:

- Çolakoğlu;
- Diler;
- Habaş; and
- Kroman.

²⁰ Case 495 Public Record Item No.018.

²¹ DITH Verification Report Case 495 Public Record Item No.015.

²² TKM Verification Report Case 495 Public Record Item No.016.

²³ Case 495 Public Record Item No.006.

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Based on verified data provided by each of the above exporters and data obtained from the ABF import database, the Commission has ascertained that the goods exported by these exporters constitutes the total volume of exports which were imported into Australia in the investigation period from 1 October 2017 to 30 September 2018.

On the basis that the volumes exported by the exporters who have cooperated with the investigation represent the total volume of exports that are relevant to the investigation, the Commissioner does not consider there are any uncooperative exporters that would be the subject of the investigation.

2.4 Government of Turkey

2.4.1 Consultation

In accordance with subsection 269TB(2C), the Commission invited the Government of Turkey (GoT) for consultations during the pre-initiation phase. The purpose of the consultation was to provide an opportunity for the GoT to respond to the claims made within the application in relation to countervailable subsidies, including whether they exist and, if so, whether they are causing, or are likely to cause, material injury to an Australian industry, with the aim of arriving at a mutually agreed solution.

To assist in determining whether it wished to undertake consultations and what it would like to consult on, the GoT was provided with a non-confidential version of the countervailing application prior to initiation of the investigation.

The GoT advised the Commission that it wished to participate in consultations during the consideration phase. A teleconference was held on 9 November 2018 between representatives of the Commission and the GoT. The GoT provided a written submission by email at the conclusion of the teleconference (**Non-confidential Attachment 1** refers). The following items were discussed:

- trade between Turkey and Australia in general;
- the status of certain subsidy programs alleged by the applicant. In particular, the GoT outlined that a number of programs:
 - have been repealed and no longer exist;
 - are not used by exporters of rebar to Australia;
 - were found not to be countervailable by other authorities; or
 - confer little to no benefit to exporters of rebar to Australia.
- the Commission gave a summary of the investigative process.

The Commission invited the GoT for further consultations during the investigation however none have been undertaken at the time of the publication of this report.

2.4.2 Response to government questionnaire

At the outset of the investigation the Commission provided the GoT with a questionnaire relating to the subsidies it was alleged had been received by exporters of rebar from Turkey. After receiving an extension to the original deadline of 24 December 2018, the

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Commission received the GoT response to the government questionnaire (RGQ) on 24 January 2019. The GoT RGQ is available on the public record.²⁴

2.5 Submissions received from interested parties

The Commission received ten submissions from interested parties prior to publication of this SEF. With the exception of the submission lodged by Liberty Steel on 17 April 2019, the nine remaining submissions have been considered by the Commissioner in reaching the conclusions contained within this SEF. The Commissioner has not had regard to the submission lodged by Liberty Steel on account that it was lodged one day prior to the publication of the SEF and to do would have prevented the timely placement of the SEF on the public record. All submissions received are available on the public record.

Public Record Item No.	Entity	Date Received
4	Kaptan	29/11/2018
5	Kroman	4/12/2018
14	Liberty Steel	31/01/2019
19	Liberty Steel	5/03/2019
20	Liberty Steel	8/03/2019
21	Duferco International Trading Holding Australia Pty Ltd (Duferco)	15/03/2019
22	Diler	22/03/2019
24	Diler	3/04/2019
25	Kroman	3/04/2019
30	Liberty Steel	17/04/2019

Table 3 Submissions received from interested parties²⁵

2.6 Responding to this SEF

This SEF sets out the essential facts on which the Commissioner proposes to base his final recommendations to the Minister or decision to terminate.

This SEF represents an important stage in the investigation. It informs interested parties of the facts established and allows them to make submissions in response to the SEF.

It is important to note that the SEF may not represent the final views of the Commissioner.

²⁴ Case 495 Public Record Item No.013.

²⁵ The Commissioner had regard to the submissions received from Liberty Steel and Duferco at Items 20 and 21 however the Commissioner does not consider that it is necessary to address the matters raised by Liberty Steel and Duferco in these submissions on account of the proposal to terminate the dumping and subsidy investigation.

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In the notice initiating the investigation and the subsequent notice which advised of an extension to the deadline for the publication of the SEF²⁶, the notice advised that interested parties had 20 days to respond to the SEF.

In a submission received from Liberty Steel it requested an extension of seven days to the deadline for the receipt of submissions in response to the SEF.²⁷ Liberty Steel cited the coincidence of the Australian public holidays for Easter and Anzac Day and the period in which submissions were to be received as the reason for why it required an extension to the deadline to make its response.

Under subsection 269TC(6) the Commissioner may specify a further period will be allowed for interested parties to lodge a submission in response to the SEF if such a longer period is reasonably required and allowing a longer period is practicable in the circumstance.

After considering Liberty Steel's request, the Commissioner considers it reasonable that the period covering the Australian Easter and Anzac Day public holidays, which in 2019 are two business days apart, is likely to impact on the operations of not only Liberty Steel but most Australian based interested parties in the investigation and a longer period of seven calendar days is therefore required for interested parties to make a submission. The Commissioner further considers that allowing this longer period is practicable under the circumstances and approved the extension to the deadline.

The Commissioner will consider these responses in making his final report to the Minister or the decision to terminate. The final report, if applicable, will recommend whether or not a dumping duty notice and countervailing duty notice should be published, and the extent of any interim duties that are, or should be, payable.

Responses to this SEF should be received by the Commissioner no later than **15 May 2019**. The Commissioner is not obliged to have regard to any submission made in response to the SEF received after this date if to do so would, in the opinion of the Commissioner, prevent the timely preparation of the report to the Minister or a decision by the Commissioner to terminate.

The Commissioner must report to the Minister by **24 June 2019**, unless the investigation is terminated earlier.

Submissions should preferably be emailed to investigations3@adcommission.gov.au. Alternatively, they may be sent to fax number +61 2 6275 6990, or posted to:

Director Operations 3
Anti-Dumping Commission
GPO Box 2013
CANBERRA ACT 2601
AUSTRALIA

Confidential submissions must be clearly marked accordingly and a non-confidential version of any submission is required for inclusion on the public record. A guide for

²⁶ ADN No. 2019/28 refers

²⁷ Case 495 Public Record Item No.020

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making submissions is available at the Anti-Dumping Commission's website www.adcommission.gov.au.

The public record contains non-confidential submissions by interested parties, the non-confidential versions of the Commission's visit reports and other publicly available documents. It is available online at www.adcommission.gov.au.

Documents on the public record should be read in conjunction with this SEF.

3 THE GOODS AND LIKE GOODS

3.1 Preliminary finding

The Commissioner considers that the locally manufactured rebar is a like good to the goods the subject of the application and is satisfied there is an Australian industry producing those like goods, which comprises of Liberty Steel and its related party producers.

3.2 Legislative framework

Subsection 269TC(1) requires that the Commissioner must reject an application for a dumping duty and/or countervailing duty notice if, inter alia, the Commissioner is not satisfied that there is, or is likely to be established, an Australian industry in respect of like goods.

In making this assessment, the Commissioner must firstly determine that the goods produced by the Australian industry are “like” to the imported goods. Subsection 269T(1) defines like goods as:

“Goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration”.

An Australian industry can apply for relief from injury caused by dumped or subsidised imports even if the goods it produces are not identical to those imported. The industry must however, produce goods that are “like” to the imported goods.

Where the locally produced goods and the imported goods are not alike in all respects, the Commissioner assesses whether they have characteristics closely resembling each other against the following considerations:

- i. physical likeness;
- ii. commercial likeness;
- iii. functional likeness; and
- iv. production likeness.

3.3 The goods

The goods the subject of the application (the goods) are:

The goods are hot-rolled deformed steel reinforcing bar whether or not in coil form, commonly identified as rebar or debar, in various diameters up to and including 50 millimetres, containing indentations, ribs, grooves or other deformations produced during the rolling process. The goods include all steel reinforcing bar meeting the above description regardless of the particular grade, alloy content or coating.

Goods excluded from this application are plain round bar, stainless steel and reinforcing mesh.

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Further information regarding the goods the subject of the investigation can be found in CON 495 and ADN No. 2018/175.²⁸

3.4 Tariff classification

The tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995* that the goods are classified to are shown in Table 4.

Tariff classification (<i>Schedule 3 of the Customs Tariff Act 1995</i>) ²⁹			
Tariff code	Statistical code	Unit	Description
7213.10.00	42	tonne	Rebar Coil
7214.20.00	47	tonne	Rebar Straights
7227.90.10	69	tonne	Rebar Coil – Other Alloy
7227.90.90	42 ³⁰	tonne	Rebar Coil – Alloy
7227.90.90	01, 02, 04 ³¹	tonne	Rebar Coil – Alloy
7228.30.10	70	tonne	Rebar Straights – Other Alloy
7228.30.90	40	tonne	Rebar Straights – Alloy
7228.60.10	72	tonne	Rebar Straights – Other Alloy

Table 4 Tariff classification for the goods

3.5 Model control codes

Liberty Steel provided sales and cost data for the Australian industry in its application in accordance with the model control code (MCC) structure detailed in Table 5.

Category	Sub-category
Prime	Prime and non-prime
Minimum yield strength specified by product standard (Mega Pascals or “MPa”)	Less than or equal to 300; Greater than 300 but less than or equal to 480; Greater than 480 but less than 550; and Greater than or equal to 550
Finished form	Rebar in length/straight and rebar in coil
Nominal diameter (millimetres or “mm”)	Less than 12; Greater than or equal to 12 and less than or equal to 16; Greater than 16 and less than or equal to 32; and Greater than 32
Length (metres or “m”)	Less than or equal to 6; Greater than 6 and less than or equal to 12; Greater than 12; and Coil product

Table 5 Model control codes

²⁸ Case 495 Public Record Item Nos.002 and 003.

²⁹ Turkey is classified as a Developing Country under Part 4 to Schedule 1 of *Custom Tariff Act 1995*.

³⁰ Operative until 31 December 2014.

³¹ Operative from 1 January 2015.

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Interested parties were invited to make submissions with proposals to modify the MCC structure where the Commission would consider whether modifications were justified.

In Kroman's REQ at section C-3 it noted that the MCC relating to length was not a necessary characteristic in the MCC structure. Kroman based its position on the observations of other jurisdictions. The Commission reviewed the supporting evidence provided by Kroman in relation to whether length was an inappropriate candidate for an MCC characteristic. At section 2.2 of the Kroman verification report the Commission also outlines the result of considering Kroman's proposed position on length as an MCC characteristic.³²

With respect to the documents provided by Kroman about other jurisdictions, the discussion within those documents was inconclusive as they did not specifically address the merits of using length as an MCC characteristic. The result of the Commission's verification of Kroman's sales of goods and like goods was more informative by revealing price differences for length relating to exported goods and no price differences for domestic sales of like goods. The price differences observed for Kroman's Australian export sales across each quarter of the investigation period however were inconsistent.

In the absence of any price list used by Kroman the Commission is unable to reliably ascertain if these price differences were driven by the different length or were simply the result of variations due to price negotiations. Subject to submissions received in response to the SEF the Commissioner proposed to apply length as an MCC characteristic for this investigation.

3.6 Like goods assessment

An application can only be made if there exists an Australian industry producing 'like goods' to the goods the subject of the application. Like goods are defined under subsection 269T(1). Subsections 269T(2), 269T(3), 269T(4), 269T(4A), 269T(4B) and 269T(4C) are relevant to determining whether the like goods are produced in Australia and whether there is an Australian industry.

The following analysis outlines the Commission's assessment of whether the locally produced goods are identical to, or closely resemble, the goods the subject of the application and are therefore like goods.

3.6.1 Physical likeness

The Commission found that both the imported goods and the goods produced by the Australian industry are physically alike. Domestically produced rebar and the imported goods are manufactured to the same requirements of the Australian/New Zealand Standard AS/NZS 4671:2001 (the Australian Standard) administered by the Australasian Certification Authority for Reinforcing and Structural Steels. The imported and domestically produced rebar are manufactured to the range of grades specified under the Australian Standard and are manufactured to similar diameters. It is noted that the indentations, ribs and grooves on the rebar varies between mills. However, these variations do not significantly modify the performance characteristics of the rebar. The

³² Case 495 Public Record Item No.026

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Commission undertook an inspection of Liberty Steel's manufacturing facilities at Newcastle as well as certain exporters from Turkey and is satisfied with the physical likeness between the domestically produced goods and the goods the subject of the application.

3.6.2 Commercial likeness

The Commission found domestically produced rebar competes directly with imported rebar in the Australian market. Domestically produced and imported rebar is sold to common users and uses similar distribution channels. The Commission considers that the imported and domestically produced rebar are commercially interchangeable.

3.6.3 Functional likeness

The Commission found domestically produced and imported rebar have comparable or identical end uses. The Commission identified numerous Australian customers are sourcing rebar from both the Australian industry and from Turkey. Imported and domestically produced rebar are used either 'as is', or are subject to post production processes such as bending, welding and cutting. The Commission notes that both the imported and domestically produced rebar are predominantly used to reinforce concrete and precast structures and are considered functionally substitutable when of the same diameter. The Commission is satisfied with the functional likeness between the domestically produced and imported rebar.

3.6.4 Production likeness

The Commission found domestically produced and imported rebar are manufactured in a similar manner via similar manufacturing processes. Having visited the premises of Liberty Steel and certain exporters from Turkey, the Commission observed that while minor variations in the respective production processes were observed, the Commission considers that the key production steps and processes are near identical.

3.6.5 Submissions in relation to like goods assessment

No interested parties have submitted that the imported rebar and the rebar manufactured by the Australian industry are not alike.

3.6.6 The Commission's assessment – Like goods

Based on the above assessment, the Commission is satisfied that the Australian industry produces 'like' goods to the goods the subject of the application, and that the domestically produced goods are 'like goods' as defined in subsection 269T(1).

The Commission is satisfied that there is an Australian industry in respect of 'like' goods in accordance with subsection 269TC(1).

4 THE AUSTRALIAN INDUSTRY

4.1 Preliminary finding

The Commissioner finds that the like goods are wholly manufactured in Australia and that Liberty Steel and related party producers represents the Australian industry. The Commission finds that the Australian market for rebar is supplied by the Australian industry and imports from a number of countries, including Turkey. The Commission estimates that the size of the Australian market during the investigation period was approximately 1,300,000 metric tonnes.

4.2 Legislative framework

The Commissioner must be satisfied that the “like” goods are in fact produced in Australia. Subsections 269T(2) and 269T(3) specify that for goods to be regarded as being produced in Australia, they must be wholly or partly manufactured in Australia. In order for the goods to be considered as partly manufactured in Australia, at least one substantial process in the manufacture of the goods must be carried out in Australia.

4.3 Australian industry

The Australian industry produces steel long products including rebar and rod in coil. Rebar is use as a tension device to reinforce concrete as well as prefabricated and precast structures.

4.3.1 Corporate structure and ownership

Liberty Steel is a wholly owned subsidiary of GFG Alliance, an international coalition of companies founded by the Gupta family (in Britain). GFG Alliance groups its fully owned subsidiaries into business units along functional lines. The business unit relevant to the applicant is the “Liberty Steel” business unit (LSBU)³³ which manufactures a wide range of finished long products including alloy round bar, steel reinforcing or deformed bar (rebar or the like goods), merchant bar and wire products. The two business activities within LSBU involve manufacturing or further processing of steel products. Within manufacturing is the rod and bar and wire divisions. The applicant Liberty Steel and related rebar producers OneSteel NSW Pty Limited (OneSteel NSW) and The Australian Steel Company (Operations) Pty Ltd (TASCO) are part of the rod and bar division and form the Australian industry for rebar. The upstream business units Liberty Primary Steel and Liberty Recycling and the downstream business unit Liberty Distribution are also relevant to this investigation.

4.3.2 Manufacturing facilities

Whyalla Steelworks is a fully integrated steel maker in South Australia and is part of the Liberty Primary Steel business unit. Whyalla Steelworks produces steel using blast

³³ GFG Alliance have multiple business units and the applicant is part of the business unit referred to as “Liberty Steel” by GFG Alliance. For clarity, this report refers to this business unit as “Liberty Steel” business unit and refers to the applicant as Liberty Steel.

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furnace liquid iron as an input into a basic oxygen furnace process, where liquid steel is cast into billets, slabs or blooms.

The Australian industry's manufacturing facilities related to rebar are:

- Two electric arc furnaces (EAFs) located in Rooty Hill in New South Wales and Laverton North in Victoria; and
- Rod and/or bar mills situated in Laverton North in Victoria, Newcastle and Rooty Hill in New South Wales.

The Laverton North and Rooty Hill melt shop operations produce liquid steel through its EAFs using scrap steel as input. Scrap steel is purchased from a number of sources including a related supplier within the Liberty Recycling business unit. The liquid steel is cast into billets.

The billet produced at the Laverton North melt shop operations is rolled through the rod and bar mills in Laverton North to produce rebar. The billet produced at the Rooty Hill melt shop operations are rolled through the Rooty Hill bar mill or the Newcastle rod mill to produce rebar. On rare occasions, the bar mill in Rooty Hill and the rod mill in Newcastle rolled billet from the Whyalla Steelworks to produce rebar. The rebar produced at Newcastle rod mill may be further cold-worked to obtain the required mechanical properties.

4.4 Production process

Liberty Steel provided a description and diagram of its production processes with its application. During the verification visit, Liberty Steel provided a tour of the rod mill and cold-working facilities at Newcastle where the Commission observed the steel making processes for rebar in coil form.

4.4.1 Process for making rebar in coil form

In general terms, the process for making rebar in coil form is outlined below.

- Steel billets were loaded into a reheat furnace and reheated to approximately 1,200°C.
- The heated billet then passes through a series of rolling stands.
- As the billet passes through each stand it gradually reduces in size and changes shape from a square section to a circular section.
- The rolls on the final (finishing) stand have a rib profile machined into them so that when the circular section passed through the rolls, deformations (or ribs) are formed on the bar which will provide gripping power so that concrete adheres to the bar and provides reinforcing value.
- For rebar coils produced through [a particular mill], rebar coils (12mm and 16mm diameter) are produced by rolling billets that have had a small controlled amount of a microalloy (typically ferrovanadium) added. The steel chemistry ensures the rebar strength requirements are met. After the finishing stand, the deformed rod is looped into rings, laid onto a cooling conveyor and the cooled rings are then formed into a coil.
- For 10mm rebar coils produced through [a particular mill], rebar coils are produced the same way described above using billets with microalloy additions to effect the

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required rebar strength through chemistry. For 12mm and 16mm rebar coils, billets without microalloy additions are rolled, looped into rings cooled and formed into coils. These coils are then put through a process where the required strength is achieved by cold-working (mechanical strain-hardening) the coil through a stretching panel. At the end of the process the rebar is spooled into a coil.

4.4.2 Process for making rebar in straight form

In general terms, the process for making rebar in straight form is outlined below.

- Steel billets are loaded into a reheat furnace and reheated to approximately 1,200°C.
- The heated billet then passes through a series of rolling stands.
- As the billet passes through each stand it gradually reduces in size and changes shape from a square section to a circular section.
- The final (finishing) stand rolls have a rib profile machined into them so that when the circular bar passes through the rolls, deformation (or ribs) are formed on the bar which will provide gripping power so that concrete adheres to the bar and provides reinforcing value.
- After the finishing stand, the bar passes through a controlled water cooling process where the surface of the bar is quenched rapidly. On exiting this part of the mill for slow cooling on the cooling bed, the temperature gradient established over the cross-section of the bar causes heat to flow from the core to the surface resulting in a (tempered) steel microstructure which gives increased strength. This cooling process is known as the “TEMPCORE” process and rebar produced in this way is known as “QST” rebar as the bar has been quenched and self-tempered.³⁴

4.5 Product range

Liberty Steel manufactures a range of rebar at its rod and bar mills. The rebar is manufactured in a variety of methods to obtain the required mechanical properties. These methods include rolling, microalloying, quenching and self-tempering or continuous stretching (cold-working).

Liberty Steel advised in its application that rebar is sold in straight lengths (rebar straights or DBIL) or coils (rebar coils or DBIC). Both rebar straights and rebar coils are produced in a variety of diameters. Rebar straights are produced in two grades.

4.5.1 Grades

Liberty Steel advised that it produces rebar in two grade levels classified by minimum yield strength being 500N and 250N.

³⁴ Two of Liberty Steel's mills produce like goods via this method.

4.5.2 Diameters

Liberty Steel advised that rebar is commonly produced up to a diameter of 16mm for rebar coils and 40mm for rebar straights. However, it has the capacity to manufacture rebar coils with diameters of 10mm-16mm and 12mm-50mm for rebar straights.

4.5.3 Length

Liberty Steel advised that rebar coil sizes range from 1.5 tonnes to up to 4.5 tonnes and that rebar straights are sold in standard lengths of 6, 9, 10, 12 and 15 metres. Liberty Steel advised that rebar straights can be sold at various non-standard lengths by customer request.

4.5.4 Summary

A summary of types, sizes and grades of rebar manufactured by Liberty Steel is shown in Table 6.

Type	Diameter Range (mm)	Grade
Rebar coil	10, 12, 16	500N
Rebar straight	12, 16, 20, 24, 28, 32, 36, 40, 50	500N
Rebar straight	12	250N

Table 6 Liberty Steel's product range

4.6 Preliminary conclusion

In its application, Liberty Steel claimed that it and its related party producers are the only Australian producers of rebar in Australia. The Commission is not aware of any other producer of rebar in Australia and no submissions or other information has been received to indicate that there are any other producers of rebar in Australia.

Following the Commission's verification of Liberty Steel's manufacturing processes in Australia, the Commission is satisfied that:

- rebar is wholly manufactured in Australia; and
- Liberty Steel and its related party producers conduct one or more substantial process in the production of rebar at its manufacturing plants in Laverton North, Newcastle and Rooty Hill.

Accordingly, the Commission is satisfied, in accordance with subsections 269T(2) and 269T(3) that there is an Australian industry producing rebar in Australia and that this industry consists of Liberty Steel and its related party producers.

5 AUSTRALIAN MARKET

5.1 Preliminary finding

The Commissioner has found that the Australian market for rebar is supplied by the Australian industry and imports from a number of countries, including the subject country and countries that are currently subject to measures. The country subject to this investigation supplied approximately four (4) per cent of the Australian market.

5.2 Introduction

The Australian rebar market is supplied by the Australian industry and imports from a range of countries including Turkey, countries subject to measures and other countries not subject to measures during the investigation period. Rebar is a commodity like product and end users can generally quickly change their source of supply between exporters and countries.

Locally produced and imported rebar is typically cut, bent, and/or welded into various shapes before use in concrete reinforcement as a tension device. However, whilst the majority of rebar is fabricated in some way, there are instances where no cutting, bending or welding is required by a fabricator or service centre prior to end use.

5.3 Market structure

The Australian rebar market comprises the Australian industry, exporters, importers, and distributors or processors who process and sell rebar.

Imported and locally produced rebar is primarily purchased by rebar processors and steel service centres who typically process it before supplying the rebar into the commercial, residential and engineering sectors. Rebar processors quote jobs to the construction sector, cut and bend locally manufactured or imported rebar to order and deliver to job sites. Steel service centres also purchase locally produced or imported rebar to stock for resale, primarily to smaller rebar processors for use as concrete reinforcement.

Final end use applications for rebar include (but are not limited to) concrete slabs and prefabricated concrete beams, columns, cages and precast products. The vast majority of rebar is further processed in some way prior to end use.

Third party reinforcing customers are supplied by the Australian industry, downstream entities related to the Australian industry, direct imports from exporters or overseas traders, or by imports through local steel trading houses.

The supply chain for rebar is illustrated in Figure 1.

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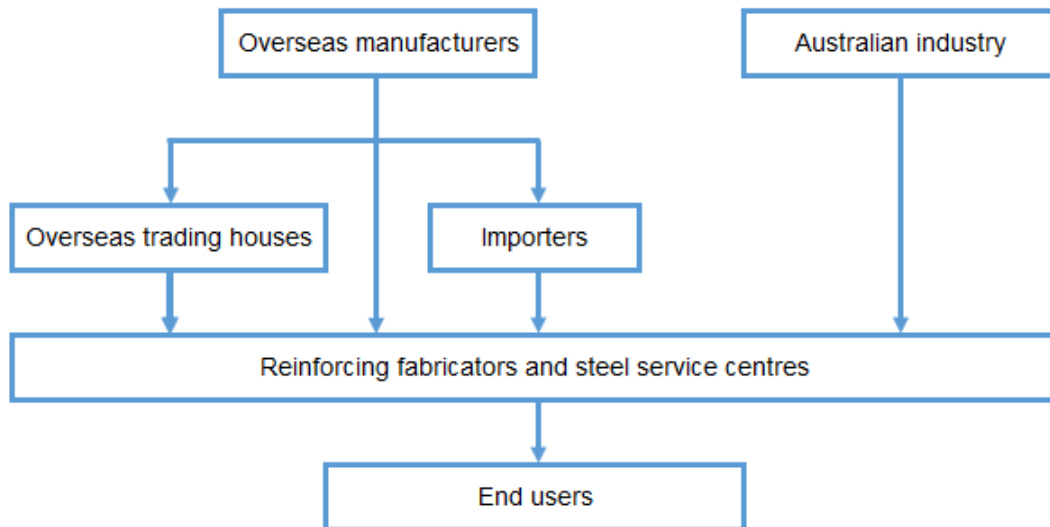


Figure 1 Australian supply chain for rebar

5.3.1 Australian producers

The application was lodged by Liberty Steel on behalf of the Australian industry producing rebar. The application was supported by OneSteel NSW Pty Limited and The Australian Steel Company (Operations) Pty Ltd.

The Commission undertook a verification visit to the applicant, Liberty Steel, and is satisfied that the information it provided is relevant, accurate and complete. A verification visit report is available on the public record.³⁵

5.3.2 Importers

Following the initiation of this investigation, the Commission identified the importers of rebar from Turkey using the ABF import database. Based on individual import volumes, the following three importers were considered to be 'major' importers, accounting for 85 per cent of imports of rebar from Turkey during the investigation period:

- DITH;
- Macsteel International Australia Pty Limited;
- TKM.

The Commission sent the above importers importer questionnaires to complete.

The Commission conducted onsite verification of data provided by DITH and TKM. Both companies participated with the investigation and provided their internal records and source documents for import and sales transactions. The importer verification reports for DITH and TKM are published on the public record.³⁶

³⁵ Case 495 Public Record Item No.018.

³⁶ Case 495 Public Record Item Nos.015 and 016.

5.4 Australian standards

Almost all rebar sold and used in Australia meets the requirements of Australian/New Zealand Standard AS/NZS 4671:2001. The market considers it desirable for mills to be certified by Australasian Certification Authority for Reinforcing and Structural Steels (ACRS) which is an independent, not for profit production certification scheme. The ACRS 'mark' is internationally recognised as the means of showing conformity to the Australian Standard. Imported rebar is compliant with the Australian Standard where made by ACRS certified exporters. All cooperating exporters from the country subject of this investigation are ACRS certified.

The ACRS website maintains a listing of all companies which are currently certified.³⁷

5.5 Marketing and distribution

Australian made rebar is sold nationally and is distributed by rail and road between the capital cities of Adelaide, Melbourne, Sydney and Brisbane, and dispatched by sea freight to Perth and Tasmania.

Imported rebar is typically distributed by road to all customers.

5.6 Demand

Demand for rebar is Australia-wide with the majority demanded from the eastern states of Queensland, New South Wales and Victoria. Demand is driven by downstream activity in several market segments:

- residential construction, including swimming pool construction;
- non-residential construction; and
- engineering construction/infrastructure, including mining infrastructure.

The commercial construction market is the main driver of demand for rebar. For the Australian producers, there is some seasonal fluctuation in demand with a downturn at the end of the year around the Christmas holiday period and coinciding with the wet season in northern Australia.

5.7 Market size

The Commission has relied on data from the ABF import database, the sales volumes reported by the participating Australian industry producers and verified exporter sales data to estimate the size of the Australian market for rebar. Figure 2 summarises the size of the Australian market for rebar for the injury analysis period (1 October 2014 to 31 October 2018).³⁸ Figure 2 is based on the verified sales data from the Australian industry and data from the ABF import database.

³⁷ <http://www.steelcertification.com/acrshome.html>

³⁸ All years in Figure 2, and subsequent figures, align with the investigation period, e.g. years spanning 1 October to 30 September, unless otherwise stated.

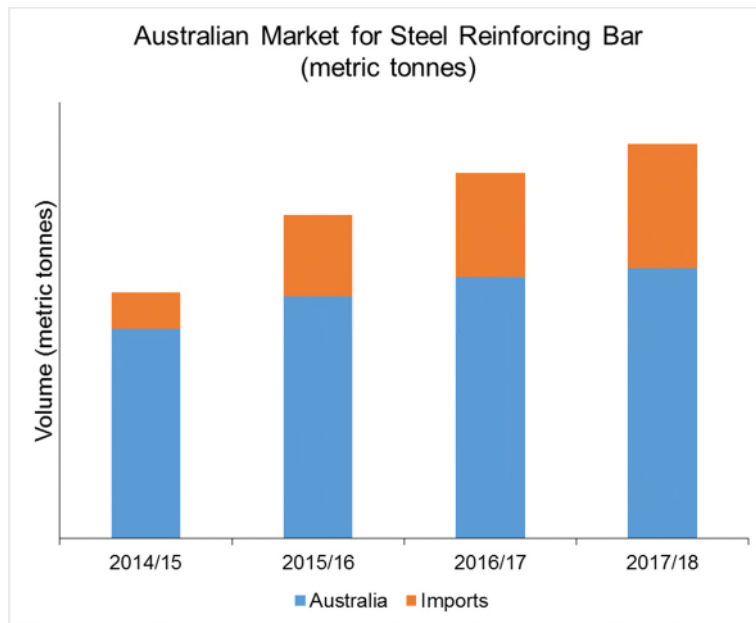


Figure 2 Size of the Australian market for rebar

In assessing the size of the Australian market, the Commission notes that the market for rebar consists of two product sub-categories, DBIL and DBIC. For the purpose of this report, the Commission has aggregated both product categories for estimating the size of the Australian market.

5.8 Price sensitivity

The Commission considers that given the interchangeable nature of rebar it is regarded as a commodity like product that competes primarily on price.

6 DUMPING INVESTIGATION

6.1 Preliminary finding

The Commission has found that the goods exported to Australia from Turkey by:

- Colakoglu were not at dumped prices;
- Diler were not at dumped prices;
- Habaş were not at dumped prices; and
- Kroman were not at dumped prices.

The dumping margins are summarised in Table 7.

Country	Exporter	Dumping margin
Turkey	Colakoglu	-1.4%
	Diler	-7.4%
	Habas	-3.4%
	Kroman	-2.5%
	All other exporters	-1.4%

Table 7 Dumping margins

The Commission's calculations of export prices, normal values and dumping margins are confidential.

6.2 Introduction and legislative framework

In any report to the Minister under subsection 269TEA(1), the Commissioner must recommend whether the Minister ought to be satisfied as to the grounds for publishing a dumping duty notice under section 269TG.

Under section 269TG, one of the matters the Minister must be satisfied of in order to publish a dumping duty notice is that the goods have been dumped.

Dumping occurs when a product from one country is exported to another country at a price less than its normal value. The export price and normal value of goods are determined under sections 269TAB and 269TAC respectively. Further details of the export price and normal value calculations for each exporter are set out in this chapter.

Dumping margins are determined under section 269TACB. For all dumping margins calculated, the Commission compared the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period, in accordance with subsection 269TACB(2)(a).

6.3 Currency movements

In its application, the applicant submitted that the Turkish Lira (TRY) has demonstrated short-term fluctuation during the investigation period when compared against the US dollar (USD) and that, in order to properly compare normal value and export prices, these fluctuations should be disregarded, in accordance with subsection 269TAF(3).

6.3.1 Legislative Background

Subsection 269TAF(1) provides that where comparison of export prices and corresponding normal values requires a conversion of currency, that conversion is to be made using the rate of exchange on the date of the transaction or agreement that best establishes the material terms of the sale of the exported goods.

Subsection 269TAF(3) states that:

If:

- (a) the comparison referred to in subsection (1) requires the conversion of currencies; and*
- (b) the rate of exchange between those currencies has undergone a short-term fluctuation;*

the Minister may, for the purpose of that comparison, disregard that fluctuation.

Subsection 269TAF(4) states that:

If:

- (a) the comparison referred to in subsection (1) requires the conversion of currencies; and*
- (b) the Minister is satisfied that the rate of exchange between those currencies has undergone a sustained movement;*

the Minister may, by notice published in the Gazette, declare that this subsection applies with effect from a day specified in the notice and, if the Minister does so, the Minister may use the rate of exchange in force on that day for the purposes of that comparison during the period of 60 days starting on that day.

In the Act there is no explicit definition of what is a fluctuation or a sustained movement. Part 21.3 of the Dumping and Subsidy Manual – *Currency Conversion*³⁹ outlines the Commission's policy approach in relation to these issues as follows:

A currency may show steady change, or some fluctuation, over time in the rate of exchange. The notion of a 'sustained movement' suggests something outside of a normal range of fluctuation. There must have been a 'movement', and this 'movement' must have been 'sustained' throughout subsequent periods.

6.3.2 Daily movement of the Turkish Lira

Figure 3 shows the daily movement in the TRY/USD exchange rate over the investigation period, using currency exchange data sourced from the Turkish Central Bank (TCB).

