



**Arab Republic of Egypt  
Ministry of Trade and Industry  
Anti-Dumping, Subsidy & Safeguard Department**

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## **Anti-Subsidy & Countervailing Duty Investigation**

**On Imports of Steel Rebar (bars, rods and coils)  
Originating in or Exported from China, Turkey**

**(January 2017)**

**Foreign Producer / Exporter  
Questionnaire**

## Introduction

The Anti-Dumping, Subsidy and Safeguard Department of the Egyptian Ministry of Trade and Industry is responsible for administering the Egyptian Law No. 161 of 1998 concerning the Protection of the National Economy from the Injurious Effects of Unfair Practices in International Trade.

The Investigating Authority “hereinafter referred to as **IA**” is conducting a countervailing duty investigation upon claims by (The Chamber of Metallurgical Industries) that subsidized imports of **Steel Rebar for construction (bars, rods and coils)** originating in or exported from **China, Turkey** are causing or threatening to cause material injury to the Egyptian industry.

### General Instructions Concerning This Questionnaire

1. This questionnaire is divided into five sections:
  - **Section A:** Background Information.
  - **Section B:** General Information.
  - **Section C:** Sales of the Product Concerned.
  - **Section D:** Cost of Production.
  - **Section E:** Subsidies.
2. This questionnaire aims at obtaining full details on the various subsidy programmes identified by the applicant, and other programmes, which might result in subsidization of products.
3. If the answer to an item is (no), (not applicable) or (not available), please do not leave the answer blank, but write down one of these answers. If the answer is “not applicable”, please indicate why you believe the question is not applicable.
4. Please answer questions in the order presented in the questionnaire.
5. All cost and pricing information should be provided for the period of investigation for subsidy (POI) from 1/7/2015 to 30/6/2016. If your company’s financial year differs from the POI, please give a detailed explanation of how the information was compiled for the POI.
6. Please put your answers in the right place in the questionnaire. In order to do this, rewrite the question to which you are responding in your narrative submission and put your answer directly below it. If for any reason because of the nature of the response required it is impractical to be able to do this, please attach the answer on a

separate paper with the number of the question concerned and the extent of confidentiality required clearly indicated.

- 7.** The answers must be supported by sufficient relevant evidence. The IA has the right to ask for more evidence at any time during the investigation, including during any on-spot verification visit. It is very important that the persons who are responsible for replying to this questionnaire are able to provide the sources of the documents they used if needed.
- 8.** The questionnaire requests information on subsidies alleged to be provided to producers and/or exporters of the subject goods in Turkey. The IA will also investigate any other subsidy programmes that may confer a benefit(s) to producers and/or exporters of the product concerned.
- 9.** Each related company involved in the production or sales of the product concerned should provide a separate reply to this questionnaire.
- 10.** If you intend to have another party acting on your behalf e.g. a law firm, please ensure that the IA receives the power of attorney or authorization letter.
- 11.** For more information, please contact the IA at the address referred to in this questionnaire.

## **Section A**

### **Background Information**

#### **1. Definition of Subsidy**

- According to Article 57 on Subsidies and Countervailing Measures (“SCM”) of Egyptian Regulation of law No. 161/1998 concerning national economy protection from injurious effects of unfair practices in international trade which provides that:

*" Subsidy is any financial contribution provided directly or indirectly, by the government of the country of origin or any public body within its territory and a benefit is thereby conferred to the recipient of subsidy either producer(s) or exporter(s)."*

#### **2. Product Concerned:**

- The product concerned is:

*Bars and rods of iron alloy or non-alloy steel rebar, hot rolled in wound coil or bars or rods (Steel Rebar for construction)*

The product concerned is classified under H.S. code tariff Items: **72 13, 72 14, 72 27, 72 28.**

#### **3. Period of Investigation:**

- The POI is from 1/7/2015 to 30/6/2016 for the analysis of subsidy.

#### **4. Documentation Provided:**

- It is necessary to reply as accurately and completely as possible to all questions and to attach all relevant supporting documents, including documents not specifically requested in this questionnaire but related to the subsidy.
- In each of your responses list your source (s) of information and also provide copies of any source materials. This includes; but is not limited to, any laws, decrees, regulations and statements of policy or other administrative guidelines.
- Three copies of a confidential version (one original and two copies), and one copy of a non-confidential version (original copy), should be provided.

#### **5. Confidential Information:**

- The IA is required to ensure that all interested parties are given reasonable opportunity to have access to all non-confidential information relevant to the presentation of their case during the investigation.
- Any information, which is by nature confidential will upon good cause being shown, be treated as confidential by the IA.

- Parties requesting that information be treated as confidential must:
  - (a) Clearly identify the information, for which confidential treatment is requested,
  - (b) Provide justification for the request for confidential treatment,
  - (c) Provide a non-confidential version or non-confidential summary of the information for which confidential treatment is requested, or, if it is claimed that the information is not susceptible to such a summary, a statement of the reasons why such a summary is not possible. A non-confidential version should reproduce the original but have information considered to be confidential either omitted or summarized. If information is omitted, the party submitting the information must ensure that the non-confidential version will still provide other interested parties with a reasonable understanding of the information submitted in confidence.

**Please Note:**

- As provided for in Article (12.4.2) of the World Trade Organization (WTO) Agreement on Subsidies and Countervailing Measures, the IA may disregard any information for which the party submitting it fails to provide a satisfactory non-confidential version or summary or satisfactory reasons why such summary cannot be provided.
- Information for which confidential treatment is not requested will be treated by the IA as non-confidential.
- You should indicate clearly on each page in your submission what information you consider to be confidential and forward an accompanying non-confidential version of your reply.
- If any further submissions are made, non-confidential versions will also be required.