³⁹ Anti-Dumping Commission Dumping and Subsidy Manual, available on the Commission website at <https://www.adcommission.gov.au/accessadsystem/Documents/Dumping%20and%20Subsidy%20Manual.pdf>

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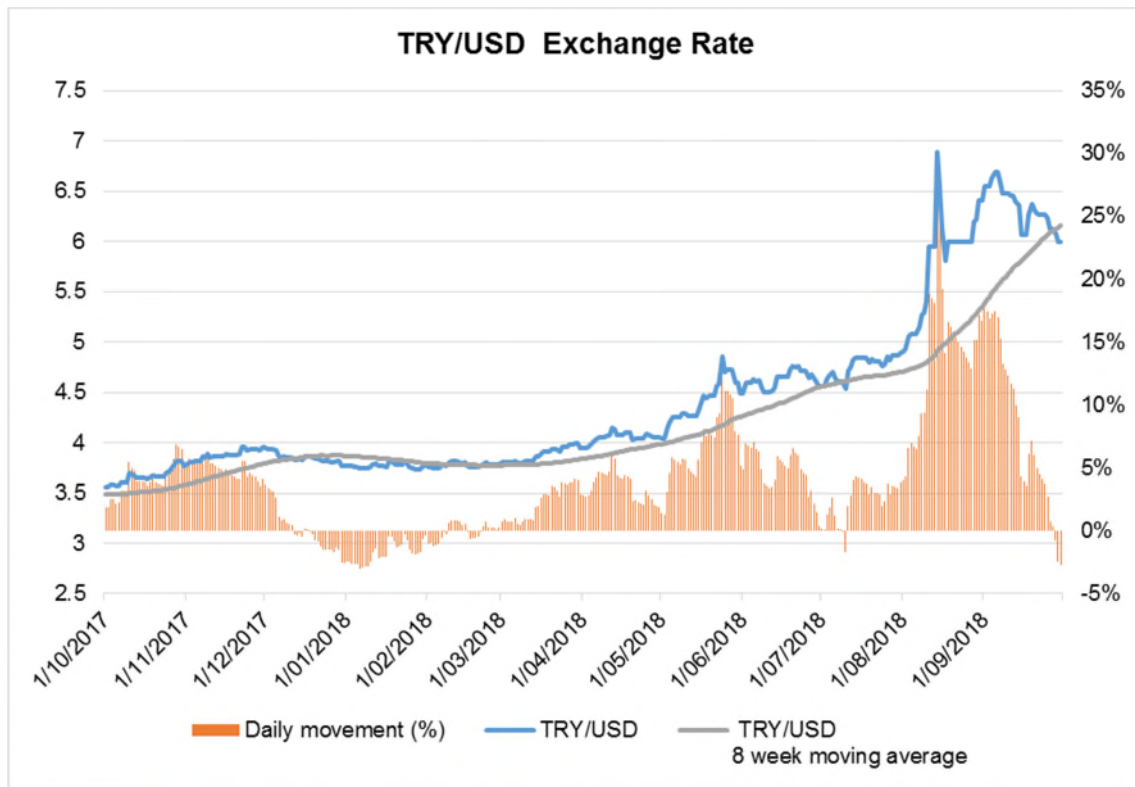


Figure 3 TRY/USD exchange rates over the investigation period

6.3.3 Short-term fluctuations under subsection 269TAF(3)

Methodology for determining short-term fluctuations

In Investigation 240 (INV 240), which was into exports of rod in coils from Turkey, among other countries, the Commission applied the following methodology for determining short-term fluctuations in currency:

- a benchmark based on an eight week moving average for the exporter's currency against the USD was established for the investigation period;
- daily actual rates were compared to the benchmark and a daily variance benchmark was established; and
- where the actual daily rate varied from the benchmark rate by more than two and a quarter per cent the actual daily rate was classified as fluctuating.

The above methodology is based on that used by the United States Department of Commerce (USDOC).⁴⁰ In INV 240, the Commission considered it reasonable, in the absence of an established practice, to employ a methodology in use in a comparable jurisdiction for the purposes of conducting its analysis.

This methodology was that advocated by the applicant in its application. The Commission did receive submissions on applying subsection 269TAF(3) to this investigation, but no direct criticism was made of the methodology applied in Investigation 240. Kroman did

⁴⁰ USDOC Policy Bulletin 96-1

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make comment on the period of time over which a short-term fluctuation may occur, however, the Commission considers its argument in this regard lacks a suitable rationale. These submissions are discussed in further detail below.

On the basis that the methodology used in INV 240 is used by a reputable organisation from a comparable jurisdiction and that it is a methodology which interested parties to this investigation are familiar, the Commission remains satisfied that the methodology applied in INV 240 remains an appropriate guide for determining whether a short-term fluctuation has taken place under subsection 269TAF(3).

Application of methodology

Pursuant to subsection 269TAF(3), where a daily exchange rate has been classified as a fluctuation (in line with the methodology above), the actual daily rate is set aside in favour of the benchmark rate. The practical impact of the application of subsection 269TAF(3) to an anti-dumping investigation is to set aside the exchange rates used by exporters where it has been determined there has been a fluctuation and use instead the benchmark rate.

Figure 4 shows the movement in the TRY/USD exchange rate (as reported by the TCB) compared with a TRY/USD exchange rate calculated using the subsection 269TAF(3) methodology on a monthly average basis.⁴¹

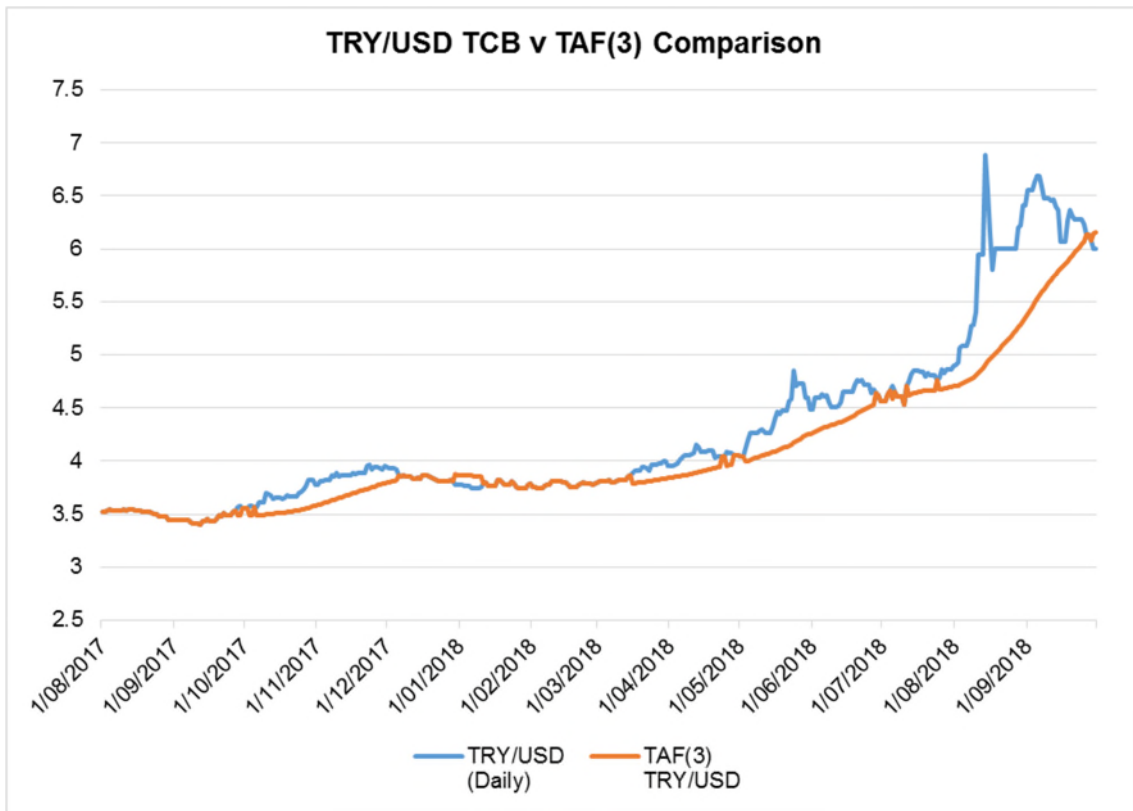


Figure 4 Turkish Central Bank TRY/USD vs TAF(3) exchange rates over the investigation period

⁴¹ See Non-confidential Attachment 2 setting out Commission’s calculations for determining short-term fluctuations.

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The Commission notes that the power granted to the Minister under subsection 269TAF(3) is a discretionary one. In considering whether a recommendation ought to be made to the Minister to exercise this discretion in this investigation, the Commission has considered whether there are short-term fluctuations (pursuant to the methodology discussed above), and if so, whether disregarding those fluctuations would provide a better comparison of export prices with corresponding normal values of the goods for determining the material terms of the sale of the exported goods, as opposed to a comparison that includes those fluctuations.

As shown in Figure 4, using the methodology describe above, the Commission considers there have been short-term fluctuations in the exchange rate of the TRY when compared to the USD.

In considering whether it is preferable or not to disregard those fluctuations, the Commission has, in this instance, had regard to:

- the volume of trade on days where a short-term fluctuation occurred;
- the degree of fluctuation on a day-to-day basis;
- the number of instances of short-term fluctuations;
- the degree of change in the exchange rate over the investigation period; and
- the number of exporters affected by short-term fluctuations.

The Commission has observed that short-term fluctuations occurred on over 50 per cent of days within the investigation period, with significant degrees of fluctuation on a day-to-day basis, in some cases of more than 20 per cent from one day to the next. The TRY depreciated by more than 38 per cent between the beginning and end of the investigation period. The Commission also observed significant volumes of trade by all exporters occurring on days where short-term fluctuations occurred.⁴²

It is the Commission's view that these considerations provide a sufficient basis in this instance to determine that applying subsection 269TAF(3) to disregard short-term fluctuations would best establish the material terms of the sale of the exported goods.

6.3.4 Sustained fluctuations under subsection 269TAF(4)

Given the observed depreciation in the TRY/USD exchange rate over the investigation period, the Commission has also had regard to whether there was a sustained movement in the TRY/USD exchange rate under subsection 269TAF(4).

In previous investigations (including INV 240), the Commission applied the following methodology for determining whether there was a sustained fluctuation in the exporter's currency:

- an eight week moving average for the exporter's currency against the USD was established for the investigation period;
- a weekly average of actual daily rates was established;
- a weekly average of the eight week moving average was established;

⁴² The Commission analysis of each exporter's circumstances is provided at Confidential Attachment 3.

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- where the weekly average of actual rates exceeded the weekly average of benchmark rates by more than five per cent that week was identified as a period of unusual movement; and
- the number of consecutive weeks of unusual movement was established.

Where the methodology establishes a period of eight or more consecutive weeks of unusual movement, the Commission may form a view under subsection 269TAF(4) that the exchange rate has undergone a sustained movement. As discussed above in respect of subsection 269TAF(3), the Commission is satisfied that the methodology applied in INV 240 remains appropriate.

Applying this methodology in the current investigation, the Commission determined there were two periods of unusual movement during the investigation period:

- for three consecutive weeks from mid-April 2018 to the end of April 2018; and
- for six consecutive weeks from the beginning of August 2018 to mid-September 2018.

That is, the Commission did not identify a period of eight consecutive weeks of unusual movement during the investigation period. Accordingly, the Commission has determined that the Minister cannot be satisfied under subsection 269TAF(4) that the TRY/USD exchange rate has undergone a sustained movement during the investigation period.

6.3.5 Submissions received in relation to currency conversion

In the verification reports for the exporters whose REQs were subject to examination, the Commission did not publish a dumping margin on account that further consideration of the provisions of subsection 269TAF(3) were being undertaken at the time and that any decision on this issue might affect the dumping margins.

In response to the publication of the verification reports for Diler and Kroman, the Commission received submissions from Diler and Kroman⁴³ regarding the treatment of short-term currency fluctuations and the application of subsection 269TAF(3). The submissions also commented on the application of subsection 269TAF(4) with respect to sustained currency movements however the Commission had not indicated in verification reports that it was considering this particular issue. The issues raised in each submission are summarised as follows:

- Diler and Kroman both submit that subsection 269TAF(4) should not be applied in circumstances where the currency of the country of origin of the exporter depreciates against the currency in which the export sales are denominated. Diler and Kroman refer to the approach outlined in INV 240⁴⁴ as the basis for their position;
- Kroman submits the relationship between the USD and TRY during the investigation period exhibits a sustained currency movement rather than a short-term fluctuation;

⁴³ Case 495 Public Record Item Nos.024 and 025.

⁴⁴ Report No. 240, pp.31-32, Case 240 Public Record Item No.073.

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- Diler submits that the application of subsection 269TAF(3) to address short-term currency fluctuations is not warranted in circumstances where the comparison of export price and normal value does not require a conversion of currencies;
- Diler also highlights that for a constructed normal value, based on the cost of production of the exported goods, the application of subsection 269TAF(3) to address short-term currency fluctuations would be relevant to the cost of imported raw materials used in the production of the goods; and
- Diler proposes that in the event that the Commission had regard to the provisions of subsection 269TAF(3) then an appropriate benchmark would be the published USDOC exchange rates on the basis that these rates eliminate cross currency conversion issues.

6.4 Commissioner's response to submissions on currency conversion

6.4.1 Application of subsection 269TAF(4)

Regarding the application of subsection 269TAF(4), at section 6.3.4 the Commission's analysis of the exchanges applicable to exports of the goods from Turkey found that the Minister cannot be satisfied under subsection 269TAF(4) that those exchange rate has undergone a sustained movement during the investigation period.

6.4.2 Relevance of subsection 269TAF(3) in certain circumstances

With respect to Diler's submission regarding when the provisions of subsection 269TAF(3) are not warranted, the Commission's has not taken short-term currency fluctuations into account in instances where an exporter's FOB export price was derived from an invoice value that was already denominated in TRY. This circumstance was observed when export sales to the Australian importer were transacted through an intermediary and the export price was taken to be the price paid by the intermediary to the exporter and the sale between the two parties was dominated in TRY. However, the sale of goods to an intermediary were not consistently invoiced in TRY. Where a sale was invoiced in USD, the Commission converted those values into TRY using an exchange rate taking into account subsection 269TAF(3).

In certain cases, to determine an export price at the FOB level certain costs items were either deducted or added to the exporter's TRY denominated invoice value. Where such cases occurred and the relevant cost items were denominated in USD, the Commission has firstly converted those costs into TRY by applying the exchange rate taking into account subsection 269TAF(3).

6.4.3 Application of subsection 269TAF(3) for constructed normal value

Diler's submission refers to the application of subsection 269TAF(3) in the context of when an exporter's normal value has been constructed based on the cost of production. Diler's submission correctly points out that exporters produce rebar by utilising raw materials that have been imported. However, as these costs when provided by Diler to the Commission were denominated in TRY, no conversion is required and therefore subsection 269TAF(3) is not enlivened in this circumstance.

6.4.4 Exchange rate benchmark

The Commission's application of subsection 269TAF(3) as outlined in section 7.3.3 has relied on the TCB published daily exchange rates as the basis to work out whether a short-term currency fluctuation has occurred. The Commission's use of the TCB data reflects the observations made regarding each cooperating exporter's sales and accounting records whereby all exporters relied on the TCB rates. The use of the TCB's published TRY and USD exchange rates also eliminates the issue raised by Diler with respect to the impact of cross currency discrepancies.

In assessing the issue of short-term currency fluctuations the Commission initially considered using exchange rate data published by the USDOC. However, after further examination of the USDOC data the Commission concluded that the data had been subject to alterations (as allowed under the relevant US legislation) and the precise treatment of the data could not be ascertained. As a result the Commission did not rely on the USDOC data.

6.4.5 TRY/USD is a sustained currency fluctuation

In response to Kroman's submission which asserts that the movement in the TRY and USD exchange rate represents a sustained currency fluctuation, the Commission refers to the findings at section 6.3.4 which found that the circumstances relevant to the TRY/USD exchange rate did not produce what the Commission considers to be a sustained fluctuation.

Kroman's submission also asserts that the depreciation of the TRY over the entire investigation period could not be considered a short-term fluctuation. Kroman proposes that the relevant period is the investigation period which in its opinion could not reasonably be treated as being a short term period of time. The Commission interprets Kroman's analysis of the movement in the exchange rate as being an observation of the overall trend in the TRY/USD exchange rates over the investigation period. However, as outlined in section 6.3.3, and contrary to Kroman's view, the Commission's approach regards the period of currency fluctuation as something which occurs on a daily basis. A daily basis is considered appropriate as sales of the exported goods are made based on daily exchange rates. It is the case that the relationship between the TRY and USD at section 6.3.2 exhibits a depreciation of the TRY against the USD however the macro trend does not necessarily mean there were no short-term fluctuations of the kind determined by the Commission.

6.5 Cooperative exporters

Subsection 269T(1) provides that, in relation to a dumping investigation, an exporter is a 'cooperative exporter' where the exporter's exports were examined as part of the investigation and the exporter was not an 'uncooperative exporter'. At the commencement of the investigation, the Commission contacted known exporters of the goods and each identified supplier of the goods within the relevant tariff subheading for rebar as identified in the ABF import database, and invited them to complete an exporter questionnaire. The Commission received completed exporter questionnaire responses from the following exporters:

- Colakoglu;

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- Diler;
- Habas; and
- Kroman.

The Commission undertook onsite verification visits to Diler and Kroman and also undertook an offsite verification of the data submitted by Colakoglu and Habas. All of the exporters listed above are considered to be cooperative exporters.

6.6 Uncooperative exporters

Subsection 269T(1) provides that, in relation to a dumping investigation, an exporter is an 'uncooperative exporter', where the Commissioner is satisfied that an exporter did not give the Commissioner information that the Commissioner considered to be relevant to the investigation within a period the Commissioner considered to be reasonable, or where the Commissioner is satisfied that an exporter significantly impeded the investigation.

The Commission received four responses to its exporter questionnaires. These exporter questionnaire responses were complete and enabled the Commission to conduct onsite and benchmark verifications.

As detailed in section 6.6, the Commission considers that the volumes exported by the exporters who have cooperated with the investigation represent the total volume of exports that are relevant to the investigation. As a result the Commissioner is satisfied that there are no other exporters from Turkey who exported the goods to Australia in the investigation period and the Commissioner does not consider there are any uncooperative exporters that would be the subject of the investigation as defined in subsection 269T(1). However, at section 6.11 the Commission has determined a rate for the category of 'all other exporters'.

6.7 Dumping assessment – Colakoglu

6.7.1 Verification

Although Colakoglu was not requested to host the Commission for a verification visit, its REQ was considered suitable such that it could be verified by having regard to other relevant information available to the investigation.

The Commission established the reliability of data in the Colakoglu REQ by ascertaining the variable factors relevant to its exports of rebar to Australia and comparing these variable factors, and the relevant data underlying these variable factors to the data and variable factors for other cooperating exporters that were the subject of a verification visit, another cooperating exporter who was not subject to a verification visit, the GoT's RGQ and relevant information from previous investigations (i.e. INV 264 refers).

The verification of Colakoglu's data satisfied the Commission that the variable factors ascertained could be considered reliable for the purposes of determining the level of dumping and subsidisation relating to its exports of the goods to Australia during the investigation period.

Relying on the information available the Commission is further satisfied that Colakoglu is the producer of the goods and like goods.

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A report detailing the verification findings relating to the variable factors determined for Colakoglu is available on the public record.⁴⁵

6.7.2 Export price

Having regard to the findings contained in Colakoglu's verification report, the Commission remains satisfied that:

- Colakoglu was the exporter of the goods to Australia;
- sales to Australia were conducted through the trading arm of Colakoglu, COTAS; and
- the export sales between Colakoglu, COTAS, and its Australian customers were the result of arms length transactions.

Based on the above, the Commission is unable to calculate the export price under subsections 269TAB(1)(a) or (b). The export price for Colakoglu has been established under subsection 269TAB(1)(c), having regard to all the circumstances of the exportation, using the invoiced price from Colakoglu to COTAS, less deductions to the FOB level as required.

6.7.3 Normal value

The Commission is satisfied that because of the absence, or low volume, of sales of like goods in the market of the country of export that would be relevant for the purpose of determining a normal value, the normal value of goods exported to Australia by Colakoglu cannot be ascertained under subsection 269TAC(1). The Commission found that it did not have sufficient information that would allow it to base the normal value on domestic sales of MCC categories that were not exported to Australia, with specification adjustments in accordance with subsection 269TAC(8).

Based on the above, the normal value was determined using a constructed method, as permitted under subsection 269TAC(2)(c).

As required by subsections 269TAC(5A) and 269TAC(5B), the costs of production or manufacture, the selling, general and administrative (SG&A) costs and profit are established in accordance with the regulations. The relevant regulations are sections 43, 44, and 45 of the *Customs (International Obligations) Regulation 2015* (the Regulation), respectively.

For Colakoglu:

- the cost of production was calculated under subsection 43(2) of the Regulation, using the exporter's records;
- SG&A costs were calculated under subsection 44(2) of the Regulation, using the exporter's records; and
- the amount of profit was calculated under subsection 45(2) of the Regulation.

⁴⁵ Case 495 Public Record Item No.028.

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6.7.4 Adjustments to normal value

To ensure the comparability of normal values to export prices, the Commission made adjustments pursuant to subsection 269TAC(9)⁴⁶ as follows:

Adjustment Type	Deduction/addition
Domestic credit expense	Deduct domestic credit costs
Domestic packaging	Deduct domestic packaging
Export packaging	Add export packaging
Export inland transport	Add export inland transport
Exporters' Association fees	Add exporters' association fees
Export survey fees	Add export survey fees

Table 8 Adjustments to Colakoglu's normal value

6.7.5 Dumping margin – Colakoglu

The Commission has calculated the dumping margin for Colakoglu as **negative 1.4 per cent**.

6.8 Dumping assessment – Diler

6.8.1 Verification

The Commission conducted an in-country visit to Diler's facility in Istanbul, Turkey during February 2019 to verify the information disclosed in its REQ.

The Commission toured Diler's facility and is satisfied that it is the producer of the goods and like goods.

A report covering the visit findings is available on the public record.⁴⁷

6.8.2 Export price

Having regard to the findings contained in Diler's verification report, the Commission remains satisfied that:

- Diler was the exporter of the goods to Australia;
- sales to Australia were conducted through an intermediary of Diler, Diler Dis Ticaret A.Ş. (DDT); and
- the export sales between Diler, DDT, and its Australian customers were the result of arms length transactions.

Based on the above, the Commission is unable to calculate the export price under subsections 269TAB(1)(a) or (b). The export price for Diler has been established under

⁴⁶ For all exporters, where normal value was calculated under subsection 269TAC(2)(c) to ensure the comparability of normal values to export prices, the Commission considers that adjustments are required for maintaining price comparability pursuant to subsection 269TAC(9).

⁴⁷ Case 495 Public Record Item No.027.

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subsection 269TAB(1)(c), having regard to all the circumstances of the exportation. The Commission considers the appropriate method of calculating the FOB export price as the price paid by the related trading company (DDT) to Diler plus relevant FOB costs incurred by DDT. The date of sale used by the Commission is the date of the commercial invoice between Diler and DDT.

6.8.3 Normal value

The Commission is satisfied that because of the absence, or low volume, of sales of like goods in the market of the country of export that would be relevant for the purpose of determining a normal value, the normal value of goods exported to Australia by Diler cannot be ascertained under subsection 269TAC(1). The Commission found that it did not have sufficient information that would allow it to base the normal value on domestic sales of MCC categories that were not exported to Australia, with specification adjustments in accordance with subsection 269TAC(8).

The Commission therefore determined that normal value should be constructed under subsection 269TAC(2)(c) based on the sum of Diler's cost of producing the goods, SG&A costs and an amount for profit, on the assumption that the goods were sold on the domestic market in the ordinary course of trade (OCOT).

As required by subsections 269TAC(5A) and 269TAC(5B), the costs of production or manufacture, the SG&A costs and profit are established in accordance with the regulations. The relevant regulations are sections 43, 44 and 45 of the Regulation, respectively.

For Diler:

- the cost of production was calculated under subsection 43(2) of the Regulation, using the exporter's records;
- SG&A costs were calculated under subsection 44(2) of the Regulation, using the exporter's records; and
- the amount of profit was worked out under subsection 45(2) of the Regulation.

6.8.4 Adjustments to normal value

To ensure the comparability of normal values to export prices, the Commission made adjustments pursuant to subsection 269TAC(9) as follows:

Adjustment Type	Deduction/addition
Domestic credit expense	Deduct the cost of domestic credit
Export packaging	Add the cost of export packaging
Export inland transport	Add the cost of export inland transport
Export port inspection expense	Add the cost of export port inspection
Export Custom's overtime expense	Add the cost of Custom's overtime
Exporters' Association fees	Add the cost of Exporters' Association fees
Export handling expense	Add the cost of export handling
Export commission expense	Add the cost of export commission
Export bank charges	Add the cost of export bank charges

Table 9 Adjustments to Diler's normal value

6.8.5 Dumping margin – Diler

The Commission has calculated the dumping margin for Diler as **negative 7.4 per cent**.

6.9 Dumping assessment – Habas

6.9.1 Verification

Although Habas was not requested to host the Commission for a verification visit, its REQ was considered suitable such that it could be verified by having regard to other relevant information available to the investigation.

The Commission established the reliability of data in the Habas REQ by ascertaining the variable factors relevant to its exports of rebar to Australia and comparing these variable factors, and the relevant data underlying these variable factors to the data and variable factors for other cooperating exporters that were the subject of a verification visit, another cooperating exporter who was not subject to a verification visit, the GoT's RGQ and relevant information from previous investigations (INV 264 refers).

The verification of Habas's data satisfied the Commission that the variable factors ascertained could be considered reliable for the purposes of determining the level of dumping and subsidisation relating to its exports of the goods to Australia during the investigation period.

Relying on the information available the Commission is further satisfied that Habas is the manufacturer of the goods and like goods.

A report detailing the verification findings relating to the variable factors determined for Habas is available on the public record.⁴⁸

6.9.2 Export price

Having regard to the findings contained in Habas's verification report, the Commission remains satisfied that:

- Habas was the exporter of the goods to Australia; and
- the export sales between Habas and its Australian customers were the result of arms length transactions.

Therefore, the export price for Habas has been established at the FOB level under subsection 269TAB(1)(a), as the price paid by the importer to the exporter less transport and other costs arising after exportation.

6.9.3 Normal value

The Commission is satisfied that because of the absence, or low volume, of sales of like goods in the market of the country of export that would be relevant for the purpose of

⁴⁸ Case 495 Public Record Item No.029.

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determining a normal value, the normal value of goods exported to Australia by Habas cannot be ascertained under subsection 269TAC(1). The Commission found that it did not have sufficient information that would allow it to base the normal value on domestic sales of MCC categories that were not exported to Australia, with specification adjustments in accordance with subsection 269TAC(8).

The Commission therefore determined that normal value should be constructed under subsection 269TAC(2)(c) based on the sum of Habas's cost of producing the goods, SG&A costs and an amount for profit, on the assumption that the goods were sold on the domestic market in the OCOT.

As required by subsections 269TAC(5A) and 269TAC(5B), the costs of production or manufacture, the SG&A costs and profit are established in accordance with the regulations. The relevant regulations are sections 43, 44 and 45 of the Regulation, respectively.

For Habas:

- the cost of production was calculated under subsection 43(2) of the Regulation, using the exporter's records;
- SG&A costs were calculated under subsection 44(2) of the Regulation, using the exporter's records; and
- the amount of profit was worked out under subsection 45(2) of the Regulation.

6.9.4 Adjustments to normal value

To ensure the comparability of normal values to export prices, the Commission made adjustments pursuant to subsection 269TAC(9) as follows:

Adjustment Type	Deduction/addition
Domestic packaging	Deduct domestic packaging
Export packaging	Add export packaging
Export handling and other	Add export handling and other
Export exporter association fees	Add export related exporter association fees
Export consignment surveillance expenses	Add export consignment surveillance expenses

Table 10 Adjustments to Habas's normal value

6.9.5 Dumping margin – Habas

The Commission has calculated the dumping margin for Habas as **negative 3.4 per cent**.

6.10 Dumping assessment – Kroman

6.10.1 Verification

The Commission conducted an in-country visit to Kroman's facility in Darıca, Turkey during February 2019 to verify the information disclosed in its REQ.

The Commission toured Kroman's facility and is satisfied that it is the producer of the goods and like goods.

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A report covering the visit findings is available on the public record.⁴⁹

6.10.2 Export price

Having regard to the findings contained in Kroman's verification report, the Commission remains satisfied that:

- Kroman was the exporter of the goods to Australia;
- sales to Australia were conducted through an intermediary of Kroman, Yücelboru İhracat İthalat ve Pazarlama A.Ş. (YIIP); and
- the export sales between Kroman, YIIP, and its Australian customers were the result of arms length transactions.

Based on the above, the Commission is unable to calculate the export price under subsections 269TAB(1)(a) or (b). The export price for Kroman has been established under subsection 269TAB(1)(c), having regard to all the circumstances of the exportation. The Commission considers the appropriate method of calculating the FOB export price as the price paid by the related trading company (YIIP) to Kroman with the addition of relevant FOB costs incurred by YIIP.

6.10.3 Normal value

For MCCs where there were sufficient sales, the Commission is satisfied that the prices paid in respect of domestic sales of these MCCs are suitable for assessing the normal value of the goods under subsection 269TAC(1). In using domestic sales as a basis for normal value, the Commission considers that certain adjustments, in accordance with subsection 269TAC(8), are necessary to ensure fair comparison of normal values with export prices.

For MCCs where there were insufficient sales in OCOT and it was not possible to use an alternative MCC, the Commission is satisfied that the normal value of goods exported to Australia cannot be ascertained under subsection 269TAC(1). The Commission has therefore calculated a normal value under subsection 269TAC(2)(c) based on Kroman's cost of producing the goods, SG&A costs and an amount for profit, on the assumption that the goods were sold on the domestic market in the OCOT. In using a constructed normal value, the Commission has made certain adjustments as considered necessary, in accordance with subsection 269TAC(9), to ensure fair comparison of normal values with export prices.

As required by subsections 269TAC(5A) and 269TAC(5B), the costs of production or manufacture, the SG&A costs and profit are established in accordance with the regulations. The relevant regulations are sections 43, 44 and 45 of the Regulation, respectively.

For Kroman:

- the cost of production was calculated under subsection 43(2) of the Regulation, using the exporter's records;

⁴⁹ Case 495 Public Record Item No.026.

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- SG&A costs were calculated under subsection 44(2) of the Regulation, using the exporter's records; and
- the amount of profit was worked out under subsection 45(2) of the Regulation.

6.10.4 Adjustments to normal value

To ensure the comparability of normal values to export prices, the Commission made adjustments as follows:

Adjustment Type	Deduction/addition
Domestic credit costs	Deduct domestic credit costs under subsection 269TAC(8) and TAC(9).
Domestic inland transport	Deduct domestic inland transport under subsection 269TAC(8)
Domestic packaging	Deduct domestic packaging under subsection 269TAC(8) and TAC(9)
Domestic collection insurance	Deduct collection insurance under subsection 269TAC(8)
Domestic direct debit system expenses	Deduct direct debit system expenses under subsection 269TAC(8)
Export packaging	Add export packaging under subsection 269TAC(8) and TAC(9).
Export inland transport	Add export inland transport under subsection 269TAC(8) and TAC(9).
Export handling & other (loading and lashing)	Add export handling & other (loading and lashing) under subsection 269TAC(8) and TAC(9).
Export commission expenses	Add export commission expenses under subsection 269TAC(8) and TAC(9).
Export Turkish customs brokerage	Add export Turkish customs brokerage under subsection 269TAC(8) and TAC(9).
Export related Government of Turkey Customs overtime charges	Add export Government of Turkey customs overtime charges
Export exporter association fees	Add export related exporter association fees under subsection 269TAC(8) and TAC(9).
Export consignment surveillance expenses	Add export consignment surveillance expenses under subsection 269TAC(8) and TAC(9).

Table 11 Adjustments to Kroman's normal value

6.10.5 Dumping margin – Kroman

The Commission has calculated the dumping margin for Kroman as **negative 2.5 per cent**.

6.11 Uncooperative exporters and all other exporters dumping margin

As detailed in section 6.6, the Commission considers that the volumes exported by the exporters who have cooperated with the investigation represent the total volume of exports that are relevant to the investigation. As a result the Commissioner is satisfied that there are no other exporters from Turkey who exported the goods to Australia in the investigation period and the Commissioner does not consider there are any uncooperative exporters that would be the subject of the investigation as defined in subsection 269T(1).

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Subsection 269TACAB(1) sets out the provisions for calculating export prices and normal values for uncooperative exporters. This provision specifies that for uncooperative exporters, export prices are to be calculated under subsection 269TAB(3) and normal values are to be calculated under subsection 269TAC(6).

After having regard to all relevant information, export prices for all other exporters have been established in accordance with subsection 269TAB(3), and normal values in accordance with subsection 269TAC(6).

Specifically, the Commission has adopted the dumping margin for Colakoglu as an 'all other exporters' rate for this category of exporters from Turkey. The dumping margin for Colakoglu is the highest observed out of the four exporters who have cooperated with the investigation. This approach is similar to that taken in INV 240 and *Statement of Essential Facts No.466 (SEF 466) - Railway wheels exported from China and France*, where the Commissioner was satisfied that there were no other exporters from those countries, other than those examined, who exported the goods.

The dumping margin for the category of 'all other exporters' from Turkey is **negative 1.4 per cent**.

6.12 Summary of dumping margins

The Commission has assessed that rebar exported to Australia by:

- Colakoglu, Diler, Habas and Kroman and the category of 'all other exporters from Turkey' were not dumped during the investigation period.

A summary of the Commission's preliminary dumping margins are set out in Table 12.

Country	Exporter	Dumping Margin
Turkey	Colakoglu	-1.4%
	Diler	-7.4%
	Habaş	-3.4%
	Kroman	-2.5%
	All Other Exporters	-1.4%

Table 12 Dumping margins

6.13 Volume of dumped imports

Pursuant to subsection 269TDA(3), the Commissioner must terminate the investigation, in so far as it relates to a country, if satisfied that the total volume of goods that are dumped is a negligible volume. Subsection 269TDA(4) defines a negligible volume as less than three per cent of the total volume of goods imported into Australia over the investigation period if subsection 269TDA(5)(c) does not apply. Pursuant to subsection 269TDA(6), the volume of goods at negligible dumping margins are not prevented from being taken into account for the purposes of subsection 269TDA(3).

Using the ABF import database and having regard to the information collected and verified from the importers and exporters, the Commission determined the volume of

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imports in the Australian market. Based on this information, the Commission is satisfied that, when expressed as a percentage of the total Australian import volume of the goods, the volume of allegedly dumped goods Turkey was not greater than three per cent of the total import volume and is therefore negligible.

Accordingly, the Commissioner proposes to terminate this investigation against Turkey under subsection 269TDA(3).

6.14 Level of dumping

Subsection 269TDA(1)(b)(i) provides that the Commissioner must terminate a dumping investigation, in so far as it relates to an exporter of the goods, if satisfied that there has been no dumping by the exporter of any of those goods.

The dumping margins outlined in Table 12 satisfy the Commissioner that there has been no dumping of the goods by any exporters from Turkey.

Accordingly, the Commissioner proposes to terminate the dumping investigation in relation to all exporter from Turkey, pursuant to subsection 269TDA(1)(b)(i).

7 SUBSIDY INVESTIGATION

7.1 Preliminary finding

The Commission has found that countervailable subsidies have been received in respect of the goods exported to Australia from Turkey during the investigation period.

The Commission has found that the volume of subsidised goods exported to Australia during the investigation period was not negligible.

However, the subsidy margin determined by the Commission in respect of all exporters, including non-cooperative entities, is negligible.

Accordingly, the Commissioner proposes to terminate the subsidy investigation under subsection 269TDA(2)(b)(ii) in respect of all exporters from Turkey.

7.2 Relevant legislation

Subsection 269T(1) defines 'subsidy' as follows:

subsidy, in respect of goods exported to Australia, means:

(a) a financial contribution:

- (i) by a government of the country of export or country of origin of the goods; or
- (ii) by a public body of that country or a public body of which that government is a member; or
- (iii) by a private body entrusted or directed by that government or public body to carry out a governmental function;

that involves:

- (iv) a direct transfer of funds from that government or body; or
 - (v) the acceptance of liabilities, whether actual or potential, by that government or body; or
 - (vi) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that government or body; or
 - (vii) the provision by that government or body of goods or services otherwise than in the course of providing normal infrastructure; or
 - (viii) the purchase by that government or body of goods or services; or
- (b) any form of income or price support as referred to in Article XVI of the General Agreement on Tariffs and Trade 1994 that is received from such a government or body;

if that financial contribution or income or price support confers a benefit (whether directly or indirectly) in relation to the goods exported to Australia.⁵⁰

Section 269TAAC defines a 'countervailable subsidy' as follows:

⁵⁰ Section 269TACC sets out the steps for working out whether a financial contribution or income or price support confers a benefit.

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- (1) For the purposes of this Part, a subsidy is a countervailable subsidy if it is specific.
- (2) Without limiting the generality of the circumstances in which a subsidy is specific, a subsidy is specific:
 - (a) if, subject to subsection (3), access to the subsidy is explicitly limited to particular enterprises; or
 - (b) if, subject to subsection (3), access is limited to particular enterprises carrying on business within a designated geographical region that is within the jurisdiction of the subsidising authority; or
 - (c) if the subsidy is contingent, in fact or in law, and whether solely or as one of several conditions, on export performance; or
 - (d) if the subsidy is contingent, whether solely or as one of several conditions, on the use of domestically produced or manufactured goods in preference to imported goods.
- (3) Subject to subsection (4), a subsidy is not specific if:
 - (a) eligibility for, and the amount of, the subsidy are established by objective criteria or conditions set out in primary or subordinate legislation or other official documents that are capable of verification; and
 - (b) eligibility for the subsidy is automatic; and
 - (c) those criteria or conditions are neutral, do not favour particular enterprises over others, are economic in nature and are horizontal in application; and
 - (d) those criteria or conditions are strictly adhered to in the administration of the subsidy.
- (4) The Minister may, having regard to:
 - (a) the fact that the subsidy program benefits a limited number of particular enterprises; or
 - (b) the fact that the subsidy program predominantly benefits particular enterprises; or
 - (c) the fact that particular enterprises have access to disproportionately large amounts of the subsidy; or
 - (d) the manner in which a discretion to grant access to the subsidy has been exercised;determine that the subsidy is specific.
- (5) In making a determination under subsection (4), the Minister must take account of:
 - (a) the extent of diversification of economic activities within the jurisdiction of the subsidising authority; and
 - (b) the length of time during which the subsidy program has been in operation.

Section 269TACD provides that if the Minister is satisfied that a countervailable subsidy has been received in respect of the goods, the Minister must, if the amount of the subsidy is not quantified by reference to a unit of the goods, work out how much of the subsidy is properly attributable to each unit of the goods.

7.3 Investigated Programs

In the application, the applicant alleged the existence of a total of 32 programs, based on the findings of previous investigations undertaken by the USDOC. The Commission also held a consultation with the GoT in relation to the application prior to this investigation

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being initiated. As part of the consultation process, the GoT provided a submission regarding the operation of the subsidies alleged by the applicant.⁵¹

The Commission notes that there was minimal detail in the application for some of the 32 programs. The Commission has also had regard to the information provided by the GoT in its consultation submission and the GoT's *New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures (SCM Agreement)*.⁵²

The Commission observed that there appeared to be some duplication in the programs listed in the application. Accordingly, the Commission sought further information through questionnaires from the GoT and exporters on 25 programs.

Information on a further seven programs not previously identified was provided by the GoT and the exporters in their questionnaire responses. This brought the total of investigated programs to 32.

The Commission has investigated each of the 32 alleged subsidy programs.

7.4 Summary of programs

The Commission has set out each program and its finding in respect of each program in the table below.

Program Number	Program name	Program Type	Countervailable subsidy received? (Yes/No)
Programs included in questionnaires			
1	Natural Gas for Less than Adequate Remuneration	Provision of goods	No
2	Land for Less than Adequate Remuneration	Provision of goods	No
3	Electricity for Less than Adequate Remuneration	Provision of goods	No
4	Provision of Lignite for Less than Adequate Remuneration	Provision of goods	No
5	Deductions from Taxable Income for Export Revenue	Preferential tax policies	Yes
6	R&D Income Tax Deduction	Preferential tax policies	Duplicated under Program 19
7	Withholding of Income Tax on Wages and Salaries	Preferential tax policies	No
8	Exemption from property tax	Preferential tax policies	Yes

⁵¹ CON 495, Non-confidential Attachment 6: Government of Turkey Submission on Countervailable Subsidies, Case 495 Public Record Item No.002.

⁵² Available on the WTO website at https://www.wto.org/english/tratop_e/scm_e/scm_e.htm

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Program Number	Program name	Program Type	Countervailable subsidy received? (Yes/No)
9	Exemption from Income Tax on Wages Paid to Workers	Preferential tax policies	No
10	Import duty rebates/drawbacks under Article 22 of Turkey's Domestic Processing Regime (RDP) Resolution 2005/839 (RDP duty drawback program)	Tariff & VAT Exemptions	Duplicated under Program 12
11	Investment Encouragement Program VAT and Import Duty Exemptions	Tariff & VAT Exemptions / Preferential tax policies	Duplicated under Program 25
12	Inward Processing Certificate Exemption Program	Tariff & VAT Exemptions	No
13	Pre-shipment Turkish Lira Export Credits	Preferential Loans / Financial Arrangements	No
14	Pre-shipment Foreign Currency Export Credits	Preferential Loans / Financial Arrangements	Duplicated under Program 13
15	Pre-export Credits	Preferential Loans / Financial Arrangements	No
16	Short-term Export Credit Discounts	Preferential Loans / Financial Arrangements	No
17	Rediscount Program	Preferential Loans / Financial Arrangements	Yes
18	Foreign Trade Company Export Loans	Preferential Loans / Financial Arrangements	No
19	Investments Provided under Turkish Law No. 5746	Preferential Loans / Financial Arrangements	No
20	Turkish Development Bank Loans	Preferential Loans / Financial Arrangements	No
21	Industrial R&D Projects Grant Program	Direct Funds	No
22	Assistance to Offset Costs Related to AD/CVD Investigations	Other	No
23	Social Security Premium Support (Employer's Share)	Other	Yes
24	Social Security Premium Support (Employee's Share)	Other	Duplicated under Program 25
25	Investment Incentive Program	Other	Yes
Further Identified Programs			
26	Export-Oriented Working Capital Credit Program	Preferential Loans / Financial Arrangements	Yes
27	Short Term Export Credit Insurance Program	Preferential Loans / Financial Arrangements	No
28	Support and Stability Fund for participating in trade fairs in abroad	Direct Funds	No

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Program Number	Program name	Program Type	Countervailable subsidy received? (Yes/No)
29	Support on subscribing to e-trade websites	Direct Funds	Yes
30	Electricity for More than Adequate Remuneration	Provision of goods	No
31	Social Security Insurance Premium Deductions	Other	No
32	Turkish Employers' Association of Metal Industries (MESS) Assistance	Direct Funds	No

Table 13 Investigated subsidy programs – Turkey

The Commission's findings in relation to each program investigated are outlined in **Non-confidential Appendix A**.

7.5 Information considered by the Commission

7.5.1 Information provided by exporters

The Commission has relied upon information provided by cooperating exporters in assessing the alleged subsidy programs. This included information provided by exporters in the REQs, which identified a further seven programs (Programs 26-32), as well as information provided by exporters during verification.

7.5.2 Information provided by the Government of Turkey

The Commission included questions relating to Programs 1-25 in a Government Questionnaire sent to the GoT on 16 November 2018. The GoT provided its RGQ on 24 January 2019, after being granted an extension of time by the Commission.⁵³

Two further programs were identified by the GoT in its response (Programs 26 and 27).

7.5.3 Other information considered as part of this assessment

The Commission also considered as part of this assessment information provided in the application as well as other relevant information obtained by the Commission during independent research into matters relevant to determining subsidisation in Turkey. This information has been referenced where relevant.

7.6 Subsidy Assessment – Colakoglu

7.6.1 Program 8 – Exemption from property tax

In Colakoglu's verification report, the Commission considered Program 8 applicable to Colakoglu and that it received a benefit under this program.

⁵³ Case 495 Public Record Item No.006.

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As discussed in its findings in respect of this program in **Non-confidential Appendix A**, the Commission has since determined that a benefit has been conferred under this program and that this benefit is countervailable.

7.6.2 Program 10 & 12 – Domestic Processing Regime/Inward Processing Certificate Exemption Program

As discussed in its findings in respect of these programs in **Non-confidential Appendix A**, the Commission has determined that Program 10 is covered by Program 12, and that while a benefit has been conferred, this benefit is not countervailable.

7.6.3 Program 28 – Support and Stability Fund for participating in trade fairs in abroad

In Colakoglu's verification report, the Commission noted that Colakoglu has reported receiving a benefit in respect of this program, but this benefit was not countervailable as it was not in respect of the goods. As discussed in its findings in respect of this program in **Non-confidential Appendix A**, the Commission has confirmed that, while a benefit has been conferred under this program, this benefit is not countervailable.

7.6.4 Program 29 – Support on subscribing to e-trade websites

In Colakoglu's verification report, the Commission noted that Colakoglu has reported receiving a benefit in respect of this program.

As discussed in its findings in respect of this program in **Non-confidential Appendix A**, the Commission has since determined that Colakoglu received a benefit under this program, and that that benefit is countervailable.

7.6.5 Program 31 – Social Security Insurance Premium Deductions

In Colakoglu's verification report, the Commission noted that Colakoglu has reported receiving a benefit in respect of the following programs:

- Minimum Wage Support;
- Employment of Handicapped Staff;
- Employment of Unemployed; and
- Employment of Additional Employee.

Colakoglu submitted the programs listed above are available to all enterprises in Turkey and therefore not specific. As discussed in its findings in respect of these programs in **Non-confidential Appendix A**, the Commission has found that these programs are related. The Commission found that while a benefit has been conferred under these programs, this benefit is not countervailable.

7.6.6 Program 32 – Turkish Employers' Association of Metal Industries (MESS) Assistance

In Colakoglu's verification report, the Commission noted that Colakoglu has reported receiving a benefit in respect of this program, but this benefit was not countervailable as it was not in respect of the goods. As discussed in its findings in respect of this program in

Non-confidential Appendix A, the Commission has since determined that, while a benefit has been conferred under this program, this benefit is not countervailable.

7.6.7 Subsidy margin

Based on the information available to the Commission, the Commission has calculated a subsidy margin for Colakoglu of **0.01 per cent**.

The Commission's countervailable subsidy calculations for Colakoglu are contained in **Confidential Attachment 26**.⁵⁴

7.7 Subsidy Assessment – Diler

7.7.1 Program 5 – Deductions from Taxable Income for Export Revenue

As detailed in Diler's verification report, the Commission had regard to the information in Diler's 2017 financial year audited financial statement and tax return to establish that Diler had claimed deductions from taxable income relating to export revenue. Diler's 2018 financial year tax return, which overlaps three quarters of the investigation period was not available at the time of publication of this report or at verification on account that Diler had not yet lodged its tax return. The Commission understands this is not due until 30 April 2019. As a result, whilst it was considered that Diler had received a benefit under Program 5 the benefit received was only identified to the extent that it related to Diler's 2017 financial year which ends on December 31.

In terms of working out the benefit received during the investigation period, with respect to the findings in relation to this program discussed in **Non-confidential Appendix A**, the Commission has determined the benefit received by Diler under this program is countervailable. However, since Diler's 2018 tax return is not yet available the value of the benefit received by Diler has been determined by having regard to;

- the value of its foreign export earnings for the investigation period;
- the value of its income tax deductions relevant to the 2017 financial year;
- the maximum allowable deduction available under this program (relevant to 2018 periods only); and
- the tax rate applicable to Turkish enterprises in 2017 and 2018.

7.7.2 Program 8 – Exemption from property tax

In Diler's verification report, the Commission found that Diler had received a benefit under Program 8.

As discussed in its findings in respect of this program in **Non-confidential Appendix A**, the Commission has since determined that a benefit has been conferred under this program and that this benefit is countervailable.

⁵⁴ This attachment has been kept confidential as it contains commercially sensitive information relating to Colakoglu.

7.7.3 Program 17 – Rediscount Program

In Diler's verification report, the Commission initially calculated a benefit by comparing the interest payable on its rediscount loans obtained from the Export Credit Bank of Turkey (Turkish Eximbank) to a benchmark rediscount loan interest rate which Diler calculated as part of its REQ. Diler's benchmark rediscount loan interest rate was worked out based on the interest rates applicable to its short-term commercial loans obtained from privately owned banks. Relying on the data in Diler's REQ the Commission found that Diler had received a benefit under Program 17.

As discussed in its findings in respect of this program in **Non-confidential Appendix A**, the Commission has instead used a benchmark rate worked out using a weighted average interest rate for short-term commercial loans obtained from privately owned banks by all cooperating exporters who reported obtaining such loans. The Commission used this benchmark to determine the benefit conferred to Diler under this program. As a result, the benefit received by Diler in relation to Program 17 is higher than the amount initially determined in the Diler verification report. The Commission has also determined that the benefit received is countervailable.

7.7.4 Program 22 – Assistance to Offset Costs Related to AD/CVD Investigations

In Diler's verification report, the Commission found that Diler had received a benefit under Program 22. The benefit received under this program was incorporated in the preliminary subsidy margin published in relation to the verification of Diler's REQ.

However, as discussed in its findings in respect of this program in **Non-confidential Appendix A**, after further consideration of the evidence relating to this program, the Commission has since determined that, while a benefit has been conferred under this program, this benefit is not countervailable in relation to the goods.

7.7.5 Program 26 – Export-Oriented Working Capital Credit Program

In Diler's verification report, the Commission found that Diler had received loans provided pursuant to Program 26. However the benefit received under this program was not incorporated in the preliminary subsidy margin published in relation to the verification of Diler's REQ.

Following further consideration of the evidence relating to this program, as discussed in its findings in respect of this program in **Non-confidential Appendix A**, the Commission has since determined that Diler has received a benefit under this program, and that this benefit is countervailable.

7.7.6 Subsidy margin

Based on the information available to the Commission, the Commission has calculated a subsidy margin for Diler of **0.91 per cent**. The Commission notes that the subsidy margin determined for Diler during verification was lower on account of the findings outlined above.

The Commission's countervailable subsidy calculations for Diler are contained in **Confidential Attachment 27**.⁵⁵

7.8 Subsidy Assessment – Habas

7.8.1 Program 1 – Natural Gas for Less than Adequate Remuneration

In Habas's verification report, the Commission stated it would further examine this program before determining whether a subsidy has been received and whether that subsidy is countervailable.

As discussed in its findings in respect of this program in **Non-confidential Appendix A**, the Commission has determined that, no benefit has been conferred under this program.

7.8.2 Program 5 – Deductions from Taxable Income for Export Revenue

As detailed in Habas's verification report, the Commission had regard to the information in Habas's 2017 financial year audited financial statement and tax return to establish that Habas had claimed deductions from taxable income relating to export revenue. Habas's 2018 financial year tax return, which overlaps three quarters of the investigation period was not available at the time of publication of this report or at verification on account that Habas had not yet lodged its tax return. The Commission understands this is not due until 30 April 2019. As a result, whilst it was considered that Habas had received a benefit under Program 5 the benefit received was only identified to the extent that it related to Habas's 2017 financial year which ends on December 31.

In terms of working out the benefit received during the investigation period, with respect to the findings in relation to this program discussed in **Non-confidential Appendix A**, the Commission has determined the benefit received by Habas under this program is countervailable. However, since Habas's 2018 tax return is not yet available the value of the benefit received by Habas has been determined by having regard to;

- the value of its foreign export earnings for the investigation period;
- the value of its income tax deductions relevant to the 2017 financial year;
- the maximum allowable deduction available under this program (relevant to 2018 periods only); and
- the tax rate applicable to Turkish enterprises in 2017 and 2018.

7.8.3 Program 11 – Investment Encouragement Program VAT and Import Duty Exemptions

As discussed in its findings in respect of these programs in **Non-confidential Appendix A**, the Commission has determined that Program 11 is covered by *Program 25 – Investment Incentive Program*.

⁵⁵ This attachment has been kept confidential as it contains commercially sensitive information relating to Diler.

7.8.4 Program 17 – Rediscount Program

In Habas's verification report, the Commission initially calculated a benefit by comparing the interest payable on its rediscount loans obtained from the Turkish Eximbank to a benchmark rediscount loan interest rate which the Commission calculated having regard to the interest rates reported by other cooperating exporters. The verification found this approach necessary on account that Habas did not have any short-term commercial loans from privately owned banks which permitted a comparison. Habas's benchmark rediscount loan interest rate was therefore worked out based on the interest rates applicable to the other cooperating exporter's short-term commercial loans obtained from privately owned banks. Relying on the data in Habas's REQ and the other cooperating exporters the Commission found that Habas had received a benefit under Program 17.

As discussed in its findings in respect of this program in **Non-confidential Appendix A**, the Commission has instead used a benchmark rate worked out using a weighted average interest rate for short-term commercial loans obtained from privately owned banks by all cooperating exporters who reported obtaining such loans. The Commission used this benchmark to determine the benefit conferred to Habas under this program. As a result, the benefit received by Habas in relation to Program 17 is higher than the amount initially determined in Habas's verification report. The Commission has also determined that the benefit received is countervailable.

7.8.5 Program 23 – Social Security Premium Support (Employer's Share)

In Habas's verification report, the Commission assessed that Habas had not received a benefit in relation to this program based on the information provided by Habas in its REQ. Habas outlined that benefits it received under this program were in respect of its industrial gas divisions and should therefore not be considered as related to its steel production. For the purpose of determining a preliminary subsidy margin in the verification report the amounts identified in relation to Program 23 were not included.

Following further examination of the available evidence the Commission has established that the benefit received by Habas in connection with its industrial gas division is a benefit that flows through to its steel business.

As discussed in its findings in respect of this program in **Non-confidential Appendix A**, the Commission has found that the benefit received under this program is countervailable.

7.8.6 Program 25 – Investment Incentive Program

In Habas's verification report, the Commission found that Habas benefits from a reduction of corporate tax and exemptions from payment of VAT and customs duty on imported machinery in connection with its port facilities and that those facilities are used to support its steel business.

The verification team also considered it reasonable that the benefit received under this program in relation to Habas's industrial gas division has been conferred in part to the production and sale of rebar through the production of steel billets manufactured in Habas's melt shop operations.

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As discussed in its findings in respect of this program in **Non-confidential Appendix A**, the Commission has found that the benefit received under this program in connection with its port and gas divisions is countervailable.

7.8.7 Program 31 – Social Security Insurance Premium Deductions

In Habas's verification report, the Commission noted that Habas has reported receiving a benefit in respect of the following programs:

- Minimum Wage Support;
- Employment of Handicapped Staff;
- Employment of Unemployed; and
- Employment of Additional Employee.

Habas submitted the programs listed above are available to all enterprises in Turkey and therefore not specific. As discussed in its findings in respect of these programs in **Non-confidential Appendix A**, the Commission has found that these programs are related. The Commission found that while a benefit has been conferred under these programs, this benefit is not countervailable.

7.8.8 Program 32 – Turkish Employers' Association of Metal Industries (MESS) Assistance

In Habas's verification report, the Commission noted that Habas has reported receiving a benefit in respect of this program, but this benefit was not countervailable as it was not in respect of the goods.

As discussed in its findings in respect of this program in **Non-confidential Appendix A**, the Commission has since determined that, while a benefit has been conferred under this program, this benefit is not countervailable.

7.8.9 Subsidy margin

Based on the information available to the Commission, the Commission has calculated a subsidy margin for Habas of **0.68 per cent**. The Commission notes that the subsidy margin determined for Habas during verification was lower on account of the findings outlined above.

The Commission's countervailable subsidy calculations for Habas are contained in **Confidential Attachment 28**.⁵⁶

7.9 Subsidy Assessment – Kroman

7.9.1 Program 5 – Deductions from Taxable Income for Export Revenue

As detailed in Kroman's verification report, the Commission had regard to the information in Kroman's 2017 financial year audited financial statement and tax return to establish

⁵⁶ This attachment has been kept confidential as it contains commercially sensitive information relating to Habas.

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that Kroman had claimed deductions from taxable income relating to export revenue. Kroman's 2018 financial year tax return, which overlaps three quarters of the investigation period was not available at the time of publication of this report or at verification on account that Kroman had not yet lodged its tax return. The Commission understands this is not due until 30 April 2019. As a result, whilst it was considered that Kroman had received a benefit under Program 5 the benefit received was only identified to the extent that it related to Kroman's 2017 financial year which ends on December 31. Kroman provided data relating to what it intended on claiming for the 2018 financial year however the supporting documentation which would substantiate this information would be the tax return itself which as discussed is yet to be lodged.

In terms of working out the benefit received during the investigation period, with respect to the findings in relation to this program discussed in **Non-confidential Appendix A**, the Commission has determined the benefit received by Habas under this program is countervailable. However, since Kroman's 2018 tax return is not yet available the value of the benefit received by Kroman has been determined by having regard to;

- the value of its foreign export earnings for the investigation period;
- the value of its income tax deductions relevant to the 2017 financial year;
- the maximum allowable deduction available under this program (relevant to 2018 periods only); and
- the tax rate applicable to Turkish enterprises in 2017 and 2018.

On account of the approach adopted in this SEF, the value of the benefit received compared to the amount determined in Kroman's verification report has increased.

7.9.2 Program 10 & 12 – Domestic Processing Regime/Inward Processing Certificate Exemption Program

As discussed in its findings in respect of these programs in **Non-confidential Appendix A**, the Commission has determined that Program 10 is covered by Program 12, and that while a benefit has been conferred, this benefit is not countervailable.

7.9.3 Program 17 – Rediscount Program

In Kroman's verification report, the Commission initially calculated a benefit by comparing the interest payable on its rediscount loans obtained from the Turkish Eximbank to a benchmark rediscount loan interest rate which Kroman calculated as part of its REQ to. Kroman's benchmark rediscount loan interest rate was worked out based on the interest rates applicable to its short-term commercial loans obtained from privately owned banks. Relying on the data in Kroman's REQ the Commission found that Kroman had received a benefit under Program 17.

As discussed in its findings in respect of this program in **Non-confidential Appendix A**, the Commission has instead used a benchmark rate worked out using a weighted average interest rate for short-term commercial loans obtained from privately owned banks by all cooperating exporters who reported obtaining such loans. The Commission used this benchmark to determine the benefit conferred to Kroman under this program. As a result, the benefit received by Kroman in relation to Program 17 is higher than the amount initially determined in the Kroman verification report. The Commission has also determined that the benefit received is countervailable.

7.9.4 Program 19 – Investments Provided under Turkish Law No. 5746

As discussed in its findings in respect of these programs in **Non-confidential Appendix A**, the Commission has determined that *Program 6 – R&D Income Tax Deduction* is covered by Program 19.

In Kroman's verification report, the Commission determined that Kroman received a benefit under this program and calculated the benefit received using a similar methodology to that used for Program 5 in the verification report.

The Commission has since determined that, while a benefit has been conferred under this program, this benefit is not countervailable.

7.9.5 Program 21 – Industrial R&D Projects Grant Program

In Kroman's verification report, the Commission found that a benefit under Program 21 has been conferred. The benefit received under this program was therefore incorporated in the preliminary subsidy margin published in Kroman's verification report.

However, following further consideration of the available evidence, as discussed in its findings in respect of this program in **Non-confidential Appendix A**, the Commission has determined that, while a benefit has been conferred under this program, this benefit is not countervailable.

7.9.6 Program 31 – Social Security Insurance Premium Deductions

In Kroman's verification report, the Commission noted that Kroman reported receiving a benefit in respect of the following programs:

- Minimum Wage Support;
- Employment of Handicapped Staff;
- Employment of Unemployed; and
- Employment of Additional Employee.

Kroman submitted the programs listed above are available to all enterprises in Turkey and therefore not specific. As discussed in its findings in respect of these programs in **Non-confidential Appendix A**, the Commission has found that these programs are related. The Commission found that while a benefit has been conferred under these programs, this benefit is not countervailable.

7.9.7 Program 32 – Turkish Employers' Association of Metal Industries (MESS) Assistance

In Kroman's verification report, the Commission noted that Kroman reported receiving a benefit in respect of this program, but this benefit was not countervailable as it was not in respect of the goods. As discussed in its findings in respect of this program in **Non-confidential Appendix A**, the Commission has since determined that, while a benefit has been conferred under this program, this benefit is not countervailable.

7.9.8 Subsidy margin

Based on the information available to the Commission, the Commission has calculated a subsidy margin for Kroman of **0.46 per cent**. The Commission notes that the subsidy margin determined for Kroman during verification was lower on account of the findings outlined above.

The Commission’s countervailable subsidy calculations for Kroman are contained in **Confidential Attachment 29**.⁵⁷

7.10 Subsidy Assessment – Non-cooperating entities

As detailed in section 6.6, the Commission considers that the volumes exported by the exporters who have cooperated with the investigation represent the total volume of exports that are relevant to the investigation. However, having regard to subsection 269TAACA with respect to relevant to non-cooperating entities, the Commissioner calculated a subsidy margin for these entities.

The subsidy margin for non-cooperative entities has been determined on the basis of all facts available and having regard to reasonable assumptions pursuant to section 269TAACA. In determining the countervailable subsidies for those entities, the Commissioner considers it reasonable to base the subsidy margins on the assumption that those entities may have received the highest level of subsidisation received by the cooperating exporters under each of the countervailable programs.

Based on the information available to the Commission, the Commission has calculated a subsidy margin for non-cooperating entities of **1.15 per cent**.

The Commission’s countervailable subsidy calculations for non-cooperating entities are contained in **Confidential Attachment 30**.⁵⁸

7.11 Summary of subsidy margins

Table 14 summarises what programs have been found countervailable and the corresponding subsidy margins for each exporter.

Exporter	Programs	Subsidy margin
Colakoglu	8 – Exemption from property tax 29 – Support on subscribing to e-trade websites	0.01%
Diler	5 – Deductions from Taxable Income for Export Revenue 8 – Exemption from property tax 17 – Rediscount Program 26 – Export-Oriented Working Capital Credit Program	0.91%

⁵⁷ This attachment has been kept confidential as it contains commercially sensitive information relating to Kroman.

⁵⁸ This attachment has been kept confidential as it contains commercially sensitive information relating to each exporter.

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Habas	5 – Deductions from Taxable Income for Export Revenue 17 – Rediscount Program 23 – Social Security Insurance Premium Support (Employer’s Share) 25 – Investment Incentive Program	0.68%
Kroman	5 – Deductions from Taxable Income for Export Revenue 17 – Rediscount Program	0.46%
Non-cooperating entities	5 – Deductions from Taxable Income for Export Revenue 8 - Exemption from property tax 17 – Rediscount Program 23 – Social Security Insurance Premium Support (Employer’s Share) 25 – Investment Incentive Program 26 – Export-Oriented Working Capital Credit Program 29 – Support on subscribing to e-trade websites	1.15%

Table 14 Countervailable subsidies and subsidy margins received by exporters

7.12 Volume of subsidised imports

Subsection 269TDA(7) provides that the Commissioner must terminate a countervailing investigation, in so far as it relates to a country, if satisfied that the total volume of goods that have been subsidised is a negligible volume.

Pursuant to subsection 269TDA(8), a negligible volume for Turkey is a volume less than four per cent of the total volume of goods imported into Australia over the investigation period.⁵⁹

Using the ABF import database and having regard to the information collected and verified from the importers and exporters, the Commission determined the volume of goods exported to Australia from Turkey during the investigation period. Based on this information, the Commission is satisfied that, when expressed as a percentage of the total Australian import volume of the goods, the volume of subsidised goods from Turkey was greater than four per cent of the total Australian import volume and is therefore not negligible.

Accordingly, the Commissioner does not propose to terminate the subsidy investigation under subsection 269TDA(7).

7.13 Level of subsidisation

Subsection 269TDA(2) provides that the Commissioner must terminate a countervailing investigation, in so far as it relates to an exporter of the goods, if satisfied either that no countervailable subsidy was received in respect of the goods, or if a subsidy was

⁵⁹ Turkey is classed as a Developing Country pursuant to Part 4, Division 1 of the Customs Tariff Regulations 2004.

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received, the level of the subsidy did not at any time during the investigation period exceed a negligible level.

Pursuant to subsection 269TDA(16), a countervailable subsidy received in respect of goods exported to Australia from Turkey is negligible if, when expressed as a percentage of the export price of the goods, the level of the subsidy is not more than two per cent.⁶⁰

Based on its investigation into subsidies provided to Turkish exporters of the goods to Australia, the Commission is satisfied that the total level of countervailable subsidies, when expressed as a percentage of the export price of the goods, is less than two percent for each exporter, including for non-cooperative entities, and is therefore negligible.

Accordingly, the Commissioner proposes to terminate the subsidy investigation under subsection 269TDA(2) in respect of all exporters from Turkey.

⁶⁰ *ibid.*

8 PROPOSAL TO TERMINATE INVESTIGATION

Section 269TDA provides for when the Commissioner must terminate an investigation.

Based on the findings in this SEF, and subject to any submissions received in response, the Commissioner proposes to terminate the investigation in relation to:

- Çolakoglu, Diler, Habas and Kroman and the category of 'all other exporters' from Turkey, on the basis that there has been no dumping by those exporters of any of those goods the subject of the application, in accordance with subsection 269TDA(1) as far as it relates to the exporters;
- Çolakoglu, Diler, Habas and Kroman and the category of 'all other exporters' from Turkey on the basis that countervailable subsidies have been received in respect of some or all of the goods, but the subsidy never, at any time during the investigation period, exceeded the negligible level of countervailable subsidy under subsection 269TDA(16), in accordance with subsection 269TDA(2) as far as it relates to the exporters; and
- Turkey on the basis that the total volume of goods that have been exported to Australia over a reasonable examination period from Turkey that have been dumped from all Turkish exporters is negligible, in accordance with subsection 269TDA(3).

9 REVISION OF SECURITIES

9.1 Background

Securities, where applicable, are currently being taken based on the amounts tabulated below in Table 15.

Country	Exporter	Fixed rate of securities	Variable component of securities
Turkey	All exporters	4.0%	N/A

Table 15 Summary of dumping securities

9.2 Amendment to securities

Based on the findings in this SEF, submissions received and other information considered relevant, as specified in this SEF, under subsection 269TD(4)(b), the Commissioner is no longer satisfied that it is necessary to require and take dumping securities in relation to exports of the goods to Australia from Turkey to prevent material injury to the Australian industry occurring while the investigation continues. Securities will, therefore, no longer be taken for all exports of rebar from Turkey from 18 April 2019 (ADN No. 2019/56 refers).

10 APPENDICES AND ATTACHMENTS

Non-confidential Appendix A	Assessment of Programs
Confidential Attachment 1	Australian Market
Non-Confidential Attachment 2	TAF(3) and TAF(4) Currency Calculation
Confidential Attachment 3	TAF(3) Conversion analysis
Confidential Attachment 4	Colakoglu Export Price
Confidential Attachment 5	Colakoglu CTMS
Confidential Attachment 6	Colakoglu Domestic Sales
Confidential Attachment 7	Colakoglu Normal Value
Confidential Attachment 8	Colakoglu Dumping Margin
Confidential Attachment 9	Diler Export Price
Confidential Attachment 10	Diler CTMS
Confidential Attachment 11	Diler Domestic Sales
Confidential Attachment 12	Diler Normal Value
Confidential Attachment 13	Diler Dumping Margin
Confidential Attachment 14	Habas Export Price
Confidential Attachment 15	Habas CTMS
Confidential Attachment 16	Habas Domestic Sales
Confidential Attachment 17	Habas Normal Value
Confidential Attachment 18	Habas Dumping Margin
Confidential Attachment 19	Kroman Export Price
Confidential Attachment 20	Kroman CTMS
Confidential Attachment 21	Kroman Domestic Sales
Confidential Attachment 22	Kroman Normal Value
Confidential Attachment 23	Kroman Dumping Margin
Confidential Attachment 24	Colakoglu Subsidy Margin

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Confidential Attachment 25	Diler Subsidy Margin
Confidential Attachment 26	Habas Subsidy Margin
Confidential Attachment 27	Kroman Subsidy Margin
Confidential Attachment 28	Non-cooperative entities Subsidy Margin
Confidential Attachment 29	Program 1 – Natural Gas LTAR
Confidential Attachment 30	Program 4 – Analysis of electricity pricing
Confidential Attachment 31	Program 17 – Rediscount Loans
Confidential Attachment 32	Program 26 – Export Oriented Working Capital Credit Program
Non-confidential Attachment 1	GoT email submission
Non-confidential Attachment 3	Program 1 – BOTAS Natural Gas prices
Non-confidential Attachment 4	Program 19 – GoT R&D expenditure

APPENDIX A ASSESSMENT OF PROGRAMS

A1 Introduction

A1.1 Definition of Government, Public and Private Bodies

In its assessment of each program, the Commission has had regard to the entity responsible for providing the financial contribution (if any) under the relevant program, as part of the test under subsection 269T(1) for determining whether a financial contribution is a subsidy. Under subsection 269T(1), for a contribution to be a subsidy, the contribution must have been made by:

- a government of the country of export or country of origin of the goods; or
- a public body of that country or a public body of which that government is a member; or
- a private body entrusted or directed by that government or public body to carry out a governmental function.

A1.1.1 Government

As described in section 16.2 of the Dumping and Subsidy Manual, the Commission considers that the term “government” is taken to include government at all different levels, including at a national and sub-national level.

A1.1.2 Public Bodies

The term “public body” is not defined in the Act. Determining whether an entity is a “public body” requires evaluation of all available evidence of the entity’s features and its relationship with government, including the following:

- (1) The objectives and functions performed by the body and whether the entity in question is pursuing public policy objectives. In this regard relevant factors include:
 - legislation and other legal instruments,
 - the degree of separation and independence of the entity from a government, including the appointment of directors, and
 - the contribution that an entity makes to the pursuit of government policies or interests, such as taking into account national or regional economic interests and the promotion of social objectives.
- (2) The body’s ownership and management structure, such as whether the body is wholly- or part-owned by the government or has a majority of shares in the body. A finding that a body is a public body may be supported through:
 - the government’s ability to make appointments,
 - the right of government to review results and determine the body’s objectives, and
 - the government’s involvement in investment or business decisions.

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The Commission considers this approach is consistent with the WTO Appellate Body decision of *United States – Countervailing Measures (China)*⁶¹ In that case the Appellate body referred to the following three indicia which may assist in assessing whether an entity was a public body vested with or exercising government authority:

- Where a statute or other legal instrument expressly vests government authority in the entity concerned;
- Where there is evidence that an entity is, in fact, exercising governmental functions; and
- Where there is evidence that a government exercises meaning control over an entity and exercises governmental authority in the performance of government functions.

These principles have also previously been considered in the Federal Court of Australia.⁶²

A1.1.3 Private bodies

Where an entity is neither a government nor public body, the Commission will consider it a private body, in which case, a government direction to make a financial contribution in respect of the goods must be established in order for the contribution to be considered a subsidy, as defined by subsection 269T(1).

Pursuant to section 16.3 of the Dumping and Subsidy Manual, in determining the character of an entity which may have provided a financial contribution, the Commission will consider whether a private body has been:

- “entrusted” to carry out a government function, which occurs when a government gives responsibility to a private body; or
- “directed” to carry out a government function, which occurs in situations where the government exercises its authority over a private body.

Accordingly, not all government acts will be considered as entrusting or directing a private body. Encouragement or mere policy announcements by government of themselves are not sufficient to satisfy this test. However, threats and inducements may be evidence of entrustment or inducements. It is where the private body is considered a proxy by government to give effect to financial contributions will this test be satisfied.

A2 Duplicated Programs

The Commission has determined that the following programs are covered under other programs examined as part of this investigation:

⁶¹ DS379 United States – Definitive Anti-Dumping and Countervailing Duties on Certain Products from China.

⁶² See; *Panasia Aluminium (China) Limited v Attorney-General of the Commonwealth* [2013] FCA 870, [27]-[70]; *Dalian Steelforce Hi Tech Co Ltd V Minister for Home Affairs* [2015] FCA 885, [50] to [73]

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- *Program 6: R&D Income Tax Deduction*

The GoT has advised that this program is covered under *Program No. 19 – Investments Provided under Turkish Law No. 5746*.

In its REQ, Kroman advised it received a deduction from its taxable income under this program, however, states that the deduction is pursuant to Law 5746.

Based on the information provided, the Commission is satisfied that this program, including the deduction received by Kroman, is covered under Program No. 19 and is therefore discussed under that program.

- *Program 10: Import duty rebates/drawbacks under Article 22 of Turkey's Domestic Processing Regime (RDP) Resolution 2005/839 (RDP duty drawback program)*

The GoT has advised that this program is covered under *Program No. 12 – Inward Processing Certificate Exemption Program*. Responses from exporters are consistent with this submission, with exporters advising they have received benefits under this program or Program No. 12.

Based on the information provided, the Commission is satisfied that this program is covered under Program No. 12 and is therefore discussed under that program.

- *Program 11: Investment Encouragement Program VAT and Import Duty Exemptions*

The Commission is satisfied that this program is covered under *Program No. 25 – Investment Incentive Program* and is therefore discussed under that program.

- *Program 14: Pre-shipment Foreign Currency Export Credits*

Based on the information provided, the Commission is satisfied that this program is covered under *Program No. 13 – Pre-shipment Turkish Lira Export Credits* and is therefore discussed under that program.

- *Program 24: Social Security Premium Support (Employee's Share)*

Under the *Social Security Premium Support (Employee's Share)* element of Program 25, for certain regions of Turkey, the GoT will cover the employee's share of the social security premium, calculated on the basis of the legal minimum wage, for any additional employment created by the investment.

The Commission is satisfied that this program is an element covered under *Program No. 25 – Investment Incentive Program* and is therefore discussed under that program.

A3 Assessment of Programs

A3.1 Program 1: Natural Gas for Less than Adequate Remuneration

A3.1.1 Background

PUBLIC RECORD

The applicant submits that Turkish steel producers with vertically integrated power plants received countervailable subsidies by purchasing natural gas at discounted prices from Boru Hatlari ile Petrol Taşıma A.Ş. (**BOTAS**) and that BOTAS is a government authority.

In making its submission, the applicant refers to the following findings by the USDOC in respect of Habas in its 2017 investigation into steel concrete reinforcing bar exported from Turkey⁶³:

1. BOTAS is a government authority providing a financial contribution in the form of goods or services (being the sale of natural gas);
2. Natural gas sold by BOTAS during the applicable investigation period is predominantly used by and specific to power producers, including Habas; and
3. In order to determine the benefit received, a comparison of the price paid by Habas during the applicable investigation period was compared to a benchmark of natural gas prices based on the Organisation for Economic Cooperation and Development (**OECD**) prices for Europe.

The applicant considers that this subsidy remains in force and that the levels found in the USDOC investigation are relevant to its application. The applicant also noted that BOTAS recently increased its gas prices by 50 per cent to power generators, indicating prices have continued to be provided by BOTAS at discounted levels.

Based on the information available, the Commission is satisfied that Habas is the only exporter who has purchased natural gas from BOTAS for power production in connection with the goods.

A3.1.2 Legal basis

The Commission is not aware of any legal basis for the provision of natural gas for less than adequate remuneration.

The natural gas market in Turkey is regulated under *Law No. 4646 on Natural Gas Market in Turkey*.

A3.1.3 WTO notification

The Commission is not aware of any WTO notification of this program.

A3.1.4 Eligibility criteria

The Commission understands that any entity in any industry regardless of its geographical region can purchase natural gas from BOTAS.

A3.1.5 Is there a subsidy?

⁶³ *Issues and Decision Memorandum for the Final Affirmative Determination in the Countervailing Duty Investigation of Steel Concrete Reinforcing Bar from the Republic of Turkey*, United States Department of Commerce, 15 May 2017 (**US Final Affirmative Determination**).

Nature of BOTAS

In order for there to be a subsidy under section 269T, there must be a financial contribution by either a government of the country of export or country of origin, a public body of that country or a private body entrusted or directed by that government to carry out a government function, and that the financial contribution confers a benefit.

BOTAS is defined under Turkish Law as a “state economic enterprise”, established in accordance with the provisions of *Decree Law No. 233 on State Economic Enterprises* and is 100 per cent owned by the GoT.

Pursuant to Decree Law No. 233, state economic enterprises engage in commercial activities and operate on a commercial basis, with decisions on pricing for goods and services made by the enterprise. However, decisions on investment and financing are subject to approval by the GoT and upon request, prices can be set at a level determined by the government. Board members of state economic enterprises are also appointed by the government.

The Commission notes that, in its response, the GoT identified BOTAS as a government authority whose Board and senior management are government officials.

Given its ownership structure and the degree of control exercised over BOTAS by the GoT both through its board appointments and under Decree Law No. 233, the Commission is satisfied that BOTAS is a public body for the purposes of section 269T.

Provision of Natural Gas

The applicant’s submission urged the Commission to examine whether the provision of natural gas to power plants operated by Habas for the production of electricity used in the manufacture of the goods is a subsidy.

Habas owns and operates three power plants, one of which the Commission has determined produces electricity for the production of steel at its plant in Izmir, Turkey.

In order to determine whether a subsidy has been provided towards the production of electricity by Habas, the Commission must determine whether a benefit has been conferred through the provision of natural gas at a price reflecting less than adequate remuneration.⁶⁴

Consideration by the Commission

In accordance with part 17.3 of the Dumping and Subsidy Manual – *Provision of goods and services by the government*, the amount of benefit where there has been a provision of goods or services by the government is the difference between the price paid by enterprises for the government provided goods or service, and adequate remuneration for the product or service in relation to prevailing market conditions. If the price paid to the government is less than this amount, a benefit has been conferred.

⁶⁴ Subsection 269TACC(3)(d).

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Normally, adequate remuneration has to be determined in the light of prevailing market conditions on the domestic market of the exporting country, and the calculation of the subsidy amount must reflect only that part of the purchase of goods or services which is used directly in the production or sale of the like goods during the investigation period.

The Dumping and Subsidy Manual sets out that the first step is to establish whether the goods or services in question are provided both by the government and by private operators. If so, the price charged by the government body would normally constitute a benefit to the extent that it is below the lowest price available from one of the private operators to an entity involved for a comparable purchase. The amount of the benefit is the difference between these two prices.

The Commission has examined natural gas purchases by all cooperative exporters over the investigation period and has observed that all exporters, including Habas, purchased significant volumes of natural gas from private operators over the investigation period.

The Commission has therefore compared the lowest monthly average of gas prices paid to private operators in Turkey with the average gas price paid by Habas to BOTAS for the corresponding month. In every month of the investigation period, the Commission found that BOTAS prices were higher than the lowest corresponding price offered by private operators.

Accordingly, the Commission has found that no benefit has been provided to Habas under this program and therefore there is no subsidy under section 269T.

Comments on applicant submissions

As the applicant has referred to the findings by the USDOC in respect of natural gas purchases from BOTAS, the Commission considers it appropriate to comment on the USDOC findings.

In its investigation, the USDOC considered the natural gas market in Turkey distorted due to the percentage of natural gas supplied by BOTAS to Turkish consumers.⁶⁵ It therefore used its tier two benchmark, being “world market prices that would be available to purchasers in the country under investigation” as the basis for comparison to determine whether BOTAS natural gas was provided at less than adequate remuneration. The USDOC chose a comparison benchmark based on European gas prices with some adjustments.

As discussed above, the Commission will normally use a benchmark based on prevailing domestic market conditions if there are private operators in the market. While in Turkey BOTAS supplies approximately 80 per cent of the natural gas market, a not insignificant proportion is met by private providers.⁶⁶

⁶⁵ US Final Affirmative Determination

⁶⁶ *Turkish Natural Gas Market Report 2017*, Republic of Turkey, Energy Market Regulatory Authority, 2018, Graph 4.1.

PUBLIC RECORD

In considering whether a comparison with domestic private prices was therefore appropriate, the Commission has had regard to the following observations:

- each of the cooperating exporters (including Habas) sourced natural gas from private operators, with Habas being the only exporter who bought gas from BOTAS;
- the largest private provider to exporters during the investigation period was Palgaz Doğalgaz Dağ. San. Ve Tic. A.S. (Palgaz), which supplied natural gas to multiple exporters. The Commission has examined net profit margins for Palgaz for the years preceding the investigation period, and has observed that a profit has been made in four of the previous five years;⁶⁷
- the GoT's RGQ in respect of this program states that, pursuant to the provisions of Law No. 4646, the natural gas market in Turkey is based on free market principles, and that all market participants are free to set their own pricing, including BOTAS.

The Commission has also had regard to the applicant's submission concerning a recent 50 per cent increase in BOTAS natural gas prices offered to power generators, and that this is an indication that gas prices have been offered at discounted levels.

In its examination of gas prices paid by Habas during the investigation period, the Commission observed a price spike around August 2018. This price increase corresponded with a significant depreciation of the TRY. The Commission is satisfied that this depreciation was a significant driver of the price increase by BOTAS, which is consistent with the source material provided by the applicant in relation to this submission.

Having considered the legislative framework behind the natural gas market in Turkey and the existence of multiple private operators, the largest of which appears to be operating at a profit, the Commission is satisfied that a comparison of BOTAS prices with private operators is appropriate for determining whether a benefit has been conferred.

The Commission also wishes to note that it does not consider power generators to be the predominant beneficiary or in receipt of a disproportionate benefit from BOTAS natural gas prices. The Commission notes that any entity in any industry regardless of its geographical region can purchase natural gas from BOTAS. While the power generation sector is the largest single user of natural gas with approximately 36 per cent, industry and households each separately make up approximately 25 per cent of consumption⁶⁸, and further, power generators must pay a premium to prices charged to all other customers.⁶⁹

⁶⁷ JCR Eurasia Rating – Corporate Credit Rating – Palgaz Dogalgaz Dagitim San ve Tic A.S. available at http://www.jcrer.com/Upload/Files/Reports/20170619145458_jcrer_palgaz_summary_2017.pdf

⁶⁸ *Turkish Natural Gas Market Report 2017*, Republic of Turkey, Energy Market Regulatory Authority, 2018, Table 8.2.

⁶⁹ See Non-confidential Attachment 3 setting out BOTAS prices for January 2018 to September 2018. While the Commission notes that it has not reviewed BOTAS prices for the first three months of the investigation period (as this information was unavailable), it has assumed based on the available data that this pricing structure was in place for this period.

A3.2 Program 4: Provision of Lignite for Less than Adequate Remuneration

A3.2.1 Background

Turkish Coal Enterprises (**TKI**) is a state-economic enterprise responsible for the sale of lignite coal, established in accordance with the provisions of *Decree Law No. 233 on State Economic Enterprises* and is 100 per cent owned by the GoT.^{70 71}

The applicant submits that power plants operated by Colakoglu and Diler purchased lignite from TKI during the investigation period for less than adequate remuneration, which in turn was used to produce electricity used in the production of the goods.

A3.2.2 Legal basis

The Commission is not aware of any legal basis for the provision of lignite for less than adequate remuneration.

A3.2.3 WTO notification

The Commission is not aware of any WTO notification of this program.

A3.2.4 Eligibility criteria

The Commission is not aware of eligibility criteria for entities receiving lignite for less than adequate remuneration.

A3.2.5 Is there a subsidy?

Nature of TKI

Pursuant to Decree Law No. 233, state economic enterprises (such as TKI) engage in commercial activities and operate on a commercial basis, with decisions on pricing for goods and services made by the enterprise. However, decisions on investment and financing are subject to approval by the GoT and upon request, prices can be set at a level determined by the government. Board members of state economic enterprises are also appointed by the government.

Article 3 of TKI's Articles of Incorporation provides that TKI is a Public Economic Enterprise, which is a type of state economic enterprise founded to produce and market monopoly goods and services by taking into consideration public benefits and whose goods and services are regarded as privilege due to public nature of its services.

Article 4 of TKI's Articles of Incorporation provides that TKI must utilise its resources for meeting the countrywide requirements and making maximum contribution to Turkey's economy.

⁷⁰ Article 3, Charter Of General Directorate for Turkish Coal Enterprises Establishment

⁷¹ Implementation of Privatization Law No. 4046

PUBLIC RECORD

Given the objectives of TKI as set out in its Articles of Incorporation, its ownership structure and the degree of control exercised over TKI by the GoT under Decree Law No. 233, the Commission is satisfied that TKI satisfies the criteria discussed above under Part A1.1 of this Appendix and is therefore a public body for the purposes of section 269T.

Colakoglu

Based on information provided by Colakoglu in its REQ and other publically available information⁷², the Commission has determined that the power plant operated by Colakoglu uses steam coal rather than lignite in the production of electricity. The Commission is therefore satisfied Colakoglu has not purchased lignite from TKI as an input into its manufacture of the goods during the investigation period and has received no subsidy under this program.

Diler

The Commission has determined that Diler purchased electricity as an input into the manufacture of the goods during the investigation period from a related power plant entity. While no information was provided during the investigation on the use of lignite by the related entity, the Commission has had regard to data provided by Diler in respect of their electricity expenditure, as any subsidy on lignite will flow through to the production costs of electricity produced by the related entity.⁷³ The Commission has determined that Diler paid a higher monthly average rate for electricity over the investigation period than the average monthly market price.⁷⁴ As such, the Commission is satisfied that no benefit was conferred in the connection with the purchase of electricity by Diler.

Accordingly, the Commission is satisfied no subsidy in respect of the goods was received by Diler under this program.

A3.3 Program 5: Deductions from Taxable Income for Export Revenue

A3.3.1 Background

Pursuant to *Income Tax Law No. 193*, all taxpayers in Turkey may make a deduction for undocumented expenditure of up to 0.5 per cent of their gross income from exports, construction, maintenance, and assembly and transportation activities outside of Turkey. This deduction is in addition to any other deductions available to taxpayers which are supported by documentation.

A3.3.2 Legal basis

⁷² *Europe Beyond Coal: European Coal Plant Database*, 12 Feb 2019, available at <https://beyond-coal.eu/data/>

⁷³ See Confidential Attachment 32 – Analysis of electricity pricing over the investigation period. This attachment has been kept confidential as it contains commercially sensitive information regarding Diler electricity purchases.

⁷⁴ Further information on the Turkish electricity market is provided below on EPIAS under *Program 30 – Electricity for More than Adequate Remuneration*

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The program is governed by Article 40 of *Income Tax Law No. 193*, as amended by Law No. 4108.

A3.3.3 WTO notification

The Commission is not aware of any WTO notification of this program.

A3.3.4 Eligibility criteria

The Commission understands that this deduction is open to any Turkish taxpayer who has derived income from exports, construction, maintenance, assembly or transportation activities conducted outside of Turkey.

There is no application or approval process for taxpayers to access this deduction. The deduction is claimed by taxpayers as part of their tax filings and is shown in their annual tax returns.

A3.3.5 Is there a subsidy?

The Commission considers that the laws governing this program provide for a financial contribution by the GoT to eligible entities, being the foregoing of revenue (being an amount up to 0.5 per cent of income derived from eligible activities) otherwise due to the GoT by those entities.

As the deduction is available for income derived from export activities (among other things), the Commission considers that a financial contribution under this program would be made in connection with all exports of goods.

Where received, this financial contribution is considered to confer a benefit because of the savings realised by the entity in not having to pay the full amount of tax on such income which would otherwise be payable.

Where exporters of the goods have received a deduction under this program during the investigation period, that deduction confers a benefit in relation to the goods and the financial contribution satisfies the definition of a subsidy under section 269T.

The Commission has determined Diler, Habas and Kroman have each received a benefit under this program during the investigation period. No benefit under this program was reported by Colakoglu in its REQ nor was any benefit identified in its previous years' annual tax returns. Accordingly, the Commission is satisfied no benefit was received by Colakoglu under this program.⁷⁵

A3.3.6 Is the subsidy countervailable?

A subsidy is a countervailable subsidy if it is specific. Specificity is defined in section 269TAAC.

⁷⁵ Deductions under Program 5 are reported as part of exporter annual tax returns.

PUBLIC RECORD

Subsection 269TAAC(2)(c) provides that a subsidy is specific if it is contingent, in fact or in law and whether solely or as one of several conditions, on export performance.

Annex I of the SCM Agreement provides an illustrative list of export subsidies. Paragraph (f) of the Annex provides the following example:

The allowance of special deductions directly related to exports or export performance, over and above those granted in respect to production for domestic consumption, in the calculation of the base on which direct taxes are charged.

Based on the eligibility criteria set out in Law No. 193, the Commission is satisfied that a deduction under this program is not available in respect of domestic consumption. Therefore, having regard to information available on this program, the Commission is satisfied that a deduction under this program is contingent on export performance, being the income derived from exports or overseas activity.

Accordingly, the Commission has determined that the requirements for specificity under subsection 269TAAC(2)(c) have been satisfied and that the subsidy available under this program is countervailable.

A3.3.7 Amount of subsidy

Benefits for income tax programs are expensed to the year in which the benefit is received, and the benefit is taken to have been received on the date on which the entity would otherwise have had to pay the taxes associated with the exemption.⁷⁶ Accordingly, the Commission has determined that any amount deductible under this program in relation to the investigation period (or a portion thereof) is to be attributed to the investigation period.

Cooperative Exporters

In accordance with subsection 269TACD(1), the amount of the subsidy has been determined for each cooperative exporter by:

- taking one quarter of the 2017 deducted amount as reported in each exporter's annual corporate tax return, being that part of 2017 which overlapped with the investigation period; and
- taking the total export turnover data to all countries provided by each exporter for 2018, multiplied by 0.5 per cent, being the maximum deductible amount available under the program, multiplied by 22 per cent, being the applicable corporate tax from 1 January 2018, multiplied by three-quarters, being that part of 2018 which overlapped with the investigation period.

The Commission was not provided with deducted amounts claimed by exporters under this program for the investigation period and accordingly, given the nature of the program (in that no documentary evidence is required by exporters in order to claim the

⁷⁶ Section 17.3, Dumping and Subsidy Manual

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deduction), the Commission considers it reasonable to assume that the highest deductible rate available of 0.5 per cent will be used by exporters.

In accordance with subsection 269TACD(2), this amount has then been apportioned to each unit of the goods using the value of all exports to all countries for each entity during the investigation period.

A3.4 Program 8: Exemption from Property Tax

A3.4.1 Background

Owner entities of property located in certain areas covered by this program are eligible to receive an exemption from paying property tax on buildings and land, which is otherwise payable at 0.2 per cent of the value of non-residential land or buildings outside of a metropolitan area.

A3.4.2 Legal basis

The exemption is provided by Article 4 of *Property Tax Law No. 1319*.

A3.4.3 WTO notification

The Commission is not aware of any WTO notification of this program.

A3.4.4 Eligibility criteria

Entities wishing to benefit from this program must notify the related municipality when they first build or acquire a building or land in an Organised Industry Zone (or other specified area listed in Article 4 of Property Tax Law No. 1319). The municipality then refrains from assessing the relevant land and building (as applicable) for property tax.

A3.4.5 Is there a subsidy?

The Commission considers that the laws governing this program provide for a financial contribution by the GoT to eligible entities, being the foregoing of revenue otherwise due to the GoT (at a municipal level) by those entities.

Where received, a financial contribution under this program is considered to confer a benefit because of the savings realised by the entity in not having to pay the full amount of tax which would otherwise be payable.

Based on exporter submissions received, the Commission has identified that Colakoglu and Diler have received a benefit under this program in respect of property located within the Kocaeli Dilovasi Organised Industry Zone used in connection with the manufacturer of the goods.

A3.4.6 Is the subsidy countervailable?

A subsidy is a countervailable subsidy if it is specific. Specificity is defined under section 269TAAC.

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Subsection 269TAAC(2)(b) provides that a subsidy is specific if, subject to section 269TAAC(3), it is limited to entities carrying on business within a designated geographical region.

The Commission is satisfied this program provides an exemption from paying tax on property located in designated regions, thereby satisfying the criteria in subsection 269TAAC(2)(b).

The Commission does not consider that subsection 269TAAC(3) applies as the subsidy favours enterprises within organised industry zones over those located elsewhere.

A3.4.7 Amount of subsidy

Benefits for income tax programs are expensed to the year in which the benefit is received, and the benefit is taken to have been received on the date on which the entity would otherwise have had to pay the taxes associated with the exemption.⁷⁷ Accordingly, the Commission has determined that any amount deductible under this program in relation to the investigation period (or a portion thereof) is to be attributed to the investigation period.

Cooperative Exporters

The Commission has determined that Colakoglu and Diler received a benefit under this program during the investigation period, in accordance with subsection 269TACC(3)(b).

In accordance with subsection 269TACD(1), the amount of the subsidy has been determined for each exporter.

The Commission has used data provided by Colakoglu and Diler on property tax payable by both exporters before they started receiving benefits under this program to determine property tax foregone during the investigation period.

In accordance with subsection 269TACD(2), this amount has then been apportioned to each unit of the goods using the value of all goods produced by each company during the investigation period.

A3.5 Program 12: Inward Processing Certificate Exemption Program

A3.5.1 Background

The program, otherwise known as the *Import duty rebates/drawbacks under Article 22 of Turkey's Domestic Processing Regime*⁷⁸, allows Turkish manufacturers to apply for an Inward Processing Certificate (**IPC**), which permits them to obtain raw materials and intermediate unfinished goods used in the production of exported goods without paying customs duty or VAT. Having obtained an exemption, manufacturers then have a stated limited time to export the goods.

⁷⁷ Section 17.3, Dumping and Subsidy Manual

⁷⁸ See GoT RGQ, page 61

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The program can be classified into two systems: Suspension and Drawback.

Under the Suspension System, tax exemptions are provided to Turkish manufacturers on the import of raw materials used in the production process and on the export of final goods. Applicants for the exemption must submit a letter of guarantee or deposit covering all duties and VAT to customs authorities at importation.

Under the Drawback System, import charges are paid during importation, but are reimbursed after export commitments are fulfilled. If the relevant goods are not exported, import duty and VAT are not reimbursed. Reimbursement of VAT and import duty can only be claimed when the relevant products are exported.

The applicant makes reference to the imposition of a countervailing subsidy rate by the USDOC in respect of this program following its 2017 investigation into Habas.⁷⁹ The applicant submits that the investigation by the USDOC demonstrates that a subsidy is provided under this program and that the subsidy is specific and remains current.

A3.5.2 Legal basis

The program is governed by *Decree on Inward Processing Regime No. 2005/8391*.

A3.5.3 WTO notification

The Commission is not aware of any WTO notification of this program.

A3.5.4 Eligibility criteria

Any exporter may apply to utilise the program.

Exporters must apply to the GoT to receive a benefit under the program. Applications are assessed on the following criteria set out in Article 9 of Decree No. 2005/8391:

- that it is possible to determine the imported products are used in obtaining the processed product;
- that producers do not adversely affect the image of the Turkish goods negatively;
- that the processing activity creates added value and increases capacity utilization, competitiveness and export potential of the processed product; and
- the performances of the entities within the scope of their inward processing licences/permits.

A3.5.5 Is there a subsidy?

Based on information provided to the Commission, the Commission has determined that each of the cooperating exporters have utilised this program under the Suspension System.

⁷⁹ US Final Affirmative Determination

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Section 17.3 of the Dumping and Subsidy Manual – *Remission or drawback of import charges upon export* provides that, in the case of an exemption of import charges upon export, such as provided under the Suspension System, a benefit exists to the extent that the exemption extends to inputs that are not consumed in the production of the exported product (making normal allowances for waste) or if the exemption covers charges other than import charges imposed on the input. The amount of the benefit will be the import charges that otherwise would have been paid on the inputs not consumed in the production of the exported product and the amount of charges other than import charges covered by the exemption.

However, the Commission may determine that the entire exemption amount constitutes a benefit if the foreign government has not examined the inputs in order to confirm that such inputs are consumed in the production of the exported goods, in what amounts, and the taxes that are imposed on the inputs. If it is found that there is a system in place that confirms this information, the Commission will examine that system to see if it is reasonable.

The Commission has determined that the GoT has a system in place for monitoring compliance with the Inward Processing Certificate Exemption Program (for both Drawback and Suspension systems) as follows:

- In order to apply for an IPC, exporters enter into the online register the products and quantities intended for export, and the product and quantity of imports required to produce the stated exports;
- Following the issue of the IPC by the Ministry of Economy, the exporter may begin importing the required raw materials. When the imported material arrives, Turkish Customs enters the import information, including the IPC number indicated on the Customs Entry Document, into its online system. Upon exportation, Turkish Customs enters the relevant information, including the IPC number indicated on the Customs Exit Declaration, into the online system. Turkish Customs and the Ministry of Economy systems are linked, and all imports and exports under a given IPC can be viewed in the IPR e-portal allowing tracking of all imports and exports made under a particular IPC;
- Upon completion of production and exportation, the exporter submits realised import and export lists to the Ministry of Economy in order to confirm the export of the finished goods produced from the relevant imported inputs; and
- Upon confirmation, the Turkish Government will close off the relevant IPCs.

Exporters must also provide to Turkish Customs at the time of import a letter of guarantee or pledge of money covering all possible duties otherwise payable if the IPC is not followed.

The Commission is satisfied from the information available that the GoT has in place a reasonable system for confirming which inputs are consumed in the production of the exported goods, in what amounts, and the taxes that are imposed on those inputs.

Accordingly, consistent with the approach set out in the Dumping and Subsidy Manual, the Commission is satisfied that no subsidy is provided under this program.

A3.6 Program 17: Rediscount Program

A3.6.1 Background

Under this program, Turk Eximbank (as well as commercial banks approved by the Central Bank of Turkey) provides financial support, by way of a pre-shipping financing facility, to exporters in the preparatory stage of exports, with the intention of increasing the competitiveness of Turkish exporters in foreign markets.

Upon approval of an application, Turk Eximbank will issue the loan amount, minus interest, to the applicant.⁸⁰ Loans under the program are contingent on an export commitment by the applicant which must be satisfied, along with repayment of the loan, within 360 days. These commitments are made against promissory notes issued on behalf of the applicant (usually issued by a commercial bank for a fee).

A3.6.2 Legal basis

The program is governed by the *Implementation Principles for Rediscount Program*.⁸¹

A3.6.3 WTO notification

This program has been notified to the WTO.⁸²

A3.6.4 Eligibility criteria

The program is available to Turkish exporters, Foreign Trade Corporate Companies (FTCC)⁸³ and Sectoral Foreign Trade Companies (SFTCs)⁸⁴, subject to assessment of their credit-worthiness and risk.

A3.6.5 Is there a subsidy?

Nature of Turk Eximbank

The Export Credit Bank of Turkey, otherwise known as Turk Eximbank, is a wholly state-owned bank, acting as the government's major export incentive instrument and is the sole official export credit agency in Turkey. The Bank maintains close cooperation with related

⁸⁰ For example, where interest payable on \$100,000 is \$4,000 over the term of the loan, the exporter will receive payment of \$96,000, with the whole \$100,000 payable on maturity.

⁸¹ GoT RGQ – Exhibit 20

⁸² Part IV – *Communication on Subsidies – New and full notification pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures – Turkey*, 28 August 2017

⁸³ Entities which have an export performance of at least USD 100 million or above in the previous year and paid in capital TL 2 million or above qualify for **FTCC** status in the following year.

⁸⁴ SFTCs are company entities formed under Turkish law made up of at least ten small and medium sized enterprises (SMEs) or five SMEs in priority development zones intended to encourage SMEs to engage in export activities.

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entities of the government, with its policies and operations formulated within the framework of export strategies pursued by the GoT.

The Bank operates in the framework of the Banking Law and the regulations of the Banking Regulation, the Supervision Agency of Turkey and its Laws, Principles and Articles of Association, which set out its objectives and scope of operations.

Turk Eximbank is under the responsibility of the Prime Ministry.

The Bank's main sources of funds are direct funding from the Treasury through capital injections as well as through borrowing from commercial banks and international financial markets. Losses incurred by Turk Eximbank are covered by the GoT.⁸⁵

Having regard to the above, the Commission has determined, taking into account the considerations set out in Part A1.1 of Appendix A, that Turk Eximbank satisfies the criteria of a public body for the purposes of the definition of subsidy in section 269T.

Nature of the contribution

In accordance with section 16.3 of the Dumping and Subsidy Manual, a loan is considered a direct transfer of funds and therefore is considered as a financial contribution.

As loans made under this program are contingent on an export commitment by recipients, the Commission is satisfied that such loans constitute a financial contribution in respect of exports, including exports of the goods. The Commission is also satisfied that the financial contribution is provided by a public body (as discussed above).

Subsection 269TACC(3)(b) provides that, when determining whether a financial contribution has conferred a benefit, the making of a loan by a government or public body does not confer a benefit unless the loan requires the recipient to repay a lesser amount than would otherwise be payable under a comparable commercial loan.

The Commission considers that loans granted under this program by Turk Eximbank are on terms more favourable than the recipient could actually obtain on the market, with the benefit being the amount of the difference between the interest rate paid by the exporter of the goods and the interest rate that would be payable on the market.

Accordingly, the Commission is satisfied that a loan provided under the Rediscount Program is a subsidy as defined in section 269T.

A3.6.6 Is the subsidy countervailable?

A subsidy is a countervailable subsidy if it is specific. As provided for in subsection 269TAAC(2)(c), a subsidy is specific if it is contingent, in fact or in law, and whether solely or as one of several conditions, on export performance.

⁸⁵*Turk Eximbank – Laws, Principles, Articles of Association, September 2013*

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The Commission is satisfied, on the basis that loans made under this program are contingent on an export commitment from recipients, that a subsidy under this program is countervailable.

A3.6.7 Amount of subsidy

The Commission has undertaken an analysis of the information provided by cooperating exporters in relation to loans they have sourced from Turk Eximbank, privately owned banks and government owned banks operating on a commercial basis. The Commission established that interest rates differed between exporters and between banks, which it considers indicative of financial institutions setting lending rates based on commercial risk assessments, which is a fundamental tenet of a functioning financial market.

The Commission has used interest rate data from privately owned banks and government owned banks operating on a commercial basis for short-term loans (as each loan provided under the program must be repaid within 360 days), weighted by the value of each loan, to establish a benchmark of market rates against which loans from Turk Eximbank can be compared over the investigation period.

The Commission considered this basis for the calculation of a benchmark rate more appropriate than the rate offered by the TCB as it more accurately represents rates actually available to exporters in the market.

The Commission has determined the amount of subsidy as the differential between this benchmark rate and the rate actually charged at the time the loan was sourced from Turk Eximbank.⁸⁶

The Commission notes that some exporters submitted a benchmark rate which took interest rates offered for short-term loans from private banks and government owned commercial banks weighted for the period those loans overlapped with the investigation period. The Commission has disregarded such weighting in the determination of its benchmark as it considers the preferable method for calculating the benchmark is to take all commercial rates available during the investigation period, regardless of which point in the period that rate is available.

Cooperative Exporters

The Commission has determined that Diler, Habas and Kroman received a financial contribution that conferred a benefit under this program during the investigation period, in accordance with subsection 269TACC(3)(b).

In accordance with subsection 269TACD(1), the amount of the subsidy has been determined for each exporter as the difference between the benchmark rate as described above and the actual interest rate incurred at the time the loan was sourced.

⁸⁶ See Confidential Attachment 33 – Rediscount Program. This attachment has been kept confidential as it contains commercially sensitive information relating to loans obtained by the exporters.

The amount of subsidy received in respect of the goods has been calculated by taking the interest rate differential, expressed as a percentage, and, consistent with the Commission's treatment of short-term loans⁸⁷, multiplying it by the value of the loan. In accordance with subsection 269TACD(2), this amount has then been apportioned to each unit of the goods using the value of all exports for each entity during the investigation period.

A3.7 Program 19: Investments Provided under Turkish Law No. 5746

A3.7.1 Background

This program provides a range of tax deductions to eligible entities in connection with their R&D activities, with the intent to support and encourage, through R&D and innovation:

- the production of technological knowledge, innovation in the product and production processes;
- enhancement in product quality and standards;
- increases in productivity;
- reduction of production costs;
- commercialization of technological knowledge;
- development of pre-competition cooperation;
- technology intensive production and acceleration of technology intensive production;
- entrepreneurship and investments;
- inflows of foreign direct investments in R&D; and
- innovation and enhancement of R&D personnel and qualified staff employment.

Deductions can be claimed in the following categories:

- *R&D allowance* – certain expenses related to expenditure on research and development can be deducted from income tax;
- *Income Tax Withholding Incentive* – wages for certain employees working in research and development are exempt from a portion of income tax: 90 per cent for those with a PhD and 80 per cent for all other employees;

⁸⁷ Section 17.3, Dumping and Subsidy Manual – Loans

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- *Insurance Premium Support* – half of social security insurance premiums payable by employers are paid for on behalf of the recipient by the GoT; and
- *Stamp Duty Exemption* – stamp duty is not levied on documentation in connection with activities falling within the scope of the program.

A3.7.2 Legal basis

The program is governed by the *Law on supporting Research and Development Activities No. 5746*.

A3.7.3 WTO notification

The Commission is not aware of any WTO notification of this program.

A3.7.4 Eligibility criteria

In order to be eligible to receive benefits under this program, entities must satisfy the following criteria:

- undertake R&D activities in Turkey;
- employ at least 15 full-time equivalent R&D personnel;
- have sufficient R&D management capability and capacity regarding to technological assets, research and development human resources, intellectual property, project and information resources; and
- undertake R&D and innovation projects of which subject, duration, budget and human resources needs have been defined.

Applicants must apply through the Ministry of Science, Industry and Technology who assess the R&D capacity of the applicant and the compatibility of the applicant with the requirements of Law 5746.

A3.7.5 Is there a subsidy?

The Commission considers that the laws governing this program provide for a financial contribution by the GoT to eligible entities, being the foregoing of revenue otherwise due to the GoT by those entities.

Where received, a financial contribution under this program is considered to confer a benefit because of the savings realised by the entity in not having to pay the full amount of tax which would otherwise be payable.

The Commission has determined that Kroman received a benefit under this program during investigation period, by way of a deduction of R&D expenditure not otherwise covered under other applicable programs (see Program 21 below). The information provided to the Commission indicates that this expenditure was in relation to the two following projects:

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- development of a full automatic production line allowing automatic loading of billets, conveyance and cutting allowing preparation of high quality semi-finished products for the rolling process; and
- development of a software system which allows monitoring and storage of data created during use of its coil rolling mill.

The Commission has reviewed the information provided by Kroman in respect of these projects and has determined that this R&D expenditure is related to the production of the goods.

The Commission is satisfied that the deduction provided under this program provides a benefit in respect of the goods and is therefore a subsidy as defined in section 269T.

A3.7.6 Is the subsidy countervailable?

A subsidy is a countervailable subsidy if it is specific. Subsection 269TAAC(3) provides that a subsidy is not specific, subject to subsection 269TAAC(4), if:

- (a) eligibility for, and the amount of, the subsidy are established by objective criteria or conditions set out in primary or subordinate legislation or other official documents that are capable of verification; and
- (b) eligibility for the subsidy is automatic; and
- (c) those criteria or conditions are neutral, do not favour particular enterprises over others, are economic in nature and are horizontal in application; and
- (d) those criteria or conditions are strictly adhered to in the administration of the subsidy.

The Commission has examined the eligibility criteria for the program and considers that eligibility is established by objective and verifiable criteria set out in Law 5746. While an application to receive a deduction under this program is subject to assessment by a panel set up by the Ministry, such discretion may not necessarily lead to a determination that a subsidy is specific. However, when there is evidence that the exercise of discretion has led to one of the following factors described in subsection 269TAAC(4) being fulfilled, a determination of specificity may be found:⁸⁸

- (a) the fact that the subsidy program benefits a limited number of particular enterprises;
- (b) the fact that the subsidy program predominantly benefits particular enterprises;
- (c) the fact that particular enterprises have access to disproportionately large amounts of the subsidy; or
- (d) the manner in which a discretion to grant access to the subsidy has been exercised.

In its consideration of the above factors, the Commission has examined all expenditure by the GoT on R&D activities for 2017.

⁸⁸ Section 18.3, Dumping and Subsidy Manual – Discretion of granting authority

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As shown in the table below, approximately 7.6 per cent of expenditure has been in the industrial production and technology sector, which the Commission considers the relevant sector for this investigation.

Investment sector	Percentage
Exploration and exploitation of the earth	25.9%
Environment	2.6%
Exploration and exploitation of space	1.4%
Transport, telecommunication and other infrastructures	11.8%
Energy	2.7%
Industrial production and technology	7.6%
Health	1.6%
Agriculture	16.0%
Education	2.2%
Culture, recreation, religion and mass media	0.1%
Political and social systems, structures and processes	0.7%
General advancement of knowledge: R&D financed from general university funds (GUF)	0.1%
General advancement of knowledge: R&D financed from other sources than GUF	7.5%
Defence	19.8%
Total	100%

Table A.2 General government expenditure on R&D by investment sector⁸⁹

Based on the information available to the Commission, there is no evidence to indicate that any of the factors in subsection 269TAAC(4) have been manifested in the administration of this program.

Accordingly, having considered the factors set out in subsection 269TAAC(4), the Commission is satisfied that the requirements of subsection 269TAAC(3) have been met.

Accordingly, the Commission considers a subsidy under this program is not specific and is therefore not countervailable under section 269TAAC.

A3.8 Program 21: Industrial R&D Projects Grant Program

A3.8.1 Background

The *Industrial R&D Projects Grant Program* is administered by the Scientific and Technological Research Council of Turkey (**TUBITAK**) and is intended to increase

⁸⁹ See Non-confidential Attachment 4– Program 19 GoT R&D expenditure

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research-technology development capability, innovation culture and competitiveness of recipient entities through the provision of direct grants to recipients.

The program supports R&D projects aiming to:

- develop or improve new products;
- develop new techniques to diminish the cost and/or raise the quality and standard of a product; and
- develop new production technologies.

A3.8.2 Legal basis

The program is governed by the TUBITAK *Implementation Principles*⁹⁰ for the program.

A3.8.3 WTO notification

The Commission is not aware of any WTO notification of this program.

A3.8.4 Eligibility criteria

Any entity company established in Turkey may apply.

Applications are evaluated by TUBITAK based on three criteria:

- the project's R&D content and technological-innovative aspects;
- the project plan and the entity infrastructure; and
- economic and social benefits expected from the outcomes.

Nature of TUBITAK

TUBITAK is the leading agency for management, funding and conduct of research in Turkey with a mission to advance science and technology, conduct research and support Turkish researchers. It is an autonomous institution related with the Turkish Ministry of Science, Industry and Technology, with its duties and powers ultimately set by the GoT.

TUBITAK is responsible for promoting, developing, organizing, conducting and coordinating research and development in line with Turkish national targets and priorities. It also acts as an advisory agency to the Turkish Government on science and research issues, and is the secretariat of the Supreme Council for Science and Technology which is the highest science and technology policy making body in Turkey.⁹¹

The Commission has considered the criteria regarding public bodies as discussed in Part A1.1 of Appendix A and has determined, based on its connection and role within the GoT,

⁹⁰ GoT RGQ – Exhibit 27

⁹¹ <http://www.tubitak.gov.tr/en/about-us/content-who-we-are>

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as well as its guiding role to the government on science and technology policy, that TUBITAK is a public body for the purposes of section 269T.

Nature of the contribution

The Commission considers that the laws governing this program provide for a financial contribution by TUBITAK to eligible entities, by way of a direct grant paid to recipients.

The Commission has determined that Kroman has received a benefit under this program during investigation period, by way of a direct grant towards research and development expenditure. The information provided to the Commission indicates that this expenditure was in relation to the two following projects:

- development of a full automatic production line allowing automatic loading of billets, conveyance and cutting allowing preparation of high quality semi-finished products for the rolling process; and
- development of a software system which allows monitoring and storage of data created during use of its coil rolling mill.

The Commission notes that Kroman also received a benefit for these projects under Program 19.

The Commission has reviewed the information provided in respect of these projects and has determined that this R&D expenditure is related to the production of the goods.

The Commission is satisfied that a grant provided under this program provides a benefit in respect of the goods and is therefore a subsidy as defined in section 269T.

A3.8.5 Is the subsidy countervailable?

Like its examination of countervailability under Program 19, the Commission has examined the eligibility criteria for this program and considers that eligibility is established by objective and verifiable criteria. It also notes that an application to receive a grant under this program is subject to assessment by a panel set up by TUBITAK, however, as discussed under Program 19, such discretion may not necessarily lead to a determination that a subsidy is specific unless one of the factors in subsection 269TAAC(4) is fulfilled.

Given the similarities between this program and Program 19, the Commission considers that the analysis around the factors in subsection 269TAAC(4) undertaken in respect of Program 19 is equally applicable to a subsidy received under this program.

Accordingly, the Commission considers a subsidy under this program is not specific and is therefore not countervailable under section 269TAAC.

A3.9 Program 22: Assistance to Offset Costs Related to AD/CVD Investigations

A3.9.1 Background

The Turkish Steel Exporters' Association (**TSEA**) provides financial support under this program to its members in connection with anti-dumping proceedings.

A3.9.2 Legal basis

The TSEA was established under *Law No. 5910 – Law on the Establishment and Duties of Turkish Exporters Assembly and Exporter Associations*.

Financial support is provided pursuant to *Implementation Procedures and Principles on Financial Support for the Attorney/Legal Consultancy Fees paid by Companies as part of Investigations of Trade Policy Measures and Practices of Generalized System of Preferences (Implementation Procedures and Principles)*.⁹²

Following the closure of an investigation, entities submit to TSEA an application for reimbursement for up to 50 per cent of their legal/consultancy costs, up to a maximum of USD 100,000.

A3.9.3 WTO notification

The Commission is not aware of any WTO notification of this program.

A3.9.4 Eligibility criteria

In order to claim a contribution under this program, TSEA members must be under an anti-dumping, subsidy or safeguards measures investigation and have exported goods worth at least USD 500,000 within the two years prior to the investigation.

A3.9.5 Is there a subsidy?

Nature of the Turkish Steel Exporters' Association

TSEA is a sub-organisation of the Turkish Exporters Assembly and is a private entity funded by contributions from its members.⁹³

As it is a private body, the Commission has had regard to whether TSEA is entrusted or directed by the government to carry out a government function (see Part A1.1 of **Non-confidential Appendix A** above for further discussion).

Article 1 of Law 5910 provides that:

The objective of this Law is to regulate the procedures and principles related with the foundation, operation, duties, bodies, expenses and auditing of the exporters' associations and the Turkish Exporters Assembly and the rights and obligations of its members in order to contribute to the economy by increasing export through organizing the exporters and improving cooperation.

Pursuant to Article 4(1), exporters are obliged by law to be a member of the related association, which for the purposes of the entities relevant to this investigation is the TSEA, and are obliged to contribute to the association pursuant to Article 18 of Law 5910.

⁹² GoT RGQ, Exhibit 28

⁹³ Law No. 5910, Article 18

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The duties of associations are described in Article 3.3 of Law 5910. Article 1 of the Implementation Procedures and Principles, prepared in accordance with Article 3(3)(a) of Law 5910, provides that the purpose of the Implementation Procedures and Principles is to "...regulate the financial support covered by the budget of the Exporters' Associations [(TSEA)] for the attorney/legal consultancy fees paid by companies as part of investigations abroad of trade policy measures..."

Decisions on whether applications satisfy the eligibility criteria to receive funding are made by the TSEA, however, there is no discretion with the association on whether to accept or reject an application.⁹⁴

Considering the above, the Commission is satisfied that while it is a private entity, exporters are legally required to be a member of TSEA and TSEA is legally required to provide support to those members, which can include financial support in connection with investigations of trade policy measures.

Given the mandatory nature of these obligations, imposed by the GoT through legislation, and the intended purpose of the legislation as per Article 1 of Law 5910, being to contribute to the Turkish economy by increasing exports, the Commission is satisfied TSEA has been entrusted to carry out a government function.

This determination is further supported by a previous submission by TSEA in *Investigation 264 – Steel Reinforcing Bar Exported from Korea, Malaysia, Singapore, Spain, Taiwan, Thailand and Turkey*⁹⁵ in which it describes itself as "a semi governmental organization".

Accordingly, the Commission considers that a financial contribution by TSEA is a contribution by a private body directed to carry out a government function.

Nature of the contribution

From the information provided by the GoT and exporters, the Commission has determined that Colakoglu, Diler and Kroman have each received a financial contribution under this program, and that the contribution is a contribution by a private body directed to carry out a government function.

For Colakoglu and Diler, the contributions received were in respect of export markets other than Australia:

- for Colakoglu in respect of an anti-dumping proceeding conducted against its hot-rolled steel exports to the United States; and
- for Diler in respect of an anti-dumping proceeding conducted against its steel rebar exports to Brazil.

While Kroman acknowledged receipt of a benefit under this program, it has not provided any details regarding the products subject to the investigation or the investigating country.

⁹⁴ Articles 5 and 6, Implementation Procedures and Principles.

⁹⁵ Case 264 Public Record Item No.52, page 5.

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However, the Commission, after reviewing its previous anti-dumping investigations, is satisfied that any contribution received by Kroman under this program is not in respect of the export of the goods to Australia.

In light of the above, the Commission has determined that no subsidy was provided under this program in respect of the goods during the investigation period.

A3.10 Program 23: Social Security Premium Support (Employer's Share)

A3.10.1 Background

This program, otherwise known as "Employer's Share in Insurance Premiums Program" was requested by the applicant to be included as part of the investigation into countervailable subsidies.

The Commission has determined that this program ceased as of 31 December 2012.⁹⁶ However, the GoT has identified "Social Security Premium Incentive under the Law 6486" as a program providing similar social security benefits to employers as the Social Security Premium Support. Accordingly, its response under Program 23 has been based on the current Social Security Premium Incentive program in place. Habas has also taken the same approach in respect of this program in its response.

The Commission has accepted this approach and has assessed this program pursuant to the criteria applicable to the Social Security Premium Incentive. As such, a reference to "program" throughout the remainder of this Part A3.10 is a reference to the Social Security Premium Incentive.

The program is intended to increase production and employment levels by reducing the costs of social security insurance premiums payable by employers.

Under Program 31 (discussed below), five percent of an employer's social security premium share is paid by Treasury if that employer submits all relevant social security documentation and pays the employee's share of premiums, as well as the rest of the employer's share, within the statutory periods. This incentive is an across the board application regardless of sector or region.

The remaining six per cent of an employer's social security premiums is covered by Treasury under this program if an employer is operating in certain provinces determined by the GoT (meaning that employers will not pay any of the employer's share of social security premiums).

A3.10.2 Legal basis

The program is governed by Article 81 of the *Social Security and General Health Insurance Law No. 5510* and the *Social Security Premium Incentive Law No. 6486*.

⁹⁶ Paragraph 3.3.2.2, *Trade Policy Review, Report by the Secretariat – Turkey*, World Trade Organisation, available at https://www.wto.org/english/tratop_e/tpr_e/s331_e.pdf

A3.10.3 WTO notification

The Commission is not aware of any WTO notification of this program.

A3.10.4 Eligibility criteria

The Commission understands that this program is available to employers located within certain provinces in Turkey who comply with the following insurance requirements:

- employers submit, within the required timeframe to the Social Security Institution, the premium and service documents pursuant to the Law regarding the insurance holders they employ;
- the amount belonging to employer's share not covered by Treasury is paid within legal timeframes; and
- there should not be any premium, administrative fine, and any default fine or default increment debts owing to the Social Security Institution by the employer.

The expiry date for this program varies depending on the relevant province. Eligible provinces and their applicable expiry dates are set out in Decrees no. 2016/9728 and 2018/11190.⁹⁷

A3.10.5 Is there a subsidy?

The Commission considers that the laws governing this program provide for a financial contribution by the GoT to eligible entities, being the foregoing of revenue (being a portion of social security insurance premiums) otherwise due to the GoT by those entities.

Due to the nature of this program, being a general deduction on employer social security insurance premiums regardless of the activities undertaken by the employer, it is considered that a financial contribution under this program would be made in connection with the production or exports of any goods by the recipient entity.

Where received, this financial contribution is considered to confer a benefit because of the savings realised by the entity in not having to pay the full amount of premiums otherwise payable.

Where exporters of the goods have received a deduction under this program during the investigation period, that deduction confers a benefit in relation to the goods and the financial contribution satisfies the definition of subsidy under section 269T.

The Commission has determined that Habas has received a benefit under this program in respect of its gas production facilities located in Elazig and Hatay. As discussed below under *Program 25 – Investment Incentive Program*, the Commission has determined these facilities are used in connection with the production of the goods.

A3.10.6 Is the subsidy countervailable?

⁹⁷ Available at Exhibit 31, GoT RGQ.

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A subsidy is a countervailable subsidy if it is specific. Specificity is defined under section 269TAAC.

Subsection 269TAAC(2)(b) provides that a subsidy is specific if, subject to subsection 269TAAC(3), it is limited to entities carrying on business within a designated geographical region.

The Commission is satisfied this program provides an exemption based on, among other things, the geographical location of entities, thereby satisfying the criteria in subsection 269TAAC(2)(b).

The Commission does not consider that subsection 269TAAC(3) applies as the subsidy favours enterprises within organised industry zones over those located elsewhere.

A3.10.7 Amount of subsidy

In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the benefit amount as reported by Habas.

The Commission has allocated the amount of the benefit by having regard to all company turnover.

In accordance with subsection 269TACD(2), this amount has then been apportioned to each unit of the goods using the value of all exports during the investigation period.

A3.11 Program 25: Investment Incentive Program

A3.11.1 Background

The program, which includes the *Investment Encouragement Program VAT and Import Duty Exemptions*⁹⁸, is intended to encourage investment to boost production and employment, to encourage large scale and strategic investments with high research and development content for increased international competitiveness, to increase foreign direct investments, to reduce regional development disparities and to promote investments for clustering and environment protection. It is divided into four different schemes, with the level of support available dependant on which scheme an entity is eligible:

- General Investment Incentives Scheme;
- Regional Investment Incentives Scheme;
- Large-Scale Investment Incentives Scheme; and
- Strategic Investment Incentives Scheme.

To be eligible to receive support under the program, an entity must hold an Investment Incentive Certificate issued by the GoT.

⁹⁸ See GoT RGQ, pages 61, 110 and 111.

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Support measures available under the program include:

- *VAT Exemption* – exemption for imported and/or domestically delivered machinery and equipment within the scope of the Investment Incentive Certificate;
- *Customs Duty Exemption* – exemption for imported machinery and equipment within the scope of the Investment Incentive Certificate;
- *Tax Reduction* – income or corporate tax is calculated on basis of reduced rates until the total amount of reduced tax reaches the amount of contribution to the investment;
- *Social Security Premium Support (Employee's Share)* – for additional employment created by the investment, the employee's share of the social security premium (calculated on basis of the legal minimum wage) will be covered by the GoT;
- *Social Security Premium Support (Employer's Share)* – for additional employment created by the investment, the employer's share of the social security premium calculated on basis of the legal minimum wage will be covered by the GoT;
- *Income Tax Withholding Allowance* – income tax with regard to additional employment created by the investment, within the scope of the investment incentive certificate, will not be liable to withholding taxes;
- *Interest Rate Support* – a portion of the interest/profit share regarding the investment loan equivalent, at most 70 percent of the fixed investment amount registered in the Investment Incentive Certificate, will be covered by the GoT for a maximum of the first five years;
- *Land Allocation* – land may be allocated for investments, depending on the availability of such land;
- *VAT Refund* – VAT collected on construction expenses, made within the scope of strategic investments with a minimum fixed investment amount of TRY 500 million, will be rebated.

A3.11.2 Legal basis

The program is governed by *Decree on State Incentives in Investments No. 2012/3305* of the Council of Ministers.

A3.11.3 WTO notification

This program has been notified to the WTO.

A3.11.4 Eligibility criteria

The Decree sets out a range of investments eligible to receive support under the program, along with minimum investment requirements. Investments in specified regions are eligible for additional support.

Investors apply to the GoT with their proposal. Evaluation is made on the basis of macro-economic programmes, supply and demand conditions and sectoral, financial and technical terms, whereupon eligible investment projects are granted an Investment Incentive Certificate.

A3.11.5 Is there a subsidy?

Port Facilities

Habas owns and operates its own port facilities in Izmir, located approximately 6kms away from its rolling mill where the goods are produced. The port is used mainly to unload scrap metal and to load steel products and was used during the investigation period for the export of the goods to Australia.⁹⁹ Izmir is a specified region listed in Annex 1 of the Decree.

From information provided by Habas in its REQ, the Commission has determined that the port received the following measures under this program during the investigation period:

- VAT Exemption¹⁰⁰ and Customs Duty Exemption¹⁰¹ in respect of machinery and equipment used at the port; and
- Tax Reduction¹⁰² in respect of corporate tax payable by Habas.

The Commission considers that each measure above provides a financial contribution from the GoT, being the foregoing of revenue otherwise due to the GoT. Where received, the financial contribution is considered to confer a benefit because of the saving realised in not having to pay the full amount of tax and customs which would otherwise be payable.

VAT and Customs Duty Exemption for Machinery and Equipment used at the Port

Habas has stated in its response that the machinery and equipment used at the port for which it received a VAT and Customs Duty exemption was not used in the production of the goods.

The Commission wishes to note that a benefit does not need to be only in relation to the **production of the goods** in order to be a subsidy. Pursuant to subsection 269T(1), a contribution which confers a benefit **in relation to the goods** may be a subsidy (providing the other requirements of subsection 269T(1) are met). A benefit in relation to the goods may be a benefit in respect of activity much broader than the production of the goods, such as transportation, shipping or loading activities.

The Commission has examined documentation provided by Habas in respect of the subject machinery and has determined, based on product brochures and marketing

⁹⁹ Habas website, <http://www.habas.com.tr/Category/Alias/seaport-services>

¹⁰⁰ Article 10, Decree on State Incentives in Investments No. 2012/3305

¹⁰¹ Article 9, Decree on State Incentives in Investments No. 2012/3305

¹⁰² Article 15, Decree on State Incentives in Investments No. 2012/3305

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material provided on the manufacturer's website, that the machinery is used primarily for movement of scrap metal, which is a raw input used in the production of the goods.

The Commission considers that the movement of scrap is an activity in relation to the goods and accordingly, is satisfied that a benefit received in relation to the machinery is a benefit in relation to the goods and that such a benefit is therefore a subsidy under section 269T.

Tax reduction in respect of corporate tax

Habas is entitled under this program to a reduction in the corporate tax rate payable for investments it has made in relation to its port facilities.

The Commission has examined tax records provided by Habas as part of its REQ, along with the Investment Incentive Certificate issued by the GoT¹⁰³, and is satisfied Habas received a deduction under this program during the investigation period in respect of the port.

The Commission is further satisfied Habas used the port for the export of the goods to Australia and accordingly, this deduction is a benefit is a subsidy pursuant to section 269T.

Industrial Gas Facilities

From information provided by Habas in its REQ, the Commission has determined that Habas has received a benefit under this program, by way of a reduction in respect of its corporate tax payable, in respect of its gas production facilities located in Elazig and Hatay, both of which are specified regions listed in Annex 1 of the Decree. Habas, in response to queries from the Commission, has advised its Elazig and Hatay facilities are involved in the production, distribution and sale of oxygen, nitrogen, argon and other industrial gases, along with tubes and gas containers generally used in medical treatment and industrial manufacturing, which are related not to the goods.

As a result of the Commission's conduct of other cases relating to the production of steel products, the Commission understands that industrial gases such as those mentioned in the Habas response are consumed in the production of steel.

While Habas has stated the Investment Incentive Certificate it received conferred a benefit in relation to its industrial gas division, the available information provided by Habas does not support that the benefit was necessarily isolated to the activities undertaken by the industrial gas division.

Further, the benefits received in relation to the industrial gas division, while separately identified under the relevant investment certificate number are aggregated on the Habas 2017 financial year tax return where the calculated corporate tax amount is reported. Also, the certificate data provided in relation to the industrial gas division does not specify whether this certificate was valid during the investigation period. On the basis of the investment commencement date and the data provided in connection with the port facility

¹⁰³ Case 495 Public Record Item No.023, Confidential Exhibit S1.

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investment, the Commission considers it reasonable to assume that the certificate relating to the industrial gas division is also still valid. Accordingly, the Commission considers it reasonable that the benefit received in relation to the industrial gas division has been conferred in part to the production and sale of rebar through the production of steel billets manufactured in Habas's melt shop operations.

A3.11.6 Is the subsidy countervailable?

A subsidy is a countervailable subsidy if it is specific. Specificity is defined under section 269TAAC.

Subsection 269TAAC(2)(b) provides that a subsidy is specific if, subject to subsection 269TAAC(3), it is limited to entities carrying on business within a designated geographical region.

The Commission is satisfied this program provides an exemption based on, among other things, the geographical location of entities.

However, a program will not be specific if the criteria in subsection 269TAAC(3) are satisfied.

The Commission has examined the eligibility criteria for the program and considers that eligibility is established by objective and verifiable criteria set out in the Decree. However, the Commission notes that the Decree:

- lists specific industries which are eligible to receive benefits (Annex 2-A);
- lists specific industries where large scale investment is eligible to receive benefits (Annex-3); and
- excludes other types of investment areas from receiving a benefit (Annex-4).

Based on the above, the Commission does not consider the criteria in subsection 269TAAC(3) satisfied by this program, and therefore has determined this program is specific and countervailable.

A3.11.7 Amount of subsidy

VAT and Customs Duty Exemption for Machinery and Equipment used at the Port

In accordance with subsection 269TACD(1), the Commission has determined the amount of subsidy received by Habas in respect of the port machinery as follows:

- VAT Exemption

VAT payable in Turkey is 18 per cent. By receiving an exemption for payment of VAT on the machinery, Habas has realised a benefit equal to 18 per cent of the cost of the machinery.

As the machinery is utilized not only for the movement of scrap used in the production of the goods, the Commission has apportioned the benefit amount to the sales of goods exported to Australia during the investigation period by the

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proportion of total sales (domestic and export) of all products sold by Habas during the investigation period.

The Commission has then amortized the apportioned benefit over the expected life of the machinery. In the absence of information provided by Habas, the Commission has used data from the Australian Taxation Office¹⁰⁴ to determine an appropriate amortization period.

In accordance with subsection 269TACD(2), this amount has then been apportioned to each unit of the goods using the value of all exports during the investigation period.

The Commission notes that Habas has submitted in its response that any VAT payable on purchases is offset by VAT from sales and therefore no benefit is received under the VAT exemption. The Commission does not agree with this submission, as VAT on sales can only be offset against VAT actually paid. As no VAT has actually been paid on the machinery, there is no VAT amount (in respect of the machinery) to be offset.

- Customs Duty Exemption

From the information provided by Habas, the Commission is satisfied the port machinery was purchased and imported from the European Union.

While a Customs Duty exemption was provided in respect of the machinery, the Commission is satisfied that the tariff rate between the European Union and Turkey in relation to the machinery was zero per cent¹⁰⁵, and is therefore satisfied that no benefit was received by Habas as a result of this measure being applied.

Tax Reduction in respect of corporate tax in respect of the Port

Under this measure, Habas is entitled to a reduction in its corporate tax rate for each year in which the Certificate is valid up to a maximum amount set in the Investment Incentive Certificate. In accordance with Article 15 of the Decree, this amount will remain the same from year-to-year throughout the validity of the relevant investment certificate.

The Commission has therefore calculated the subsidy to Habas under this measure by having regard to the value of the allowable deduction made in relation to the port investment, as reported in its 2017 tax return, as follows:

- taking one quarter of the deducted amount for that period of the 2017 tax year which overlaps the investigation period; and
- on the basis that the deductible amount is the same from year-to-year while the certificate is valid, assuming a deductible value for the 2018 tax year the same as

¹⁰⁴ Australian Taxation Office Taxation Ruling TR2018/14 –Transport, postal and warehousing (Port assets)

¹⁰⁵ WTO Tariff Download Facility – Turkey, available at <http://tariffdata.wto.org/ReportersAndProducts.aspx>

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2017, and taking three quarters of that amount for that period of the 2018 tax year which overlaps the investigation period.

The benefit conferred in relation to the port facility has then been attributed based on the value of turnover reported in relation to the steel business division.¹⁰⁶

In accordance with subsection 269TACD(2), this amount has then been apportioned to each unit of the goods using the value of all exports during the investigation period.

Tax Reduction in respect of corporate tax in respect of the Industrial Gas Facilities

As discussed above in respect of the Port, Habas is entitled to a reduction in its corporate tax rate in respect of its industrial gas facilities for each year in which the relevant investment certificate is valid.

The Commission has applied the same methodology discussed above in relation to Habas's port investment to determine the subsidy to Habas under this measure in relation to the investment in its industrial gas facilities by having regard to the value of the allowable deduction made for the gas facilities as reported in its 2017 tax return.

The benefit conferred in relation to the industrial gas division has then been worked out by having regard to all company turnover.

A3.12 Program 26: Export-Oriented Working Capital Credit Program

A3.12.1 Background

The program provides credit (up to USD 50 million dollars) to manufacturers, manufacturer-exporters and firms engaged in foreign currency earning activities who produce goods in Turkey for export, to enable them to purchase raw materials, intermediate goods, machinery and equipment and meet their other financial needs.

Loans under the program are contingent on an export commitment by the applicant which must be satisfied within the credit period.

It is administered Turk Eximbank.

A3.12.2 Legal basis

The program is governed by the *Implementation Principles for Export-Oriented Working Capital Credit Program*.¹⁰⁷

A3.12.3 WTO notification

This program has been notified to the WTO.

A3.12.4 Eligibility criteria

¹⁰⁶ Confidential Appendix H-1 of Habas's REQ

¹⁰⁷ GoT RGQ – Exhibit 33

Manufacturers, manufacturer-exporters and firms engaged in foreign currency earning activities which are established in Turkey and which produce export oriented Turkish products are eligible to apply for this credit program, subject to assessment of their credit-worthiness and risk.

A3.12.5 Is there a subsidy?

Given that this program provides for a loan by Turk Eximbank on terms more favourable than the recipient could actually obtain on the market, the Commission considers that the determination by the Commission under Part A3.6.5 regarding *Program 17 – Rediscount Program* on whether Program 17 is a subsidy applies equally to a subsidy received under this program.

Accordingly, the Commission is satisfied that a loan provided under this program is a subsidy as defined in section 269T.

A3.12.6 Is the subsidy countervailable?

A subsidy is a countervailable subsidy if it is specific. As provided for in subsection 269TAAC(2)(c), a subsidy is specific if it is contingent, in fact or in law and whether solely or as one of several conditions, on export performance.

The Commission is satisfied, on the basis that loans made under this program are contingent on an export commitment from recipients, that a subsidy under this program is countervailable.

A3.12.7 Amount of subsidy

The Commission has undertaken an analysis of the information provided by cooperating exporters in relation to loans they have sourced from both Turk Eximbank, privately owned banks and government owned banks operating on a commercial basis. The Commission established that interest rates differed between exporters and between banks, which it considers indicative of financial institutions setting lending rates based on commercial risk assessments, which is a fundamental tenet of a functioning financial market.

The Commission has used interest rate data for long-term loans issued to each exporter by privately owned banks and government owned banks operating on a commercial basis to establish a benchmark of market rates (thereby giving each exporter their own benchmark) against which loans from Turk Eximbank can be compared over the investigation period.

The Commission considers individual exporter benchmarks appropriate for long term loans given the timeframes over which such loans were offered.

The Commission considered this basis for the calculation of a benchmark rate more appropriate than the rate offered by the TCB as it more accurately represents rates actually available to exporters in the market.

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The Commission has determined the amount of subsidy as the differential between this benchmark rate and the rate actually charged at the time the loan was sourced.¹⁰⁸

Cooperative Exporters

The Commission has determined that Diler received a financial contribution that conferred a benefit under this program during the investigation period, in accordance with subsection 269TACC(3)(b).

In accordance with subsection 269TACD(1), the amount of the subsidy has been determined for Diler as the difference between the benchmark rate as described above and the actual interest rate incurred at the time the loan was sourced.

The amount of subsidy received in respect of the goods has been calculated by taking the interest rate differential, expressed as a percentage, and, consistent with the Commission's treatment of long term loans as set out in section 17.3 of the Dumping and Subsidy Manual – *Attributing amortized benefits to each year including the investigation period*, amortizing the value of the loan over the life of the loan. In accordance with subsection 269TACD(2), this amount has then been apportioned to each unit of the goods using the value of all exports for each entity during the investigation period.

A3.13 Program 27: Short Term Export Credit Insurance Program

A3.13.1 Background

The Short Term Export Credit Insurance Program is a non-cash program run by Turk Eximbank offered to manufacturer exporters, exporters, overseas investors and other entities engaged in foreign currency earning services.

It provides Turkish exporters with one-year blanket insurance cover for exports purchased on short-term credits. It covers up to 90 per cent of losses due to political and commercial risks eventuating for shipments.

The program provides a post-shipment facility (in that it covers risk arising only after shipment) and covers commercial risks (including insolvency of the buyer, payment default or repudiation of the goods) and political risks (including transfer risks, import restrictions, cancellation of import permits, seizure, non-payment by a public buyer and non-payment due to war, rebellion, etc.). Other types of risk are not covered.

Premiums are determined following an application by exporters and are based on, among other things, countries of export, and are calculated once monthly shipments have been notified to Turk Eximbank. Throughout the policy period, exporters must notify Turk Eximbank of all exports, including when no claim is being made.

A3.13.2 Legal Basis

¹⁰⁸ See Confidential Attachment 34 – Export-Oriented Working Capital Credit Program. This attachment has been kept confidential as it contains commercially sensitive information relating to exporter loans.

The program is governed by the *Implementation Principles for Short Term Export Credit Insurance*.¹⁰⁹

A3.13.3 WTO notification

This program has been notified to the WTO.

A3.13.4 Eligibility Criteria

Manufacturer-exporters, exporters, overseas investors/contractors and entities engaged in foreign currency earning services are eligible for the program.

A3.13.5 Is there a subsidy?

Section 17.3 of the Dumping and Subsidy Manual, under *Export credit guarantee or insurance programs*, which reflects paragraph (j) of Annex I of the SCM Agreement, provides that an export insurance program (such as the program under investigation) will only be considered a subsidy if the premiums charged for access to the program are inadequate to cover the long term operating costs and losses of the program.

The Commission has examined the financial performance of the program over the three years prior to the investigation period and has determined that over that period revenues from premiums are significantly more than pay outs made under the program, with Turk Eximbank collecting USD 67.5million after pay outs of claims.¹¹⁰

Accordingly, the Commission is satisfied that the revenue from premiums adequately covers the long term operating costs of the program and that this program is not a subsidy in respect of the goods.

A3.14 Program 29: Support on subscribing to e-trade websites

A3.14.1 Background

The program provides a grant to recipients towards meeting the subscription costs for e-trade websites.

The program is administered by the Ministry of Economy of the GoT.

A3.14.2 Legal Basis

The Commission is not aware of any legal basis for this program.

A3.14.3 WTO notification

¹⁰⁹ Available at Exhibit 36, GoT RGQ

¹¹⁰ *Turk Eximbank Annual Report 2017*, page 30 – premiums collected: USD 39million, pay outs: USD 16.05million, recovered amounts 2 million; *Turk Eximbank Annual Report 2016*, page 45 – premiums collected: USD 33.1million, pay outs: USD 13.5million, recovered amounts: USD 2.4million; *Turk Eximbank Annual report 2015*, page 43 – premiums collected: USD 31.5million, pay outs: USD 12.6million, recovered amounts: USD 1.7million.

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The Commission is not aware of any WTO notification of this program.

A3.14.4 Eligibility Criteria

The Commission is not aware of the eligibility criteria for this program.

A3.14.5 Is there a subsidy?

From the information available, the Commission has determined that Colakoglu has received a financial contribution under this program from the GoT, by way of direct payment towards the online subscription costs for trade publications Trade Atlas and Steel Orbis.

A3.14.6 Is the subsidy countervailable?

Due to the lack of relevant information provided in respect of this program, the Commission has based its finding on all the facts available and made such assumptions as considered reasonable.

In accordance with subsection 269TAAC(2)(a), the Commission considers, based on the information provided by these publications, that this subsidy is limited to and predominantly benefits particular entities involved in steel manufacturing.

Therefore, the Commission considers this subsidy program to be specific, and therefore countervailable.

A3.14.7 Amount of subsidy

In accordance with subsection 269TACD(1), the amount of the subsidy received in respect of the goods is the grant amount as reported by Colakoglu.

The Commission allocated the amount of the grant to sales of all steel products as a proportion of sales revenue to determine a subsidy margin.

A3.15 Program 30: Electricity for More than Adequate Remuneration

A3.15.1 Background

The USDOC in its investigation into steel concrete reinforcing bar exported from Turkey¹¹¹ examined whether Habas received a financial contribution from the GoT as a result of electricity sold to the government for more than adequate remuneration.

The USDOC found that, while Habas sold electricity during the relevant period of their investigation, it was sold on a commercial basis. Accordingly, the USDOC did not find this program to be countervailable.

In the present investigation by the Commission, electricity was produced and sold by Colakoglu and Habas during the investigation period.

¹¹¹ US Final Affirmative Determination

A3.15.2 Legal basis

The Commission is not aware of any legal basis for the sale of electricity to the GoT for more than adequate remuneration.

A3.15.3 WTO notification

The Commission is not aware of any WTO notification of this program.

A3.15.4 Eligibility criteria

The Commission is not aware of any eligibility criteria for this program.

A3.15.5 Is there a subsidy?

The Commission has examined electricity sales data provided by Habas in respect of the investigation period and determined all sales were made through the Turkish central electricity market operator, EPIAS, or to non-government entities.

In its REQ, Colakoglu states that its electricity sales were also through EPIAS.

EPIAS is majority owned ultimately by the GoT, through a 30 per cent share held by the government-run Turkish Electricity Transmission Company (TEIAS) and through its ownership of the Turkish Stock Exchange, Borsa Istanbul A.S, which owns a further 30 per cent.¹¹² However, EPIAS is not a purchaser of electricity, but acts as a transparent market place for the purchase and sale of power between market participants.¹¹³ The Commission has reviewed legislation underpinning EPIAS as well as commentary by the World Bank¹¹⁴ and the International Energy Agency¹¹⁵ and is satisfied that sales conducted through EPIAS are made in market conditions.

In light of the above, the Commission is satisfied no subsidy has been provided under this program.

A3.16 Program 31: Social Security Insurance Premium Deductions

A3.16.1 Background

Pursuant to the *Social Insurance and Universal Health Insurance Law No. 5510*, all employers in Turkey are required to pay, on top of employee wages, social security insurance premiums into a consolidated fund run by the Social Security Institution. The standard rate of for insurance premiums is 20 per cent of an employee's wages, with 11 per cent payable by the employer, and the remaining 9 per cent payable by the employee.

¹¹² *EPIAS Turkish Energy Exchange Annual Report 2017*, page 29

¹¹³ *Electricity Market Law No. 6446*, Article 1

¹¹⁴ *Turkey's Energy Transition – Milestones and Challenges*, World Bank, Part 2.2.2

¹¹⁵ *Energy Policies of IEA Countries – Turkey*, International Energy Agency, page 160

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The GoT offers various deductions for employers to their social security premiums, with the deducted amounts then covered by Treasury. The Commission has examined a number of these deductions as part of its countervailing investigation, which are discussed below.

A3.16.2 Legal Basis

While all deductions are in respect of premiums due under the Social Insurance and Universal Health Insurance Law, the deductions are governed by various legal instruments, detailed as part of the discussion on each deduction below.

A3.16.3 WTO notification

The Commission is not aware of any WTO notification for any of the deductions examined.

A3.16.4 Eligibility Criteria

General

Each of the deductions examined by the Commission are available to all employers throughout Turkey, regardless of industry sector or regional location. However, to be eligible to claim these deductions, employers must comply with the following requirements:

- employers submit, within the required timeframe to the Social Security Institution, the premium and service documents pursuant required under law regarding the insurance holders they employ;
- the amount belonging to employer's share not covered by Treasury is paid within the required timeframes; and
- there should not be any premium, administrative fine, and any default fine or default increment debts owing to the Social Security Institution by the employer.

A3.16.5 Deductions

A. General Deduction

Pursuant to Article 81 of the Social Insurance and Universal Health Insurance Law, employers who meet the general eligibility criteria are eligible for a deduction to their social security insurance premiums.

B. Minimum Wage Support

This deduction is intended to assist employers in meeting an increase to the minimum wage in January 2016, with the shortfall in premiums met by the Treasury of the GoT.

The Commission notes this program was terminated at the end of September 2018, however, was available throughout the entirety of the investigation period.

The deduction was implemented through an amendment to the Social Insurance and Universal Health Insurance Law by the *Law on Amending Military Service Law and Some*

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Other Laws No. 6661. Provisional Article 68, inserted into the Social Insurance and Universal Health Insurance Law, sets out the legal basis for this program.

The Commission is not aware of any additional requirements on employers to claim this deduction.

C. Employment of Handicapped Staff

This deduction is available for the employment of employees with disabilities.

The deduction is governed by Article 30 of *Labor Law No. 4857*. Under this law, employers with more than 50 employees are required to employ certain minimum numbers of people with disabilities. Those employers who employ above these minimum thresholds are only required to pay 50 per cent of the employer's share of social security contributions, with Treasury paying the shortfall.

Employment of Unemployed

Employers who hire personnel registered with the Turkey Employment Agency (known as Iskur) are eligible for a deduction to their social security premiums.

This deduction was available under 31 December 2017 (covering part of the investigation period).

The deduction is governed by Provisional Article 17 of *Unemployment Insurance Law No. 4447* and Cabinet Decree 687 dated 9 February 2017.

Employment of Additional Employees

Law No. 6111 amended *Unemployment Insurance Law No. 4447* to insert a new Provisional Article 10 to provide for a deduction by employers of their social security premiums in connection with the employment of additional employees.

A3.16.6 Is there a subsidy?

The Commission considers these deductions provide for a financial contribution by the GoT to eligible entities, being the foregoing of revenue (being a portion of social security insurance premiums) otherwise due to the GoT by those entities.

Due to the nature of these deductions, being a general deduction on employer social security insurance premiums regardless of the activities undertaken by the employer, it is considered that a financial contribution under this program would be made in connection with the production or exports of any goods by the recipient entity.

Where received, this financial contribution is considered to confer a benefit because of the savings realised by the entity in not having to pay the full amount of premiums otherwise payable.

Where exporters of the goods have received a deduction under this program during the investigation period, that deduction confers a benefit in relation to the goods and the financial contribution satisfies the definition of subsidy under section 269T.

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A3.16.7 Is the subsidy countervailable?

Based on the information available, the Commission is satisfied that this program is not specific, as per section 269TAAC, as it is available generally to Turkish employers, regardless of sector or region.

Accordingly, the Commission does not consider this program countervailable in respect of the goods.

A4 Further Programs where no Subsidy was Found

A4.1 Discontinued Programs

In addition to the programs discussed above, the applicant requested the Commission include the following programs in its investigation:

- Program 2 – Land for Less than Adequate Remuneration
- Program 3 – Electricity for Less than Adequate Remuneration
- Program 7 – Withholding of Income Tax on Wages and Salaries

Each of these programs were established pursuant to *Law 5084 on Encouragement of Investments and Employment and Amendment of Certain Laws*. The Commission notes that each of these programs ceased in December 2012, and further, none of the exporters were located in a region eligible to receive a benefit under these programs while the programs were operational. The Commission further notes that the United States Department of Commerce in its investigation of Habas also found these programs were not used. Accordingly, the Commission has had no further regard to these programs.

A4.2 Remaining Programs

Program Number	Program Name	Background	Legal basis under Turkish Law	WTO notification	Eligibility criteria	Is there a subsidy?
9	Exemption from Income Tax on Wages Paid to Workers	The Free Zones Law encompasses matters related to the establishment of free zones, with the objective of increasing export-oriented investment and production in Turkey, among other things. Under the Law, wages of employees of entities that export at least 85 percent of the FOB value of the goods they produce	The exemption was provided by Interim Article 3 of the <i>Free Zones Law No. 3218</i> , published in the Official Gazette in June 1985. The exemption will remain in effect under the	The Commission is not aware of any WTO notification of this program.	Real persons or entities wishing to conduct business within a free zone must apply for an Operating Licence from the General Directorate of Free Zones, Overseas Investment and Services.	The GoT advised in its RGQ that no exporters operate within the free zones. The Commission has seen no evidence indicating exporters have used this program in respect of the goods during the investigation period and accordingly is satisfied there is no subsidy under this program.

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		in the free zones are exempted from income or corporate taxes.	end of the taxation year that Turkey becomes a full member of the European Union.			
13	Pre-shipment Turkish Lira Export Credits	<p>The Commission understands that the <i>Pre-Shipment Export Credit Program</i> covers both <i>Pre-shipment Turkish Lira Export Credits</i> and <i>Pre-shipment Foreign Currency Export Credits</i>.</p> <p>Under this program, Turk Eximbank provides short-term export credits to manufacturers, exporters and export-oriented manufacturers to meet their financing needs especially at the pre-shipment stage.</p> <p>The program is administered by Turk Eximbank and uses selected commercial banks as intermediaries.</p>	The Commission is not aware of any legal basis for this program.	Yes	Exporters, manufacturer-exporters and manufacturers supplying exporters and SFTCs are eligible for the program.	The Commission has seen no evidence indicating exporters have used this program in respect of the goods during the investigation period.
15	Pre-export Credits	<p>This program provides a short-term credit facility to export-oriented manufacturers, manufacturer-exporters and exporters in the preparatory stage of exports. It aims to increase the competitiveness of exporters in international markets and support export projects in the preparatory stage.</p> <p>The program is administered by Turk Eximbank.</p>	The Commission is not aware of any legal basis for this program.	Yes	Exporters, manufacturer-exporters and manufacturers supplying exporters, but excluding SFTCs and FTCCs.	The Commission has seen no evidence indicating exporters have used this program in respect of the goods during the investigation period.
16	Short-term Export Credit Discounts	<p>The <i>Short Term Export Credit Discount Program</i> was established in October 1996 and revised in 2012 as the <i>Post-Shipment Rediscount Credit Program</i>.</p>	The Commission is not aware of any legal basis for this program.	Yes (referred to as the <i>Post-Shipment Rediscount Credit Program</i>)	The Commission is not aware of the eligibility criteria for this program.	The Commission has seen no evidence indicating exporters have used this program in respect of the goods during the investigation period.

SEF 495 – Steel Reinforcing Bar – The Republic of Turkey

PUBLIC RECORD

		<p>The <i>Post-Shipment Rediscount Credit Program</i> is a post-shipment finance facility, aimed at increasing the competitiveness of Turkish exporters in international markets by enabling them to sell Turkish goods on deferred payment terms and eliminating overseas risks.</p> <p>It is administered Turk Eximbank.</p>				
18	Foreign Trade Company Export Loans	<p>This program aims to provide financial support to large export trading companies for their export financing needs, with credit available in TL and foreign currency options.</p> <p>It is administered by Turk Eximbank.</p>	The Commission is not aware of any legal basis for this program.	Yes (referred to as the <i>Foreign Trade Companies (FTC) Short-term Export Credit Programme</i>)	Available to all entities with SFTC and FTCC status	The Commission has seen no evidence indicating exporters have used this program in respect of the goods during the investigation period.
20	Turkish Development Bank Loans	<p>Under this program, the Development and Investment Bank of Turkey provides working capital and investment loans to entities in the industry, tourism, education, health and energy sectors.</p>	The Commission is not aware of any legal basis for this program.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of the eligibility criteria for this program.	The Commission has seen no evidence indicating exporters have used this program in respect of the goods during the investigation period.
28	Support and Stability Fund for participating in trade fairs in abroad	<p>This program provides a grant to recipients to participate in trade fairs abroad.</p> <p>The program is administered by the Ministry of Economy of the GoT.</p>	The Commission is not aware of any legal basis for this program.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of the eligibility criteria for this program.	<p>From the information available, the Commission has determined that Colakoglu and Kroman have each received a financial contribution under this program from the GoT.</p> <p>However, as the benefits received were in respect of export markets other than Australia (for Colakoglu, Italy; and for Kroman, Turkmenistan), the Commission is satisfied no subsidy was provided in respect of the goods during the investigation period.</p>

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32	Turkish Employers' Association of Metal Industries (MESS) Assistance	Turkish Employers' Association of Metal Industries (MESS) provides various support to its members.	The Commission is not aware of any legal basis for this program.	The Commission is not aware of any WTO notification of this program.	The Commission is not aware of the eligibility criteria for this program.	MESS aims to assist its members with industrial relations issues and acts on behalf of its members in enterprise bargaining. ¹¹⁶ After consideration of the criteria set out at Part A1.1, the Commission is satisfied MESS is not a government or public body or a private body entrusted to carry out a government function and therefore the Commission is satisfied that any contribution provided under this program is not a subsidy as defined in section 269T.
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¹¹⁶ <https://www.mess.org.tr/en/homepage/>

Anti-Dumping Commission
Investigation No.495
Steel Reinforcing Bar

SEF 495 Non-confidential Attachment 1
Government of Turkey email submission



**REPUBLIC OF TURKEY
MINISTRY OF TRADE
Directorate General of Exports**

**CONSULTATION TEXT OF TURKEY CONDUCTED UNDER ARTICLE 13 (1) OF
THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES, WITH
RESPECT TO THE COUNTERVAILING DUTY PETITION FOR STEEL
REINFORCING BAR IMPORTED FROM TURKEY**

First of all we would like to thank you on behalf of the Government of Turkey for giving us this opportunity to present our views and clarify certain points as regards the petition made by Liberty OneSteel (Newcastle) Pty Ltd.

Before we would like to make a few remarks regarding bilateral trade between Turkey and Australia as well as trade figures with respect to the steel reinforcing bar (rebar).

Bilateral trade between Turkey and the Australia was recorded as 2,7 billion dollars in 2017. Turkey exported 538 million dollars while Australia exported to Turkey 2,2 billion dollars. As such trade balance was in favour of Australia in 2017. Turkey has concerns that should Australia initiate an investigation this will have significant adverse effects on the bilateral trade to the detriment of Turkey.

According to TradeMap database, the share of Turkey in Australian total imports of rebar from the world is negligible for the last five years on 6 digit basis. Imports from Turkey corresponds to 0,01%, 0,08% and 0,19 % of total rebar imports of Australia from the world in the years 2015, 2016, 2017 respectively. In 2017, Turkey appears to be the 9th rebar supplier in Australia quantity-wise.

We would like to recall that according to Paragraph b of Article 27.10 of Agreement on Subsidies and Countervailing Measures, “*Any countervailing duty investigation of a product originating in a developing country Member shall be terminated as soon as the authorities concerned determine that: the volume of the subsidized imports represents less than 4 per cent of the total imports of the like product in the importing Member,...*”. We are aware that according to the domestic legislation of Australia, Turkey is considered as a developing country.

It is important to note that, Australian authorities terminated two anti-dumping investigations against Turkey's imports of "Steel Reinforcing Bar" and "Rod in Coils" in 2015, which was initiated by the request of the petitioner making allegations of subsidized import from Turkey this time. This is an indication that Turkish exports are fairly priced and the domestic industry is trying to seek ways to close the Australian market to fair competition.

Now we would like proceed with our remarks on the alleged programs mentioned in the compliant.

Subsidy allegation part of the petition is mainly established on the US countervailing duty proceeding against rebar imported from Turkey (rebar investigation). However, some of these programs examined in the investigations are repealed and do not exist anymore, some are not used by Turkish steel reinforcing bar exporters to Australia at all, some were found to be are non-countervailable, and the rest was found to confer negligible benefits to the companies exporting rebar to Australia.

Inward Processing Regime (IPR):

IPR is a system allowing Turkish manufacturers/exporters to obtain raw materials, intermediate unfinished goods that are used in the production of the exported goods without paying customs duty including Value Added Tax and without being subject to commercial policy measures, if any. Turkey has a system in place to confirm which inputs, and in what amounts are consumed in the production of the exported products under Inward Processing Regime (IPR). Decisions on acceptance or rejection are based on whether a set of legal conditions and economic criteria are fulfilled. Companies are subject to heavy sanctions in case of noncompliance with the relevant IPR legislation.

The US Department of Commerce (USDOC) has repeatedly investigated, verified and found that Turkey's IPR is not countervailable.¹ In the US' rebar investigation a margin of 14% was calculated by the USDOC by resorting to a punitive adverse facts available alleging this program as discovered during the verification. Yet the respondent companies have fully co-operated during this mentioned investigation however they simply did not felt the necessity to report the usage of this exemption based on USDOC's repeated past findings of non-countervailibility of the

¹ Decision Memorandum for Final Results of Countervailing Duty Administrative Review of Steel Concrete Reinforcing Bar from the Republic of Turkey; 2015.

program. Likewise, USDOC continued to find this exemption non-countervailable on other subsequent subsidy investigation on “Carbon and Alloy Steel Wire Rod”².

Assistance to Offset Costs Related to Antidumping/CVD Investigations:

This assistance is provided by Exporter’s Associations, which gather their revenue entirely from members, which are private companies. Based on its budget, which is composed of its members’ contributions, it is up to the relevant exporters’ association’s discretion to accept or reject a member’s application to receive any assistance. GOT does not entrust or direct exporters’ associations to make financial contributions to their members. Moreover, in the 2014 Administrative Review of Steel Concrete Reinforcing Bar³ the Department determined that there is no financial contribution from the GOT to the respondent companies. The Department concluded that assistance to offset costs related to AD/CVD investigations by exporters’ associations is not a countervailable subsidy and stated that “*We thus preliminary determine that there is no financial contribution from the GOT to ... through the assistance that ... received from the TSEA. As such, we preliminarily conclude that assistance to offset costs related to AD/CVD investigations by the TSEA is not a countervailable subsidy under section 771(5) of the Act.*”

Natural Gas for Less than Adequate Remuneration:

There is no program as provision of natural gas for less than adequate remuneration. Until recently the reference made in the petitioners’ allegations to the US Department of Commerce erroneously relied on country-specific industrial natural gas prices published by the International Energy Agency (IEA) which consisted of the European countries’ gas prices even though there is no imports of natural gas from European countries into Turkey via pipeline. However, as it was explained in the Decision Memorandum for Final Results of Countervailing Duty 2015 Administrative Review of Steel Concrete Reinforcing Bar from the Republic of Turkey dated April 9, 2018 the Department stated that “... *evidence on the record of this review shows that, for imports of natural gas into Turkey, the requisite inflow pipeline connections are limited to Azerbaijan, Iran, and Russia. Consequently, we preliminarily determined that natural gas prices from the European countries that compose the IEA data would not be available to purchasers in Turkey via the existing pipelines...*” and finally the Department came to a conclusion with “... *Consequently, consistent with the Preliminary Results, we continue to find that no benefit was*

² Countervailing Duty Investigation of Carbon and Alloy Steel Wire Rod from the Republic of Turkey: Issues and Decision Memorandum for the Final Affirmative Determination, March 19, 2018.

³ Decision Memorandum for Preliminary Results of Countervailing Duty 2014 Administrative Review of Steel Concrete Reinforcing Bar from Turkey, December 5, 2016.

provided by the GOT to ... during the POR through its purchases of natural gas from BOTAS."⁴. Similar decision was also taken by the USDOC in the Issues and Decision Memorandum for the Final Affirmative Determination on Countervailing Duty Investigation of Carbon Alloy Steel Wire Rod from the Republic of Turkey dated March 19, 2018. The Department again did not use the petitioners' submission of the IEA's benchmarks which were consisting of the European countries' natural gas prices, instead the Department used the Russian Eurostat data for the calculation of natural gas benchmark prices and calculated less than 0.005 % subsidy margin for this program.

Deductions from Taxable Income for Export Revenue:

Under this program taxpayers may have an additional deduction of a lump sum amount from their gross income but this amount may not exceed 0.5 % of the proceeds they earned in foreign exchange. To calculate the benefit from this program, deducted amount of taxpayers' earnings should be multiplied by the corporate tax rate. Taking into account the corporate tax rate in Turkey is 20 %, the maximum benefit from this program can only be 0.1 % (20 % * 0.5 % = 0.1 %). Parallel with this USDOC calculated negligible rates for the companies in different proceedings⁵.

Rediscount Program:

Another program mentioned in the petition is Rediscount Program. In a recent US proceeding against Carbon and Alloy Steel Wire Rod from Turkey, Department again calculated less than 0,005 %⁶.

Investment Encouragement Program VAT and Import Duty Exemptions, Regional and Large-Scale Investment Schemes:

According to the Annex IV of the Decree No 2012/3305, the iron and steel products are excluded from all investment incentive schemes, with the exception of general investment scheme due to the obligations stemming from Free Trade Agreement between Turkey and European Coal and Steel Community (ECSC). Therefore the exporter companies do not hold regional and/or large-scale investment incentive certificates for their production of steel products, including rebar. On

⁴ Decision Memorandum for Final Results of Countervailing Duty 2015 Administrative Review of Steel Concrete Reinforcing Bar from the Republic of Turkey, April 9, 2018

⁵ Decision Memorandum for Final Results of Countervailing Duty Administrative Review of Steel Concrete Reinforcing Bar from the Republic of Turkey; 2015

⁶ Countervailing Duty Investigation of Carbon and Alloy Steel Wire Rod from the Republic of Turkey: Issues and Decision Memorandum for the Final Affirmative Determination, March 19, 2018

the other hand, although entitled, none of the rebar exporting companies to Australia hold general investment incentive certificate as well.

Social Security Premium Support:

Another program mentioned in the petition is Social Security Premium Support. This program is established by the Law No. 6486 and within this incentive; employer's social security premium share (11%) is undertaken by the Treasury if these employers are operating in the provinces determined by the Council of Ministers. Companies exporting rebar to Australia did not benefit from the Social Security Premium Support under Law No. 6486 in the year 2017 and 2017 according to our examination.

Tax, Duty Land Benefits for Turkish Rebar Producers Located in Free Zones:

None of the companies exporting rebar to Australia operate in a Free Zone.

Turkish Development Bank Loans:

None of the companies exporting rebar to Australia benefitted from loans provided by Development Bank of Turkey in 2017 and 2018.

Purchase of lignite from Turkish Coal Enterprises (TKI)

None of the companies exporting rebar to Australia have any purchases of lignite from Turkish Coal Enterprises (TKI) in 2017 and 2018.

R&D Income Tax Deduction under Law No. 5746:

None of the companies exporting rebar to Australia benefitted from R&D Income Tax Deduction under Law No. 5746 in 2017 and 2018.

Terminated Programs:

Some of the alleged programs mentioned by the petitioners were terminated and are not in force anymore. Law No 5048 is provided in Exhibit. Relevant Articles with regard to termination, which are explained below are also highlighted in Exhibit for your convenience.

Energy support (Electricity for Less Than Adequate Remuneration): According to Article 7/h of Law No. 5084 the last date for an investment to benefit from this support program was December 31, 2012.

Provision of Land for Less Than Adequate Remuneration: The implementation of the program was initiated on February 6, 2004, and remained in force until the end of the validity period mentioned in paragraph 4, Provisional Article 1 of the Law No. 5084. Therefore, the program has not been in force since February 6, 2010.

Withholding of Income Tax in Wages and Salaries: Article 7/h of the Law No. 5084 states that this program shall be applicable for any new investments for 5 years for the ones completed by December 31, 2007, for 4 years for the ones completed by December 31, 2008 and for 3 years for the ones completed by December 31, 2009. Hence, the last date which the investment can benefit from this tax incentive program is December 31, 2012.

Employer's Share in Insurance Premiums Program: Article 7/h of the Law No. 5084 states that this program shall be applicable for any new investments for 5 years for the ones completed by December 31, 2007; for 4 years for the ones completed by December 31, 2008 and for 3 years for the ones completed by December 31, 2009. Hence, the last date, which the investment can benefit from this support program was December 31, 2012.

Thank you.

EXHIBIT 1

ABOLISHED LAW NO. 5084

**LAW CONCERNING INCENTIVES ON INVESTMENTS AND EMPLOYMENT
AND ON THE AMENDMENT
OF CERTAIN LAWS**

Law Number: 5084

Official Gazette: Date: February 6, 2004 Issue No.: 25365

Purpose

Article 1 – The purpose of this Law is to increase the investment and employment opportunities through implementing incentives for tax and insurance premium in various provinces, to provide energy subsidies and to provide lands and plots free of charge for investments.

Scope

Article 2 – (Amendment: 12/5/2005 – 5350/Art. 1)

This Law covers

a) in terms of tax and insurance premium incentives and energy subsidies the provinces where GDP per capita as determined by the State Institute of Statistics for 2001 is equal to or lower than USD 1,500.00 and other provinces where the index value based on the social-economic development ranking as determined by the State Planning Organization for 2003 is negative,

b) in terms of land and plot supply free of charge the provinces mentioned in subparagraph (a) and other provinces covered under the priority regions for development.

Income tax withholding incentive ⁽¹⁾

Article 3 – (Amendment: 12/5/2005 – 5350/Art. 2)

In order to be valid and applicable until 31/12/2009, in the provinces covered subparagraph (a) of Article 2;

a) The income tax calculated on the wages of the employees of the taxpayers of income and corporate tax starting business as of 1.4.2005 provided that they employ at least ten employees at the related business place, ⁽²⁾

b) (Amendment 28/3/2007-5615/Art. 24) on the wages of the employees actually working at the places of business of the taxpayers of income and corporate tax starting business before 1.4.2005 provided that they employ at least ten employees;

shall be cancelled in full for the business places located at organized industrial zones or regions, and eighty percent thereof shall be cancelled for business places in other locations and deducted from the tax accrued on the basis of the withholding tax return.

The total amount to be cancelled cannot exceed the sum determined on the basis of the above mentioned rates calculated on the value to be obtained by multiplying the number of employees and the income tax payable for the minimum wage.

The principles and procedures for the implementation of this article are set by the Ministry of Finance.

(1) Article 32 of Law No. 5838 dated 18/2/2009; the date "31.12.2008" in paragraph 1 of this article was amended as "31/12/2009" and entered in the text.

(2) Article 24 of Law No. 5615 dated 28/3/2007, the expression "thirty" stated in this subparagraph was amended as "ten" and entered in the text.

Incentive for employers' share in insurance premiums ⁽¹⁾⁽²⁾

Article 4 – (Amendment 12/5/2005 – 5350/Art. 3)

In order to be valid and applicable until 31/12/2012, in the provinces covered subparagraph (a) of Article 2;

a) The employers' share in insurance premiums calculated on the average daily earning taken as basic to premium in conformity with Article 72 and 73 of the Social Security Law No. 506 of the employees of the taxpayers of income and corporate tax starting business as of 1.4.2005 provided that they employ at least ten employees at the related business place, ⁽³⁾

b) (Amendment 28/3/2007-5615/Art. 24) of the employees actually working at the places of business of the taxpayers of income and corporate tax starting business before 1.4.2005 provided that they employ at least ten employees;

shall be met in full for the business places located at organized industrial zones or regions, and eighty percent thereof for business places in other locations by the Treasury.

The total amount to be met by the Treasury cannot exceed the sum determined on the basis of the above mentioned rates calculated on the value to be obtained by multiplying the number of employees and the employer's share based on the minimum daily earning taken as basic to premium fixed in conformity with Article 78 of the Social Security Law.

In order to be entitled to the payment of premiums of employers' share by the Treasury, the employers are required to submit monthly premium and service documents to the Institution within the statutory periods in conformity with the Social Security Law No. 506 and also affect the payments of the amounts corresponding to the

employees' share in the insurance premiums of all the insured and the employers' share unmet by the Treasury. In case of any late payment of the premiums required to be paid by the employer in conformity with this article, default interest to arise out of the late payments to be affected by the Treasury to the Institution shall be collected from the employer.

The principles and procedures related with the implementation of this article are jointly set by the Ministry of Finance, Ministry of Labor and Social Security and the Undersecretariat of Treasury.

(1) *The title of this article "incentive for employers' share in insurance premiums" was amended as entered in the text through article 3 of Law No. 5350 dated 12/5/2005.*

(2) *Article 32 of Law No. 5838 dated 18/2/2009; the date "31.12.2008" in paragraph 1 of this article was amended as "31/12/2009" and entered in the text.*

(3) *Article 24 of Law No. 5615 dated 28/3/2007, the expression "thirty" stated in this subparagraph was amended as "ten" and entered in the text.*

Allocation of investment sites free of charge

Article 5 - (Abolished: 18/2/2009-5838/Art. 32)

Energy subsidies ⁽¹⁾

Article 6 - (Amendment: 12/5/2005 - 5350/Art. 5)

(Unified first and second paragraphs amendment: 28/3/2007-5615/Art. 24) In order to be valid and applicable until 31/12/2009, twenty percent of the electric power expenses of the enterprises located in the provinces covered under subparagraph (a) of article 2 and starting business as of 1.4.2005 and employing at least ten employees and the enterprises starting business before 1.4.2005 and employing at least ten employees and actually and continuously dealing with livestock (including fishery and poultry husbandry), organic and biotechnological agriculture, cultivated mushroom husbandry and compost, greenhouse cultivation, certificated seed growing, and cold storage depot and manufacturing industry, mining, tourism rest stops, and education and health sectors shall be met by the Treasury. 0.5 point shall be added to the said rate for each number of employees exceeding the minimum requirement in enterprises starting business after 1.4.2005, and in enterprises starting business before 1.4.2005, for each number of employees starting to work after this date and exceeding the minimum requirement. The rate to be met by the Treasury cannot exceed fifty percent for the enterprises in the organized industrial sites or regions, and forty percent for enterprises active in other fields.

Monthly premium and service documents shall be the bases for the calculation of the number of employees actually and continuously working.

The Ministry of Industry and Commerce and the Undersecretariat of Treasury are jointly authorized to define the minimum capacities related with the implementation of

this article, and the Ministry of Finance, the Ministry of Energy and Natural Resources and the Undersecretariat of Treasury are jointly authorized to define the periods for the refunding of electric power expenses, whether the refunding will be affected in cash or on account and defining the procedures and principles of the implementation.

(1) Article 32 of Law No. 5838 dated 18/2/2009; the date "31.12.2008" in paragraph 1 of this article was amended as "31/12/2009" and entered in the text.

Miscellaneous provisions ⁽¹⁾

Article 7- In the implementation of this Law:

a) (Amendment: 12/5/2005 – 5350/Art. 6) The provisions of articles 3, 4 and 6 may not be applicable for the activities related with the realization of the services and construction works undertaken in conformity with the provisions of the State Bidding Law No. 2886 and the Public Procurement Law No. 4734 and the international agreements.

b) The related legislation provisions shall be applicable for the lands and plots allocated free of charge under the scope of the Law No. 4325 dated 21.1.1998 on Creating Employment and Investment Incentive in the Emergency Region and Priority Regions for Development, and the Law for the Amendment of Law No. 193 on Income Tax and the abolished article 8.

c) (Amendment: 12/5/2005 – 5350/Art. 6) Excluding the enterprises taken over after 1.10.2003 under privatization; transfer, merger, demerger or changes in type of corporations of the existing and active enterprises shall not be considered as starting a new business in terms of the implementation of articles 3, 4 and 6.

d) (Amendment: 12/5/2005 – 5350/Art. 6) If more than one monthly premium and service documents are issued for the business places in provinces covered hereunder, then the number of employees shall be considered as the total number of employees given in the payrolls of the enterprises active in the branch or industry related with the implementation of article 6. If any existing enterprise is closed and opened under a different name or title or another business unit, then the provisions of this Law shall not be applicable for such.

e) Any transaction which does not result with an additional capacity or employment increase but just undertaken for the purpose of benefiting from incentives like shifting employees among the companies with direct or indirect partnership relation and keeping the management and control thereof, and changing the ownership in single proprietorships shall not be entitled to the incentives granted by this Law.

f) The premium sums met by the Treasury in conformity with the provisions of article 4 cannot be considered as expenses or cost items in the enforcement of income and corporate tax; the electric power expenses met by the Treasury under article 6 shall be considered as income in terms of income or corporate tax assessments in the related refunding period.

g) The provisions of article 4 shall not be applicable for public enterprises.

h) (Supplementary: 16/7/2004 - 5228/Art. 55; Amendment: 26/12/2006 – 5568/Art. 5; Amendment: 05/02/2010 – 5921/Art. 10) The subsidies and incentives mentioned in articles 3, 4 and 6 of this Law shall be applicable for any new investments in any province subject to this Law, until 31/12/2012 for the ones completed by 31/12/2007 in terms of the implementation of article 4 exclusively, and applicable for 5 years for the ones completed by 31/12/2007, for 4 years for the ones completed by 31/12/2008 and for 3 years for the ones completed by 31/12/2009 regardless of the periods specified in the said articles.

i) (Supplementary: 12/5/2005 – 5350/Art. 6) The Ministry of Finance, the Ministry of Labor and Social Security, the Ministry of Industry and Commerce and the Undersecretariat of Treasury are jointly authorized to define the procedures and principles related with starting and completing any investment subject to this Law.

j) (Supplementary: 12/5/2005 – 5350/Art. 6) Any enterprise located in a province subject to this Law and benefiting from subsidies regulated hereby in conformity with other related regulations shall not be entitled to benefit also from the subsidies granted by this Law for the same period and repeatedly. Otherwise, considering the preferences of the enterprises, implementation shall be limited with just one subsidy.

(1) Article 32 of Law No. 5838 dated 18/2/2009; “until 31/12/2009 for any new investment in any province subject to this Law and completed by 31/12/2004” is added and entered in the text just before the date of “31/12/2007” in subparagraph (h) of this article.

Article 8-9- (It is related with Free Zones Law No. 3218 dated 6.6.1985 and entered in the related text).

Abolished provisions

Article 10- The last paragraph of article 14 of Law on Organized Industrial Zones No. 4562 dated 12.4.2000 and article 8 of Law No. 4325 dated 21.1.1998 are abolished.

Provisional Article 1- The non-allocated parcels in the organized industry zones located in the provinces subject to subparagraph (b) of article 2 of this Law and using credits made available by the Ministry of Industry and Commerce can be allocated to real or legal entities free of charge provided that the competent bodies of the organized industrial zone decide accordingly and the value of such parcels shall be deducted from the credit given to the organized industry zone by the Ministry of Industry and Commerce.

Payments for the parcels allocated against a value before the publishing date of the Law shall be withheld and the balance thereof shall be deducted from the credits. Deductions shall be made on the basis of sqm. prices to be determined annually for each organized industrial zone by the Ministry of Industry and Commerce after obtaining the favorable opinion of the Undersecretariat of Treasury.

Also parcels in the organized industrial zones which have not used any credit made available by the Ministry of Industry and Commerce, or honored its credit debt may be allocated provided that the competent bodies decide accordingly. In such cases, the values of the allocated parcels shall be paid by the Treasury to the legal entity of the organized industrial zone. Such payments shall be made on the basis of sqm. prices to

be determined annually for each organized industrial zone by the Ministry of Industry and Commerce after obtaining the favorable opinion of the Undersecretariat of Treasury.

The implementation related with the allocation of parcels in the organized industrial zones shall be valid for three years as of the date of entry into force of this Law. The said term can be extended up to maximum three years through a cabinet decree.

Employment, starting and completion period of investments, allocation and transfer transactions and other issues related with the implementation of this article shall be regulated by a regulation to be issued by a cabinet decree.

Temporary Article 2 – (Supplementary: 28/3/2007-5615/Art. 24)

Enterprises located in Gokceada and Bozcaada can also benefit from the subsidies and incentives specified in articles 3, 4 and 6 of this Law for a period of 5 years as of the publishing date of the Law provided that the requirements stipulated in the said articles are met.

Temporary Article 3 – (Supplementary: 18/2/2009-5838/Art. 30)

The provisions of the abolished article 5 shall be applicable for immovable applied for establishing free right of easement or occupancy permit but not concluded on the date of entry into force of this article. The said provisions shall be continued to be applied for immovable on which free right of easement is established or occupancy permit is granted under the abolished article 5.

Effective date

Article 11- The articles 3, 4 and 6 of this Law become effective at the beginning of the month following the publishing thereof, and other articles on the publishing date.

Execution

Article 12- The Cabinet executes the provisions of this Law.

**PROVISIONS WHICH CANNOT BE ENTERED INTO LAW NO. 5084 DATED
29/1/2004**

1- The provision of Law on Making Amendments on Law No. 5350 dated 12/5/2005 Concerning Incentives on Investments and Employment and for the Amendment of Certain Laws:

Temporary Article 1 – a) Taxpayers dealing in provinces subject to subparagraph (a) of article 2 of Law No. 5084 dated 29.1.2004 before amended by this Law and the taxpayers entitled to benefit from subsidies and incentives mentioned in articles 3 and 4 of Law No. 5084 before amended by this Law, shall continue to benefit exactly from the said rights. However, taxpayers meeting the required conditions and applying for such may benefit from the provisions of articles 3 and 4 of Law No. 5084 as amended by this Law.

b) Transactions related with immovable of which transfer thereof are requested free of charge by the investors in conformity with article 5 of Law No. 5084 before amended by this Law shall be carried on in accordance with the provisions of the aforementioned article.

c) The implementation related with the enterprises eligible to benefit from energy subsidies in conformity with article 6 of Law No. 5084 before amended by this Law shall be based on monthly premium and service documents and the provisions of the same article shall be continued to be applied regardless of the minimum employment requirement of 3/4 of a calendar year. However, the new provisions shall be applicable for enterprises newly starting business in provinces subject to subparagraph (a) of article 2 of Law No. 5084 before amended by this Law provided that the said enterprises meet the requirements stipulated in paragraph 1 of article 6 of Law No. 5084 as amended by this Law, and for enterprises which have started business related with the fields mentioned in paragraph 1 of article 6 of Law No. 5084 before 1.10.2003 provided that the number of employees declared in the last four-month insurance premium lists submitted to the related authority after the date of entry into force of this article but before 1.10.2003 meet actually and constantly the conditions specified in paragraph 2 of article 6 of Law No. 5084 as amended by this Law.

Anti-Dumping Commission
Investigation No.495
Steel Reinforcing Bar

SEF 495 Non-confidential Attachment 2
TAF(3) and TAF(4) Currency Calculation

SEF 495 Non-confidential Attachment 2 - USD/TRY exchange rate analysis

Currency Conversion Calculations

Notes

[1] source: Turkish Central Bank - <http://www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Statistics/Exchange+Rates/Indicative+Exchange+Rates>

[2] source: REQ - Australian sales (average rate used on Date of Sale)

Date	[1]	TAF(3) Calculations				TAF(4) Calculations				
	TRY/USD (Daily)	TRY/USD 8 week moving average	Daily variance rate to 8 week moving average	Short-term fluctuation? (<=-2.25% or >=2.25%)	TAF(3) TRY/USD	Beginning of week check	TRY/USD Weekly Average	TRY/USD 8 week moving average weekly average	Weekly variance to 8 week moving average weekly average	Sustained fluctuation? (<=-5% or >=5%)
1/08/2017	3.5258				3.5258	3				
2/08/2017	3.5201				3.5201	4				
3/08/2017	3.53235				3.53235	5				
4/08/2017	3.5407				3.5407	6				
5/08/2017	3.53185				3.53185	7				
6/08/2017	3.53185				3.53185	1	3.536121429			
7/08/2017	3.53185				3.53185	2				
8/08/2017	3.5327				3.5327	3				
9/08/2017	3.53065				3.53065	4				
10/08/2017	3.5416				3.5416	5				
11/08/2017	3.5375				3.5375	6				
12/08/2017	3.5467				3.5467	7				
13/08/2017	3.5467				3.5467	1	3.532842857			
14/08/2017	3.5467				3.5467	2				
15/08/2017	3.52845				3.52845	3				
16/08/2017	3.53065				3.53065	4				
17/08/2017	3.532				3.532	5				
18/08/2017	3.52095				3.52095	6				
19/08/2017	3.52445				3.52445	7				
20/08/2017	3.52445				3.52445	1	3.503528571			
21/08/2017	3.52445				3.52445	2				
22/08/2017	3.51405				3.51405	3				
23/08/2017	3.50045				3.50045	4				
24/08/2017	3.49875				3.49875	5				
25/08/2017	3.48125				3.48125	6				
26/08/2017	3.4813				3.4813	7				
27/08/2017	3.4813				3.4813	1	3.455242857			
28/08/2017	3.4813				3.4813	2				
29/08/2017	3.4477				3.4477	3				
30/08/2017	3.4441				3.4441	4				
31/08/2017	3.4441				3.4441	5				
1/09/2017	3.4441				3.4441	6				
2/09/2017	3.4441				3.4441	7				
3/09/2017	3.4441				3.4441	1	3.435742857			
4/09/2017	3.4441				3.4441	2				
5/09/2017	3.4441				3.4441	3				
6/09/2017	3.4423				3.4423	4				
7/09/2017	3.4429				3.4429	5				
8/09/2017	3.4235				3.4235	6				
9/09/2017	3.4092				3.4092	7				
10/09/2017	3.4092				3.4092	1	3.425335714			
11/09/2017	3.4092				3.4092	2				
12/09/2017	3.39955				3.39955	3				
13/09/2017	3.4295				3.4295	4				
14/09/2017	3.4371				3.4371	5				
15/09/2017	3.4575				3.4575	6				
16/09/2017	3.4353				3.4353	7				
17/09/2017	3.4353				3.4353	1	3.47155			
18/09/2017	3.4353				3.4353	2				
19/09/2017	3.4567				3.4567	3				
20/09/2017	3.4932				3.4932	4				
21/09/2017	3.47885				3.47885	5				
22/09/2017	3.51215				3.51215	6				
23/09/2017	3.48935				3.48935	7				
24/09/2017	3.48935				3.48935	1	3.533578571			
25/09/2017	3.48935	3.484858036	0.13%		3.48935	2				
26/09/2017	3.51935	3.484742857	0.98%		3.51935	3				
27/09/2017	3.5376	3.485055357	1.49%		3.5376	4				
28/09/2017	3.5689	3.485708036	2.33% Yes		3.485708036	5				
29/09/2017	3.5752	3.486324107	2.49% Yes		3.486324107	6				
30/09/2017	3.5553	3.486742857	1.93%		3.5553	7				
1/10/2017	3.5553	3.487161607	1.92%		3.5553	1	3.573785714	3.489147704	2.37%	
2/10/2017	3.5553	3.487580357	1.90%		3.5553	2				
3/10/2017	3.57895	3.48840625	2.53% Yes		3.48840625	3				
4/10/2017	3.58125	3.489309821	2.57% Yes		3.489309821	4				
5/10/2017	3.56665	3.489757143	2.16%		3.56665	5				
6/10/2017	3.5717	3.490367857	2.28% Yes		3.490367857	6				
7/10/2017	3.60735	3.491450893	3.21% Yes		3.491450893	7				
8/10/2017	3.60735	3.492533929	3.18% Yes		3.492533929	1	3.653735714	3.499303061	4.23%	
9/10/2017	3.60735	3.493616964	3.15% Yes		3.493616964	2				
10/10/2017	3.69925	3.496666964	5.48% Yes		3.496666964	3				
11/10/2017	3.68435	3.499411607	5.02% Yes		3.499411607	4				
12/10/2017	3.6786	3.502029464	4.80% Yes		3.502029464	5				
13/10/2017	3.6481	3.5043	3.94% Yes		3.5043	6				
14/10/2017	3.65115	3.5065625	3.96% Yes		3.5065625	7				
15/10/2017	3.65115	3.508825	3.90% Yes		3.508825	1	3.658264286	3.516785587	3.87%	
16/10/2017	3.65115	3.5110875	3.84% Yes		3.5110875	2				
17/10/2017	3.6434	3.513397321	3.57% Yes		3.513397321	3				
18/10/2017	3.6579	3.516208929	3.87% Yes		3.516208929	4				
19/10/2017	3.67815	3.5194125	4.32% Yes		3.5194125	5				
20/10/2017	3.6633	3.522663393	3.84% Yes		3.522663393	6				
21/10/2017	3.6628	3.525904464	3.74% Yes		3.525904464	7				
22/10/2017	3.6628	3.529145536	3.65% Yes		3.529145536	1	3.723778571	3.542765179	4.86%	
23/10/2017	3.6628	3.532386607	3.56% Yes		3.532386607	2				
24/10/2017	3.7018	3.536924107	4.45% Yes		3.536924107	3				
25/10/2017	3.71445	3.541751786	4.65% Yes		3.541751786	4				

SEF 495 Non-confidential Attachment 2 - USD/TRY exchange rate analysis

Currency Conversion Calculations

Notes

[1] source: Turkish Central Bank - <http://www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Statistics/Exchange+Rates/Indicative+Exchange+Rates>
 [2] source: REQ - Australian sales (average rate used on Date of Sale)

Date	[1] TRY/USD (Daily)	TAF(3) Calculations				TAF(4) Calculations				
		TRY/USD 8 week moving average	Daily variance rate to 8 week moving average	Short-term fluctuation? (<=-2.25% or >=2.25%)	TAF(3) TRY/USD	Beginning of week check	TRY/USD Weekly Average	TRY/USD 8 week moving average weekly average	Weekly variance to 8 week moving average weekly average	Sustained fluctuation? (<=-5% or >=5%)
26/10/2017	3.73425	3.546933036	5.02%	Yes	3.546933036	5				
27/10/2017	3.7695	3.55274375	5.75%	Yes	3.55274375	6				
28/10/2017	3.82085	3.559471429	6.84%	Yes	3.559471429	7				
29/10/2017	3.82085	3.566199107	6.66%	Yes	3.566199107	1	3.805685714	3.585453061	5.79%	Yes
30/10/2017	3.82085	3.572926786	6.49%	Yes	3.572926786	2				
31/10/2017	3.7734	3.578807143	5.16%	Yes	3.578807143	3				
1/11/2017	3.7788	3.584816071	5.13%	Yes	3.584816071	4				
2/11/2017	3.81145	3.591397321	5.77%	Yes	3.591397321	5				
3/11/2017	3.81065	3.598310714	5.57%	Yes	3.598310714	6				
4/11/2017	3.8238	3.605714286	5.70%	Yes	3.605714286	7				
5/11/2017	3.8238	3.613117857	5.51%	Yes	3.613117857	1	3.8538	3.636297194	5.64%	Yes
6/11/2017	3.8238	3.620521429	5.32%	Yes	3.620521429	2				
7/11/2017	3.8625	3.628788393	6.05%	Yes	3.628788393	3				
8/11/2017	3.8567	3.636416964	5.71%	Yes	3.636416964	4				
9/11/2017	3.885	3.644415179	6.19%	Yes	3.644415179	5				
10/11/2017	3.85695	3.651548214	5.33%	Yes	3.651548214	6				
11/11/2017	3.86785	3.659272321	5.39%	Yes	3.659272321	7				
12/11/2017	3.86785	3.666996429	5.19%	Yes	3.666996429	1	3.8738	3.688687372	4.78%	
13/11/2017	3.86785	3.674720536	4.99%	Yes	3.674720536	2				
14/11/2017	3.86935	3.682089286	4.84%	Yes	3.682089286	3				
15/11/2017	3.8699	3.688816071	4.68%	Yes	3.688816071	4				
16/11/2017	3.8871	3.69610625	4.91%	Yes	3.69610625	5				
17/11/2017	3.87185	3.702529464	4.37%	Yes	3.702529464	6				
18/11/2017	3.8827	3.709553571	4.46%	Yes	3.709553571	7				
19/11/2017	3.8827	3.716577679	4.28%	Yes	3.716577679	1	3.919385714	3.737364031	4.64%	
20/11/2017	3.8827	3.723601786	4.10%	Yes	3.723601786	2				
21/11/2017	3.8907	3.730233036	4.12%	Yes	3.730233036	3				
22/11/2017	3.95605	3.737705357	5.52%	Yes	3.737705357	4				
23/11/2017	3.96295	3.744741964	5.51%	Yes	3.744741964	5				
24/11/2017	3.92055	3.750908929	4.33%	Yes	3.750908929	6				
25/11/2017	3.94005	3.757779464	4.63%	Yes	3.757779464	7				
26/11/2017	3.94005	3.76465	4.45%	Yes	3.76465	1	3.938521429	3.784245153	3.92%	
27/11/2017	3.94005	3.771520536	4.28%	Yes	3.771520536	2				
28/11/2017	3.93205	3.777825893	3.92%	Yes	3.777825893	3				
29/11/2017	3.92495	3.783963393	3.59%	Yes	3.783963393	4				
30/11/2017	3.95405	3.79088125	4.13%	Yes	3.79088125	5				
1/12/2017	3.94255	3.797503571	3.68%	Yes	3.797503571	6				
2/12/2017	3.93595	3.803371429	3.37%	Yes	3.803371429	7				
3/12/2017	3.93595	3.809239286	3.22%	Yes	3.809239286	1	3.891278571	3.821960077	1.78%	
4/12/2017	3.93595	3.815107143	3.07%	Yes	3.815107143	2				
5/12/2017	3.9226	3.819095536	2.64%	Yes	3.819095536	3				
6/12/2017	3.86585	3.822336607	1.13%		3.86585	4				
7/12/2017	3.85625	3.825508929	0.80%		3.85625	5				
8/12/2017	3.86425	3.82936875	0.90%		3.86425	6				
9/12/2017	3.8581	3.833064286	0.65%		3.8581	7				
10/12/2017	3.8581	3.836759821	0.55%		3.8581	1	3.845578571	3.846734311	-0.03%	
11/12/2017	3.8581	3.840455357	0.46%		3.8581	2				
12/12/2017	3.83095	3.843804464	-0.34%		3.83095	3				
13/12/2017	3.83115	3.846898214	-0.41%		3.83115	4				
14/12/2017	3.84245	3.849832143	-0.19%		3.84245	5				
15/12/2017	3.83575	3.852911607	-0.45%		3.83575	6				
16/12/2017	3.86255	3.856478571	0.16%		3.86255	7				
17/12/2017	3.86255	3.860045536	0.06%		3.86255	1	3.84225	3.867373214	-0.65%	
18/12/2017	3.86255	3.8636125	-0.03%		3.86255	2				
19/12/2017	3.85415	3.866333036	-0.32%		3.85415	3				
20/12/2017	3.83835	3.868545536	-0.79%		3.83835	4				
21/12/2017	3.83765	3.870391964	-0.85%		3.83765	5				
22/12/2017	3.82575	3.871396429	-1.19%		3.82575	6				
23/12/2017	3.81475	3.8712875	-1.48%		3.81475	7				
24/12/2017	3.81475	3.871178571	-1.48%		3.81475	1	3.8086	3.871841837	-1.66%	
25/12/2017	3.81475	3.871069643	-1.48%		3.81475	2				
26/12/2017	3.81215	3.871761607	-1.56%		3.81215	3				
27/12/2017	3.8063	3.872252679	-1.73%		3.8063	4				
28/12/2017	3.8231	3.872460714	-1.29%		3.8231	5				
29/12/2017	3.81385	3.872517857	-1.54%		3.81385	6				
30/12/2017	3.7753	3.871651786	-2.55%	Yes	3.871651786	7				
31/12/2017	3.7753	3.870785714	-2.53%	Yes	3.870785714	1	3.767414286	3.866333418	-2.63%	
1/01/2018	3.7753	3.869919643	-2.51%	Yes	3.869919643	2				
2/01/2018	3.7753	3.8683625	-2.47%	Yes	3.8683625	3				
3/01/2018	3.76855	3.866788393	-2.61%	Yes	3.866788393	4				
4/01/2018	3.7651	3.864647321	-2.64%	Yes	3.864647321	5				
5/01/2018	3.7634	3.862976786	-2.65%	Yes	3.862976786	6				
6/01/2018	3.74895	3.860853571	-2.98%	Yes	3.860853571	7				
7/01/2018	3.74895	3.858730357	-2.93%	Yes	3.858730357	1	3.764878571	3.852789031	-2.34%	
8/01/2018	3.74895	3.856607143	-2.87%	Yes	3.856607143	2				
9/01/2018	3.74875	3.854453571	-2.82%	Yes	3.854453571	3				
10/01/2018	3.75875	3.85246875	-2.49%	Yes	3.85246875	4				
11/01/2018	3.7878	3.850695536	-1.66%		3.7878	5				
12/01/2018	3.79535	3.849329464	-1.42%		3.79535	6				
13/01/2018	3.7656	3.847238393	-2.17%		3.7656	7				
14/01/2018	3.7656	3.845147321	-2.11%		3.7656	1	3.787335714	3.838187245	-1.34%	
15/01/2018	3.7656	3.84305625	-2.06%		3.7656	2				
16/01/2018	3.7627	3.840770536	-2.07%		3.7627	3				
17/01/2018	3.81845	3.838313393	-0.52%		3.81845	4				
18/01/2018	3.81775	3.835720536	-0.47%		3.81775	5				
19/01/2018	3.80015	3.833570536	-0.88%		3.80015	6				

SEF 495 Non-confidential Attachment 2 - USD/TRY exchange rate analysis

Currency Conversion Calculations

Notes

[1] source: Turkish Central Bank - <http://www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Statistics/Exchange+Rates/Indicative+Exchange+Rates>
 [2] source: REQ - Australian sales (average rate used on Date of Sale)

Date	[1] TRY/USD (Daily)	TAF(3) Calculations				TAF(4) Calculations				
		TRY/USD 8 week moving average	Daily variance rate to 8 week moving average	Short-term fluctuation? (<=-2.25% or >=2.25%)	TAF(3) TRY/USD	Beginning of week check	TRY/USD Weekly Average	TRY/USD 8 week moving average weekly average	Weekly variance to 8 week moving average weekly average	Sustained fluctuation? (<=-5% or >=5%)
20/01/2018	3.7811	3.830732143	-1.31%		3.7811	7				
21/01/2018	3.7811	3.82789375	-1.24%		3.7811	1	3.77305	3.819580995	-1.23%	
22/01/2018	3.7811	3.825055357	-1.16%		3.7811	2				
23/01/2018	3.81325	3.822933929	-0.25%		3.81325	3				
24/01/2018	3.7908	3.820538393	-0.78%		3.7908	4				
25/01/2018	3.75915	3.817058036	-1.54%		3.75915	5				
26/01/2018	3.7455	3.813539286	-1.82%		3.7455	6				
27/01/2018	3.74045	3.810048214	-1.86%		3.74045	7				
28/01/2018	3.74045	3.806557143	-1.77%		3.74045	1	3.758035714	3.799284184	-1.10%	
29/01/2018	3.74045	3.803066071	-1.67%		3.74045	2				
30/01/2018	3.7762	3.800451786	-0.64%		3.7762	3				
31/01/2018	3.7829	3.798970536	-0.42%		3.7829	4				
1/02/2018	3.7574	3.797205357	-1.06%		3.7574	5				
2/02/2018	3.7601	3.795345536	-0.94%		3.7601	6				
3/02/2018	3.74875	3.793392857	-1.19%		3.74875	7				
4/02/2018	3.74875	3.791440179	-1.14%		3.74875	1	3.778142857	3.787678444	-0.25%	
5/02/2018	3.74875	3.7894875	-1.09%		3.74875	2				
6/02/2018	3.7666	3.788338393	-0.58%		3.7666	3				
7/02/2018	3.782	3.787460714	-0.14%		3.782	4				
8/02/2018	3.7748	3.786252679	-0.30%		3.7748	5				
9/02/2018	3.81075	3.78580625	0.65%		3.81075	6				
10/02/2018	3.81535	3.784963393	0.80%		3.81535	7				
11/02/2018	3.81535	3.784120536	0.82%		3.81535	1	3.796078571	3.781753954	0.38%	
12/02/2018	3.81535	3.783277679	0.84%		3.81535	2				
13/02/2018	3.81025	3.78249375	0.73%		3.81025	3				
14/02/2018	3.7997	3.781803571	0.47%		3.7997	4				
15/02/2018	3.8007	3.78114375	0.51%		3.8007	5				
16/02/2018	3.7755	3.780246429	-0.13%		3.7755	6				
17/02/2018	3.7557	3.779191964	-0.63%		3.7557	7				
18/02/2018	3.7557	3.7781375	-0.60%		3.7557	1	3.773828571	3.775885077	-0.05%	
19/02/2018	3.7557	3.777083036	-0.57%		3.7557	2				
20/02/2018	3.7565	3.776089286	-0.52%		3.7565	3				
21/02/2018	3.7732	3.775498214	-0.06%		3.7732	4				
22/02/2018	3.7879	3.774869643	0.34%		3.7879	5				
23/02/2018	3.8028	3.774672321	0.74%		3.8028	6				
24/02/2018	3.785	3.774845536	0.27%		3.785	7				
25/02/2018	3.785	3.77501875	0.26%		3.785	1	3.793914286	3.776082398	0.47%	
26/02/2018	3.785	3.775191964	0.26%		3.785	2				
27/02/2018	3.7788	3.775254464	0.09%		3.7788	3				
28/02/2018	3.7867	3.775578571	0.29%		3.7867	4				
1/03/2018	3.8031	3.776257143	0.71%		3.8031	5				
2/03/2018	3.8116	3.777117857	0.90%		3.8116	6				
3/03/2018	3.8072	3.778158036	0.76%		3.8072	7				
4/03/2018	3.8072	3.779198214	0.74%		3.8072	1	3.810014286	3.781771556	0.74%	
5/03/2018	3.8072	3.780238393	0.71%		3.8072	2				
6/03/2018	3.81955	3.781502679	1.00%		3.81955	3				
7/03/2018	3.8035	3.782301786	0.56%		3.8035	4				
8/03/2018	3.8005	3.782528571	0.47%		3.8005	5				
9/03/2018	3.8123	3.78283125	0.77%		3.8123	6				
10/03/2018	3.81985	3.7838	0.94%		3.81985	7				
11/03/2018	3.81985	3.78476875	0.92%		3.81985	1	3.854185714	3.787862883	1.72%	
12/03/2018	3.81985	3.7857375	0.89%		3.81985	2				
13/03/2018	3.8185	3.786733929	0.83%		3.8185	3				
14/03/2018	3.85945	3.787466071	1.87%		3.85945	4				
15/03/2018	3.8632	3.788277679	1.94%		3.8632	5				
16/03/2018	3.891	3.7899	2.60%	Yes	3.7899	6				
17/03/2018	3.90745	3.79215625	2.95%	Yes	3.79215625	7				
18/03/2018	3.90745	3.7944125	2.89%	Yes	3.7944125	1	3.928785714	3.802211735	3.22%	
19/03/2018	3.90745	3.79666875	2.84%	Yes	3.79666875	2				
20/03/2018	3.93975	3.798927679	3.57%	Yes	3.798927679	3				
21/03/2018	3.93915	3.801576786	3.49%	Yes	3.801576786	4				
22/03/2018	3.93115	3.804648214	3.22%	Yes	3.804648214	5				
23/03/2018	3.9122	3.807625	2.67%	Yes	3.807625	6				
24/03/2018	3.96435	3.811623214	3.85%	Yes	3.811623214	7				
25/03/2018	3.96435	3.815621429	3.75%	Yes	3.815621429	1	3.9762	3.827190944	3.75%	
26/03/2018	3.96435	3.819619643	3.65%	Yes	3.819619643	2				
27/03/2018	3.9778	3.823219643	3.89%	Yes	3.823219643	3				
28/03/2018	3.9793	3.826726786	3.83%	Yes	3.826726786	4				
29/03/2018	3.99665	3.830999107	4.14%	Yes	3.830999107	5				
30/03/2018	3.9985	3.83525625	4.08%	Yes	3.83525625	6				
31/03/2018	3.95245	3.83889375	2.87%	Yes	3.83889375	7				
1/04/2018	3.95245	3.84253125	2.78%	Yes	3.84253125	1	3.991978571	3.853693622	3.46%	
2/04/2018	3.95245	3.84616875	2.69%	Yes	3.84616875	2				
3/04/2018	3.96125	3.849644643	2.82%	Yes	3.849644643	3				
4/04/2018	3.9796	3.853173214	3.18%	Yes	3.853173214	4				
5/04/2018	4.0112	3.857394643	3.83%	Yes	3.857394643	5				
6/04/2018	4.03055	3.861319643	4.20%	Yes	3.861319643	6				
7/04/2018	4.05635	3.865623214	4.70%	Yes	3.865623214	7				
8/04/2018	4.05635	3.869926786	4.60%	Yes	3.869926786	1	4.087164286	3.88491875	4.95%	
9/04/2018	4.05635	3.874230357	4.49%	Yes	3.874230357	2				
10/04/2018	4.05975	3.878685714	4.46%	Yes	3.878685714	3				
11/04/2018	4.07435	3.883590179	4.68%	Yes	3.883590179	4				
12/04/2018	4.14905	3.889810714	6.25%	Yes	3.889810714	5				
13/04/2018	4.1321	3.896178571	5.71%	Yes	3.896178571	6				
14/04/2018	4.0822	3.902008929	4.41%	Yes	3.902008929	7				
15/04/2018	4.0822	3.907839286	4.27%	Yes	3.907839286	1	4.076235714	3.924761862	3.72%	

SEF 495 Non-confidential Attachment 2 - USD/TRY exchange rate analysis

Currency Conversion Calculations

Notes

[1] source: Turkish Central Bank - <http://www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Statistics/Exchange+Rates/Indicative+Exchange+Rates>
 [2] source: REQ - Australian sales (average rate used on Date of Sale)

Date	[1] TRY/USD (Daily)	TAF(3) Calculations				TAF(4) Calculations				
		TRY/USD 8 week moving average	Daily variance rate to 8 week moving average	Short-term fluctuation? (<=-2.25% or >=2.25%)	TAF(3) TRY/USD	Beginning of week check	TRY/USD Weekly Average	TRY/USD 8 week moving average weekly average	Weekly variance to 8 week moving average weekly average	Sustained fluctuation? (<=-5% or >=5%)
16/04/2018	4.0822	3.913669643	4.13%	Yes	3.913669643	2				
17/04/2018	4.0997	3.919798214	4.39%	Yes	3.919798214	3				
18/04/2018	4.1017	3.925664286	4.29%	Yes	3.925664286	4				
19/04/2018	4.1001	3.931239286	4.12%	Yes	3.931239286	5				
20/04/2018	4.0309	3.9353125	2.37%	Yes	3.9353125	6				
21/04/2018	4.03685	3.939809821	2.40%	Yes	3.939809821	7				
22/04/2018	4.03685	3.944307143	2.29%	Yes	3.944307143	1	4.058028571	3.958606888	2.45%	
23/04/2018	4.03685	3.948804464	2.18%		4.03685	2				
24/04/2018	4.03685	3.9534125	2.07%		4.03685	3				
25/04/2018	4.0885	3.958801786	3.17%	Yes	3.958801786	4				
26/04/2018	4.0795	3.9637375	2.84%	Yes	3.9637375	5				
27/04/2018	4.0705	3.968360714	2.51%	Yes	3.968360714	6				
28/04/2018	4.05715	3.972824107	2.08%		4.05715	7				
29/04/2018	4.05715	3.9772875	1.97%		4.05715	1	4.111328571	3.99196977	2.90%	
30/04/2018	4.05715	3.981750893	1.86%		4.05715	2				
1/05/2018	4.04355	3.985750893	1.43%		4.04355	3				
2/05/2018	4.04355	3.9900375	1.32%		4.04355	4				
3/05/2018	4.1245	3.995823214	3.12%	Yes	3.995823214	5				
4/05/2018	4.1946	4.00265	4.58%	Yes	4.00265	6				
5/05/2018	4.2588	4.010488393	5.83%	Yes	4.010488393	7				
6/05/2018	4.2588	4.018326786	5.65%	Yes	4.018326786	1	4.269414286	4.041137117	5.35%	Yes
7/05/2018	4.2588	4.026165179	5.46%	Yes	4.026165179	2				
8/05/2018	4.25965	4.034042857	5.30%	Yes	4.034042857	3				
9/05/2018	4.28555	4.041651786	5.69%	Yes	4.041651786	4				
10/05/2018	4.29165	4.049302679	5.65%	Yes	4.049302679	5				
11/05/2018	4.27045	4.056078571	5.02%	Yes	4.056078571	6				
12/05/2018	4.261	4.062391964	4.66%	Yes	4.062391964	7				
13/05/2018	4.261	4.068705357	4.51%	Yes	4.068705357	1	4.374271429	4.091769388	6.46%	Yes
14/05/2018	4.261	4.07501875	4.36%	Yes	4.07501875	2				
15/05/2018	4.3239	4.081878571	5.60%	Yes	4.081878571	3				
16/05/2018	4.39845	4.090080357	7.01%	Yes	4.090080357	4				
17/05/2018	4.46215	4.0995625	8.13%	Yes	4.0995625	5				
18/05/2018	4.4442	4.1090625	7.54%	Yes	4.1090625	6				
19/05/2018	4.4692	4.118077679	7.86%	Yes	4.118077679	7				
20/05/2018	4.4692	4.127092857	7.65%	Yes	4.127092857	1	4.622971429	4.160488265	10.00%	Yes
21/05/2018	4.4692	4.136108036	7.45%	Yes	4.136108036	2				
22/05/2018	4.5575	4.146459821	9.02%	Yes	4.146459821	3				
23/05/2018	4.5822	4.157225893	9.27%	Yes	4.157225893	4				
24/05/2018	4.85075	4.172477679	13.98%	Yes	4.172477679	5				
25/05/2018	4.707	4.185129464	11.09%	Yes	4.185129464	6				
26/05/2018	4.72495	4.198924107	11.13%	Yes	4.198924107	7				
27/05/2018	4.72495	4.21271875	10.84%	Yes	4.21271875	1	4.602792857	4.246372959	7.74%	Yes
28/05/2018	4.72495	4.226513393	10.55%	Yes	4.226513393	2				
29/05/2018	4.6007	4.237932143	7.89%	Yes	4.237932143	3				
30/05/2018	4.60035	4.249016964	7.64%	Yes	4.249016964	4				
31/05/2018	4.4874	4.257520536	5.12%	Yes	4.257520536	5				
1/06/2018	4.48485	4.265633036	4.89%	Yes	4.265633036	6				
2/06/2018	4.59635	4.275275893	6.99%	Yes	4.275275893	7				
3/06/2018	4.59635	4.28491875	6.78%	Yes	4.28491875	1	4.587114286	4.312756122	5.98%	Yes
4/06/2018	4.59635	4.294561607	6.57%	Yes	4.294561607	2				
5/06/2018	4.63255	4.304790179	7.08%	Yes	4.304790179	3				
6/06/2018	4.61145	4.31438125	6.44%	Yes	4.31438125	4				
7/06/2018	4.61365	4.322677679	6.31%	Yes	4.322677679	5				
8/06/2018	4.553	4.33019375	4.89%	Yes	4.33019375	6				
9/06/2018	4.50645	4.337769643	3.74%	Yes	4.337769643	7				
10/06/2018	4.50645	4.345345536	3.57%	Yes	4.345345536	1	4.577364286	4.370748342	4.51%	
11/06/2018	4.50645	4.352921429	3.41%	Yes	4.352921429	2				
12/06/2018	4.51765	4.360384821	3.48%	Yes	4.360384821	3				
13/06/2018	4.5532	4.368447321	4.06%	Yes	4.368447321	4				
14/06/2018	4.6526	4.378313393	5.90%	Yes	4.378313393	5				
15/06/2018	4.6526	4.389415179	5.66%	Yes	4.389415179	6				
16/06/2018	4.6526	4.400410714	5.42%	Yes	4.400410714	7				
17/06/2018	4.6526	4.41140625	5.18%	Yes	4.41140625	1	4.714992857	4.446701531	5.69%	Yes
18/06/2018	4.6526	4.422401786	4.95%	Yes	4.422401786	2				
19/06/2018	4.71935	4.434589286	6.03%	Yes	4.434589286	3				
20/06/2018	4.75875	4.446558036	6.56%	Yes	4.446558036	4				
21/06/2018	4.75305	4.458585714	6.20%	Yes	4.458585714	5				
22/06/2018	4.75665	4.470838393	6.01%	Yes	4.470838393	6				
23/06/2018	4.71195	4.48253125	4.87%	Yes	4.48253125	7				
24/06/2018	4.71195	4.494224107	4.62%	Yes	4.494224107	1	4.651764286	4.525230357	2.72%	
25/06/2018	4.71195	4.505916964	4.37%	Yes	4.505916964	2				
26/06/2018	4.64385	4.516636607	2.74%	Yes	4.516636607	3				
27/06/2018	4.6782	4.527969643	3.21%	Yes	4.527969643	4				
28/06/2018	4.6391	4.537158929	2.20%		4.6391	5				
29/06/2018	4.61245	4.544620536	1.47%		4.61245	6				
30/06/2018	4.56485	4.550085714	0.32%		4.56485	7				
1/07/2018	4.56485	4.55550893	0.20%		4.56485	1	4.624407143	4.574683546	1.08%	
2/07/2018	4.56485	4.561016071	0.08%		4.56485	2				
3/07/2018	4.62665	4.567569643	1.28%		4.62665	3				
4/07/2018	4.6602	4.574259821	1.84%		4.6602	4				
5/07/2018	4.7029	4.581603571	2.58%	Yes	4.581603571	5				
6/07/2018	4.64685	4.588325	1.26%		4.64685	6				
7/07/2018	4.60455	4.594459821	0.22%		4.60455	7				
8/07/2018	4.60455	4.600594643	0.09%		4.60455	1	4.696307143	4.616825638	1.69%	
9/07/2018	4.60455	4.606729464	-0.05%		4.60455	2				
10/07/2018	4.53445	4.610489286	-1.68%		4.53445	3				

SEF 495 Non-confidential Attachment 2 - USD/TRY exchange rate analysis

Currency Conversion Calculations

Notes

[1] source: Turkish Central Bank - <http://www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Statistics/Exchange+Rates/Indicative+Exchange+Rates>
 [2] source: REQ - Australian sales (average rate used on Date of Sale)

Date	[1] TRY/USD (Daily)	TAF(3) Calculations				TAF(4) Calculations				
		TRY/USD 8 week moving average	Daily variance rate to 8 week moving average	Short-term fluctuation? (<=-2.25% or >=2.25%)	TAF(3) TRY/USD	Beginning of week check	TRY/USD Weekly Average	TRY/USD 8 week moving average weekly average	Weekly variance to 8 week moving average weekly average	Sustained fluctuation? (<=-5% or >=5%)
11/07/2018	4.7092	4.616038393	1.98%		4.7092	4				
12/07/2018	4.7531	4.621233929	2.77%	Yes	4.621233929	5				
13/07/2018	4.82195	4.627979464	4.02%	Yes	4.627979464	6				
14/07/2018	4.84635	4.634714286	4.37%	Yes	4.634714286	7				
15/07/2018	4.84635	4.641449107	4.23%	Yes	4.641449107	1	4.828621429	4.653855612	3.62%	
16/07/2018	4.84635	4.648183929	4.09%	Yes	4.648183929	2				
17/07/2018	4.84005	4.653229464	3.86%	Yes	4.653229464	3				
18/07/2018	4.84085	4.657848214	3.78%	Yes	4.657848214	4				
19/07/2018	4.7951	4.656854464	2.88%	Yes	4.656854464	5				
20/07/2018	4.82735	4.659003571	3.49%	Yes	4.659003571	6				
21/07/2018	4.8043	4.660420536	2.99%	Yes	4.660420536	7				
22/07/2018	4.8043	4.6618375	2.97%	Yes	4.6618375	1	4.812957143	4.67214949	2.93%	
23/07/2018	4.8043	4.663254464	2.94%	Yes	4.663254464	2				
24/07/2018	4.7581	4.666065179	1.93%		4.7581	3				
25/07/2018	4.7818	4.669305357	2.35%	Yes	4.669305357	4				
26/07/2018	4.8584	4.675930357	3.76%	Yes	4.675930357	5				
27/07/2018	4.82265	4.6819625	2.92%	Yes	4.6819625	6				
28/07/2018	4.86115	4.686691071	3.59%	Yes	4.686691071	7				
29/07/2018	4.86115	4.691419643	3.49%	Yes	4.691419643	1	4.940014286	4.70816352	4.69%	
30/07/2018	4.86115	4.696148214	3.39%	Yes	4.696148214	2				
31/07/2018	4.8894	4.700734821	3.86%	Yes	4.700734821	3				
1/08/2018	4.9043	4.705964286	4.04%	Yes	4.705964286	4				
2/08/2018	4.92675	4.711555357	4.37%	Yes	4.711555357	5				
3/08/2018	5.05495	4.72051875	6.62%	Yes	4.72051875	6				
4/08/2018	5.0824	4.730803571	6.92%	Yes	4.730803571	7				
5/08/2018	5.0824	4.741088393	6.72%	Yes	4.741088393	1	5.31685	4.777253189	10.15%	Yes
6/08/2018	5.0824	4.751373214	6.51%	Yes	4.751373214	2				
7/08/2018	5.15105	4.762683929	7.54%	Yes	4.762683929	3				
8/08/2018	5.26815	4.775450893	9.35%	Yes	4.775450893	4				
9/08/2018	5.28605	4.7867625	9.45%	Yes	4.7867625	5				
10/08/2018	5.40365	4.800174107	11.17%	Yes	4.800174107	6				
11/08/2018	5.94425	4.823239286	18.86%	Yes	4.823239286	7				
12/08/2018	5.94425	4.846304464	18.47%	Yes	4.846304464	1	6.181671429	4.931265434	20.23%	Yes
13/08/2018	5.94425	4.869369643	18.08%	Yes	4.869369643	2				
14/08/2018	6.886	4.908059821	28.72%	Yes	4.908059821	3				
15/08/2018	6.5524	4.940089286	24.61%	Yes	4.940089286	4				
16/08/2018	6.14155	4.964883929	19.16%	Yes	4.964883929	5				
17/08/2018	5.80345	4.983576786	14.13%	Yes	4.983576786	6				
18/08/2018	5.9998	5.006574107	16.55%	Yes	5.006574107	7				
19/08/2018	5.9998	5.029571429	16.17%	Yes	5.029571429	1	5.9998	5.101216837	14.98%	Yes
20/08/2018	5.9998	5.05256875	15.79%	Yes	5.05256875	2				
21/08/2018	5.9998	5.076782143	15.38%	Yes	5.076782143	3				
22/08/2018	5.9998	5.100382143	14.99%	Yes	5.100382143	4				
23/08/2018	5.9998	5.124680357	14.59%	Yes	5.124680357	5				
24/08/2018	5.9998	5.149454464	14.17%	Yes	5.149454464	6				
25/08/2018	5.9998	5.175078571	13.75%	Yes	5.175078571	7				
26/08/2018	5.9998	5.200702679	13.32%	Yes	5.200702679	1	6.257035714	5.285701913	15.52%	Yes
27/08/2018	5.9998	5.226326786	12.89%	Yes	5.226326786	2				
28/08/2018	6.19565	5.254344643	15.19%	Yes	5.254344643	3				
29/08/2018	6.2242	5.282273214	15.13%	Yes	5.282273214	4				
30/08/2018	6.41205	5.31279375	17.14%	Yes	5.31279375	5				
31/08/2018	6.41205	5.344315179	16.65%	Yes	5.344315179	6				
1/09/2018	6.5557	5.379157143	17.95%	Yes	5.379157143	7				
2/09/2018	6.5557	5.413999107	17.42%	Yes	5.413999107	1	6.597128571	5.518724235	16.35%	Yes
3/09/2018	6.5557	5.448841071	16.88%	Yes	5.448841071	2				
4/09/2018	6.6273	5.486213393	17.22%	Yes	5.486213393	3				
5/09/2018	6.68575	5.521508929	17.41%	Yes	5.521508929	4				
6/09/2018	6.6884	5.556067857	16.93%	Yes	5.556067857	5				
7/09/2018	6.5922	5.587679464	15.24%	Yes	5.587679464	6				
8/09/2018	6.47485	5.616759821	13.25%	Yes	5.616759821	7				
9/09/2018	6.47485	5.645840179	12.80%	Yes	5.645840179	1	6.38605	5.731283418	10.25%	Yes
10/09/2018	6.47485	5.674920536	12.35%	Yes	5.674920536	2				
11/09/2018	6.4591	5.703832143	11.69%	Yes	5.703832143	3				
12/09/2018	6.4596	5.732738393	11.25%	Yes	5.732738393	4				
13/09/2018	6.40025	5.761401786	9.98%	Yes	5.761401786	5				
14/09/2018	6.36235	5.7888125	9.01%	Yes	5.7888125	6				
15/09/2018	6.07135	5.811438393	4.28%	Yes	5.811438393	7				
16/09/2018	6.07135	5.834064286	3.91%	Yes	5.834064286	1	6.234814286	5.911066964	5.19%	Yes
17/09/2018	6.07135	5.856690179	3.54%	Yes	5.856690179	2				
18/09/2018	6.2664	5.883624107	6.11%	Yes	5.883624107	3				
19/09/2018	6.36925	5.911971429	7.18%	Yes	5.911971429	4				
20/09/2018	6.31515	5.937984821	5.97%	Yes	5.937984821	5				
21/09/2018	6.27745	5.963963393	4.99%	Yes	5.963963393	6				
22/09/2018	6.27275	5.989170536	4.52%	Yes	5.989170536	7				
23/09/2018	6.27275	6.014377679	4.12%	Yes	6.014377679	1	6.159335714	6.082409821	1.25%	
24/09/2018	6.27275	6.039584821	3.72%	Yes	6.039584821	2				
25/09/2018	6.2343	6.063600893	2.74%	Yes	6.063600893	3				
26/09/2018	6.1295	6.085479464	0.72%		6.1295	4				
27/09/2018	6.12975	6.106961607	0.37%		6.12975	5				
28/09/2018	6.0807	6.125278571	-0.73%		6.0807	6				
29/09/2018	5.9956	6.141585714	-2.43%	Yes	6.141585714	7				
30/09/2018	5.9956	6.157892857	-2.71%	Yes	6.157892857	1	5.9956	6.157892857	-2.71%	

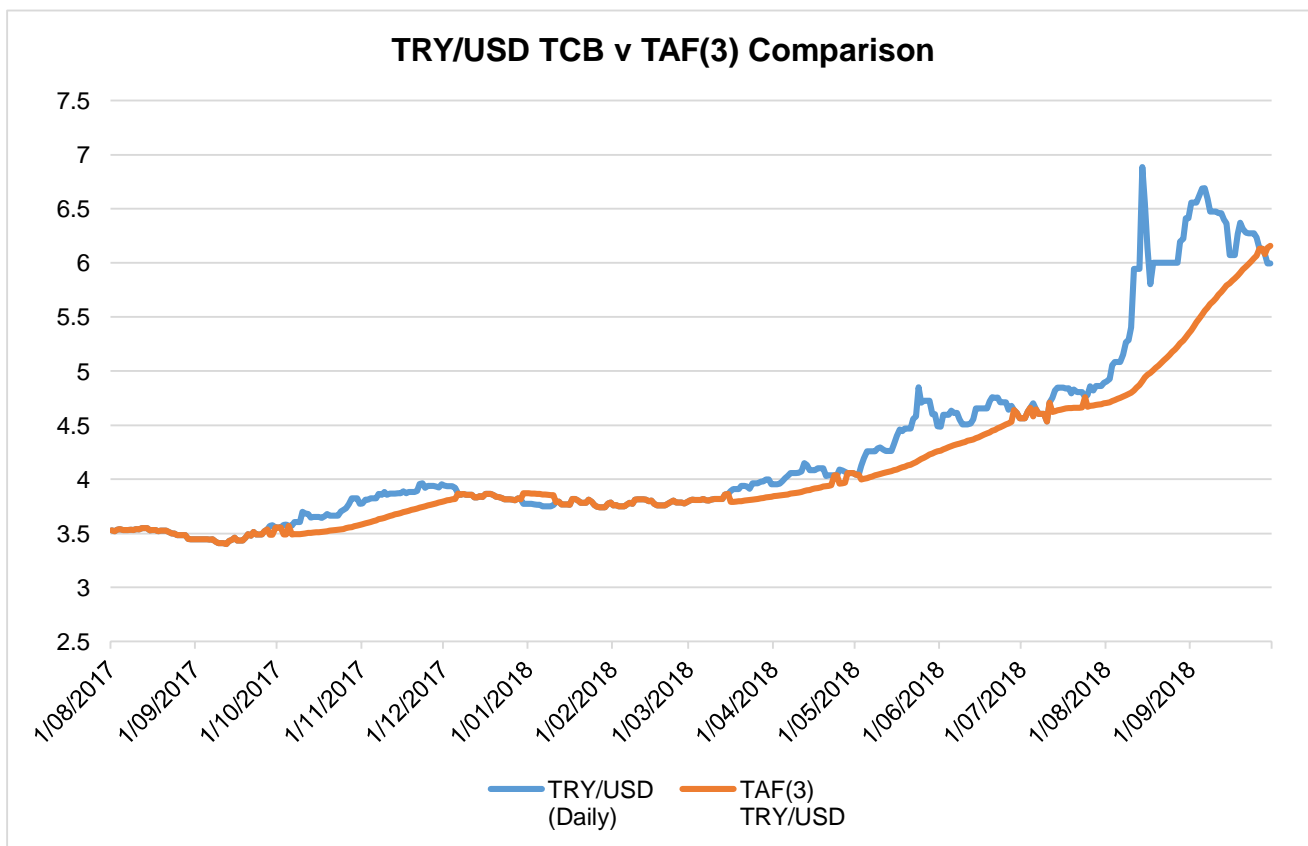
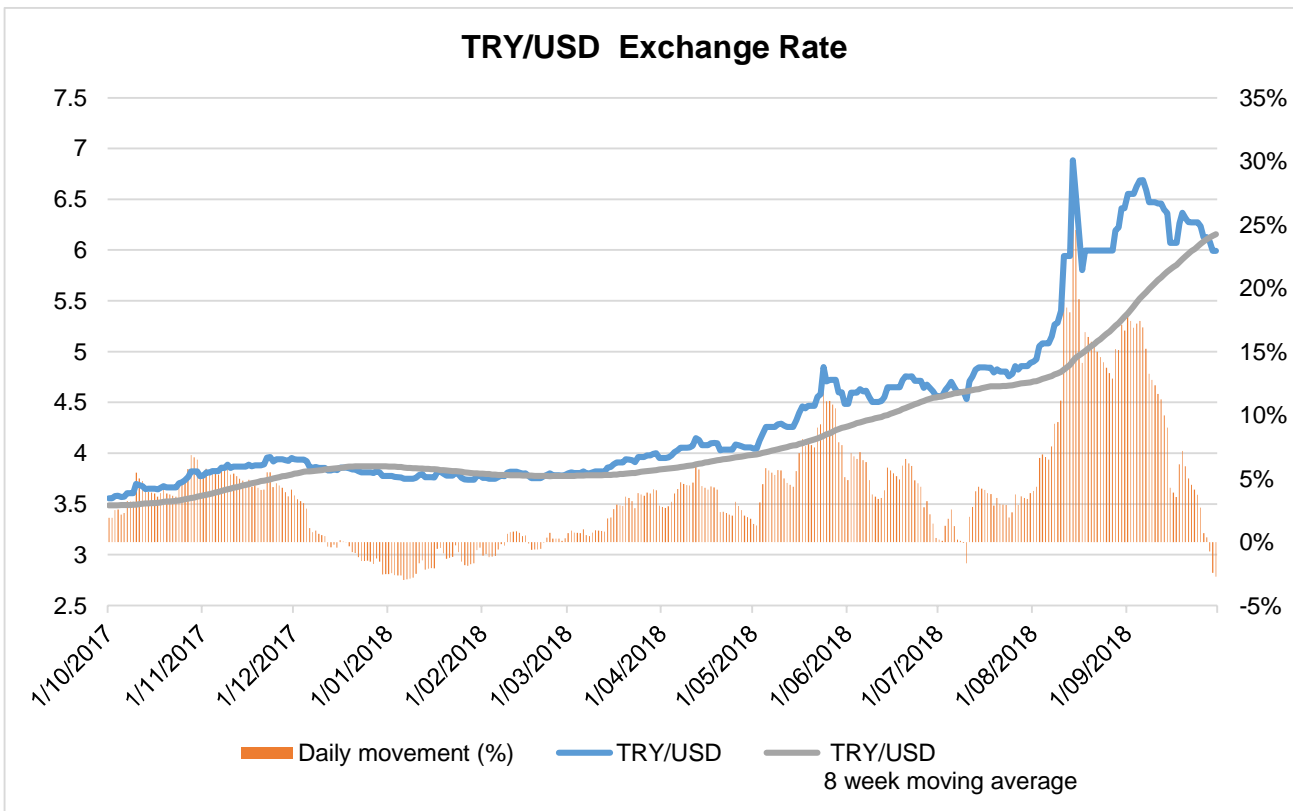
PUBLIC RECORD

Row Labels	Average of TRY/USD	Average of TAF(3)
2017		
Aug	3.514733871	3.514733871
Sep	3.465055	3.459319405
Oct	3.667162903	3.524732085
Nov	3.881491667	3.690183988
Dec	3.850572581	3.836480789
2018		
Jan	3.771401613	3.804105098
Feb	3.779932143	3.779932143
Mar	3.884070968	3.814862097
Apr	4.053605	3.92413256
May	4.408708065	4.107533122
Jun	4.626661667	4.41044994
Jul	4.753153226	4.646729176
Aug	5.796780645	4.97283053
Sep	6.339753333	5.808789048

Currency Calculations

Monthly average exchange rate (used for plotting chart)

Date	TCB	TAF(3)
Oct-17	3.6672	3.5247
Nov-17	3.8815	3.6902
Dec-17	3.8506	3.8365
Jan-18	3.7714	3.8041
Feb-18	3.7799	3.7799
Mar-18	3.8841	3.8149
Apr-18	4.0536	3.9241
May-18	4.4087	4.1075
Jun-18	4.6267	4.4104
Jul-18	4.7532	4.6467
Aug-18	5.7968	4.9728
Sep-18	6.3398	5.8088



Anti-Dumping Commission
Investigation No.495
Steel Reinforcing Bar

SEF 495 Non-confidential Attachment 3
Program 1 – BOTAS Natural Gas prices

SEF 495 Non-confidential Attachment 3 - Program 1 - BOTAS

Jan-18

Natural Gas Wholesale Prices for Free Consumers Who Buy Natural Gas from BOTAS				
	Use Outside of Electricity Generation		Use for Electricity Generation	
	TL / Sm ³	TL / kWh	TL / Sm ³	TL / kWh
Level 1	0.763615	0.0717683	0.8	0.075188
Step 2	0.8	0.075188	0.8	0.075188
OSB	0.796	0.074812	0.8	0.075188

<https://www.botas.gov.tr/index/tur/faaliyetler/dogalgaz/tarifeDetay.asp?yil=2018&ay=1>

Feb-18

Natural Gas Wholesale Prices for Free Consumers Who Buy Natural Gas from BOTAS				
	Use Outside of Electricity Generation		Use for Electricity Generation	
	TL / Sm ³	TL / kWh	TL / Sm ³	TL / kWh
Level 1	0.763615	0.0717683	0.8	0.075188
Step 2	0.8	0.075188	0.8	0.075188
OSB	0.796	0.074812	0.8	0.075188

<https://www.botas.gov.tr/index/tur/faaliyetler/dogalgaz/tarifeDetay.asp?yil=2018&ay=2>

Mar-18

Natural Gas Wholesale Prices for Free Consumers Who Buy Natural Gas from BOTAS				
	Use Outside of Electricity Generation		Use for Electricity Generation	
	TL / Sm ³	TL / kWh	TL / Sm ³	TL / kWh
Level 1	0.890014	0.0836479	1.55	0.1456767
Step 2	1.351527	0.1270232	1.55	0.1456767
OSB	1.34477	0.1263882	1.55	0.1456767

<https://www.botas.gov.tr/index/tur/faaliyetler/dogalgaz/tarifeDetay.asp?yil=2019&ay=3>

Apr-18

Natural Gas Wholesale Prices for Free Consumers Who Buy Natural Gas from BOTAS				
	Use Outside of Electricity Generation		Use for Electricity Generation	
	TL / Sm ³	TL / kWh	TL / Sm ³	TL / kWh
Level 1	0.763615	0.0717683	0.8776	0.0824812
Step 2	0.8776	0.0824812	0.8776	0.0824812
OSB	0.873212	0.0820688	0.8776	0.0824812

<https://www.botas.gov.tr/index/tur/faaliyetler/dogalgaz/tarifeDetay.asp?yil=2018&ay=4>

May-18

Natural Gas Wholesale Prices for Free Consumers Who Buy Natural Gas from BOTAS				
	Use Outside of Electricity Generation		Use for Electricity Generation	
	TL / Sm ³	TL / kWh	TL / Sm ³	TL / kWh

PUBLIC RECORD

Level 1	0.763615	0.0717683	0.8776	0.0824812
Step 2	0.8776	0.0824812	0.8776	0.0824812
OSB	0.873212	0.0820688	0.8776	0.0824812

<https://www.botas.gov.tr/index/tur/faaliyetler/dogalgaz/tarifeDetay.asp?yil=2018&ay=5>

Jun-18

Natural Gas Wholesale Prices for Free Consumers Who Buy Natural Gas from BOTAŞ				
	Use Outside of Electricity Generation		Use for Electricity Generation	
	TL / Sm ³	TL / kWh	TL / Sm ³	TL / kWh
Level 1	0.763615	0.0717683	0.8776	0.0824812
Step 2	0.8776	0.0824812	0.8776	0.0824812
OSB	0.873212	0.0820688	0.8776	0.0824812

<https://www.botas.gov.tr/index/tur/faaliyetler/dogalgaz/tarifeDetay.asp?yil=2018&ay=6>

Jul-18

Natural Gas Wholesale Prices for Free Consumers Who Buy Natural Gas from BOTAŞ				
	Use Outside of Electricity Generation		Use for Electricity Generation	
	TL / Sm ³	TL / kWh	TL / Sm ³	TL / kWh
Level 1	0.763615	0.0717683	0.8776	0.0824812
Step 2	0.8776	0.0824812	0.8776	0.0824812
OSB	0.873212	0.0820688	0.8776	0.0824812

<https://www.botas.gov.tr/index/tur/faaliyetler/dogalgaz/tarifeDetay.asp?yil=2018&ay=7>

Aug-18

Natural Gas Wholesale Prices for Free Consumers Who Buy Natural Gas from BOTAŞ				
	Use Outside of Electricity Generation		Use for Electricity Generation	
	TL / Sm ³	TL / kWh	TL / Sm ³	TL / kWh
Level 1	0.83234	0.0782274	1.3122	0.1233271
Step 2	1.000464	0.0940286	1.3122	0.1233271
OSB	0.995462	0.0935585	1.3122	0.1233271

<https://www.botas.gov.tr/index/tur/faaliyetler/dogalgaz/tarifeDetay.asp?yil=2018&ay=8>

Sep-18

Natural Gas Wholesale Prices for Free Consumers Who Buy Natural Gas from BOTAŞ				
	Use Outside of Electricity Generation		Use for Electricity Generation	
	TL / Sm ³	TL / kWh	TL / Sm ³	TL / kWh
Level 1	0.907251	0.085268	1.7	0.1597744
Step 2	1.140529	0.1071926	1.7	0.1597744
OSB	1.134827	0.1066567	1.7	0.1597744

<https://www.botas.gov.tr/index/tur/faaliyetler/dogalgaz/tarifeDetay.asp?yil=2018&ay=9>

Stage 1: The Annual Consumption of each Measurement System is 300,000 S³ and below.

Step 2: The Annual Checks for each Measurement System means the Free Consumers with 3

OIZ: Organized Industrial Zone / User Union

Anti-Dumping Commission
Investigation No.495
Steel Reinforcing Bar

SEF 495 Non-confidential Attachment 4

Program 19 – Government of Turkey R&D expenditure

PUBLIC RECORD

SEF 495 Non-confidential Attachment 4

Program 19 - Government of Turkey expenditure on R&D by socio-economic objectives

Investment sector	Percentage	Total
Exploration and exploitation of the earth	25.9%	740 584 121
Environment	2.6%	74 265 941
Exploration and exploitation of space	1.4%	41 149 661
Transport, telecommunication and other infrastructures	11.8%	337 120 920
Energy	2.7%	78 098 527
Industrial production and technology	7.6%	216 103 339
Health	1.6%	45 603 869
Agriculture	16.0%	458 191 796
Education	2.2%	61 674 726
Culture, recreation, religion and mass media	0.1%	2 118 526
Political and social systems, structures and processes	0.7%	20 531 594
General advancement of knowledge: R&D financed from general university funds (GUF)	0.1%	1 578 392
General advancement of knowledge: R&D financed from other sources than GUF	7.5%	214 248 362
Defence	19.8%	567 165 277
Total	100%	2 858 435 052

TurkStat, Research and Development Activities Survey, 2017

PUBLIC RECORD

Sosyo-ekonomik amaç ve harcama grubuna göre genel devlet Ar-Ge harcaması, 2017
 General government expenditure on R&D by socio-economic objectives and type of costs, 2017

(TL)

Sosyo-ekonomik amaç Socio-economic objective	Harcama grubu - Type of costs								
	Cari harcama Current costs				Yatırım harcaması Capital costs				
	Toplam Total	Sub-total current cost	Personel Labour costs	Diğer cari Other current costs	Toplam Sub-total capital cost	Makine teçhizat Machinery and equipments	Sabit tesis Land and buildings	Bilgisayar yazılımları Capitalised computer software	Fikri mülkiyet Other intellectual property products
Toplam									
Total	2 858 435 052	2 292 429 834	1 218 108 005	1 074 321 829	566 005 218	414 775 850	135 777 054	13 740 690	1 711 624
Yeryüzünün keşfi ve kullanımı									
Exploration and exploitation of the earth	740 584 121	621 788 883	224 751 122	397 037 762	118 795 238	108 873 797	6 802 425	3 104 411	14 605
Çevre									
Environment	74 265 941	62 024 555	43 552 062	18 472 493	12 241 386	9 631 698	2 035 979	541 345	32 364
Uzayın keşfi ve kullanımı									
Exploration and exploitation of space	41 149 661	20 412 803	17 126 538	3 286 265	20 736 858	20 345 655	136 296	254 907	0
Ulaşım, telekomünikasyon ve diğer altyapılar									
Transport, telecommunication and other infrastructures	337 120 920	300 736 623	57 221 893	243 514 730	36 384 297	33 724 979	1 724 329	861 344	73 646
Enerji									
Energy	78 098 527	65 868 485	40 222 126	25 646 359	12 230 042	10 578 310	1 410 817	239 200	1 715
Endüstriyel üretim ve teknoloji									
Industrial production and technology	216 103 339	167 961 324	116 238 363	51 722 961	48 142 015	42 616 163	3 119 294	2 033 833	372 725
Sağlık									
Health	45 603 869	40 362 732	24 874 292	15 488 439	5 241 137	4 192 784	695 774	301 916	50 662
Tarım									
Agriculture	458 191 796	347 426 807	260 449 536	86 977 270	110 764 989	28 997 141	81 341 736	399 401	26 712
Eğitim									
Education	61 674 726	44 616 653	11 297 694	33 318 959	17 058 073	15 400 193	1 289 323	355 222	13 335
Kültür, eğlence, din ve kitle iletişim									
Culture, recreation, religion and mass media	2 118 526	1 793 715	992 760	800 956	324 811	175 025	123 498	25 335	953
Siyasi ve sosyal sistemler, yapılar ve süreçler									
Political and social systems, structures and processes	20 531 594	16 094 081	11 184 564	4 909 517	4 437 513	3 019 966	951 679	409 809	56 060
Genel bilgi gelişimi: genel üniversite fonlarından finanse edilen Ar-Ge									
General advancement of knowledge: R&D financed from general university funds (GUF)	1 578 392	1 428 993	1 187 705	241 288	149 399	52 207	91 668	5 333	191
Genel bilgi gelişimi: Diğer kaynaklardan finanse edilen Ar-Ge									
General advancement of knowledge: R&D financed from other sources than GUF	214 248 362	180 359 468	103 130 243	77 229 225	33 888 894	29 224 990	3 547 521	986 681	129 702
Savunma									
Defence	567 165 277	421 554 712	305 879 107	115 675 605	145 610 565	107 942 943	32 506 714	4 221 952	938 956

TÜİK, Araştırma Geliştirme Faaliyetleri Araştırması, 2017

TurkStat, Research and Development Activities Survey, 2017

Tablodaki rakamlar, yuvarlamadan dolayı toplamı vermeyebilir.

Total numbers may not be obtained due to rounding.

Kar amacı olmayan kuruluşlar da dahildir.

It includes private non-profit sector as well.

0 Gerçek sıfır

0 Real zero