**6. Language**

- Your response to this questionnaire must be in the English language. An English translation of any supporting documentation or other evidence that is in a foreign language other than English is also required.

**7. Time Frame**

- Your response to this questionnaire, along with any supporting documentation, must be received by the IA at the address given below, **within 37 days from the date of receiving this questionnaire, or earlier if possible.**

- If all information requested is not received by the IA within the time limit specified above, preliminary or final determinations may be made on the basis of facts available.
- The IA shall determine the amount of subsidy according to reliable available data in case of receiving insufficient data to verify the amount of the subsidy.
- If the IA finds that any interested party has supplied false or misleading information, it shall disregard any such information and may rely upon facts available.
- You may request an extension of the **37**-day period. Due consideration given to this request and upon reasonable justification, the IA may grant such an extension whenever practicable.

#### **8. Verification**

- IA officials may need to visit your company to verify information supplied. Such a visit is normally undertaken once a completed questionnaire has been received and analysed. You will be contacted at a later date if such a visit is deemed to be necessary.

#### **9. CURRENCY**

- Please show all amounts in the currency originally denominated. Where any currency conversions are made could you please indicate the exchange rate used and its source. If any adjustments for inflation are made please provide the originating figures and adjusted figures together with an explanation of the method of adjustment used.

#### **10. Information Submission Format**

- Please submit your response in an electronic format as well as a hard copy. The information below is intended to assist you in providing such submissions. Information or provision which should be susceptible to electronic submission includes, inter alia;
  - Questionnaire responses in an electronic form.
  - Supporting information in the form of databases or spreadsheets.
  - Explanatory graphics or charts.

#### **- Submission Formats**

The following applications / formats are supported by the IA; the submission may be provided in any of the formats listed.

Document Type	Formats Supported	Latest Version Supported
Word Processing	Microsoft Word	2007 or higher
Spreadsheet	Microsoft Excel	2007 or higher

- **Backup Submission**

In making a submission by electronic means or providing supporting data in electronic format, please also provide a hard copy of the submission or information and a disk copy (CD-ROM or ZIP disk). If it is necessary to compress the document(s), please do so either into a self-extracting file or advice the format used.

**Please Ensure Your Response**

- Is signed and stamped,
- Shows your name and title,
- Is dated,
- **And is forwarded by mail/courier or hand-delivered to the following address:**

Ministry of Trade and Industry.

Anti-dumping, Subsidy and Safeguard Department.

Nasr City, Ramses Extension St.,

Al Malya Towers, Tower 6, Floor 9, Cairo, EGYPT.

Attention: Undersecretary/Head of Anti-dumping, Subsidy and Safeguard Department:

**Mr. Ibrahim El Seginy.**

**Phone No.:** + 202 234 20 784

**Fax No.:** + 202 234 20 784

**Email:** [ITPD@tas.gov.eg](mailto:ITPD@tas.gov.eg)

**Important**

- Please ensure that your response to this questionnaire is delivered to the IA by the due date specified.
- All responses should be in the English language.
- The original confidential version plus two copies and the original non-confidential version should be forwarded by courier to the above address.
- If you are only a trader/exporter and not a producer, it is necessary to ensure that the producer that supplies you completes the questionnaire in order to ensure that the IA has the full information requested in this questionnaire.



## **Section B**

### **General Information**

The information requested in this section is designed to provide an overview of your corporate organization, and the goods produced.

Please provide the following information:

#### **Company Details**

- (B-1) Your company's complete name, mailing address, telephone and fax numbers and website address.
- (B-2) If your factory(s) location is different to the street address please give details.
- (B-3) Identify the name, position, title and email address of the officer in your company responsible for your response to the questionnaire.
- (B-4) Precisely describe the nature of your company's business and explain whether you are a producer, trading /sales organization, distributor, exporter etc.

#### **Legal Representative**

- (B-5) In case you appointed a legal representative to assist your company in this proceeding provide the following details:
  - Name of legal representative:
  - Address:
  - Telephone:
  - Fax:
  - E-mail:

#### **Corporate Information**

- (B-6) Please indicate the legal form of your company.
- (B-7) Supply a diagram outlining the internal hierarchical and organizational structure of your company. The diagram should show all units involved in the production, sales and distribution of the product concerned in both the domestic and export markets.
- (B-8) Identify all enterprises in all countries with which your enterprise is affiliated including parent companies, subsidiaries or other related companies. For this purpose, please supply a chart. Provide the full name and mailing address of each such enterprise. Please describe the relationship between your company and its affiliated companies and state whether any of these enterprises are involved with the product concerned.

(B-9) List the names of the principal shareholders in the format shown in **Table B-9 below** (who own more than 1% of the shares) of your company as known and indicate the percentage of share holding and the activities of these shareholders. Also, attach a copy of your register of shareholding.

**Table B-9: List of Shareholders**

Name of Shareholder	Activity of Shareholder	Percentage of Share holding

(B-10) Provide details of any ownership change or any other changes that have affected your costing, selling, pricing and distribution practices during the POI.

(B-11) If your company has any foreign and /or Government or regional/local Government ownership, please provide details of the extent of such ownership.

**Financial Details**

(B-12) Provide copies of your company’s **audited financial statements**, income statement, balance sheet, and statement of cash flow, explanatory notes, auditors’ report and report of the board of directors for the last three financial years and for the current year to date, showing details of raw material, labour, energy, overhead, selling, general and administrative costs, any other costs, and net profits (or losses).

(B-12.1) Provide copies of your detailed monthly management accounts on a divisionalised basis for the last three financial years as well as the year to date.

(B-13) Please identify your company's accounting year.

(B-14) Please provide your chart of accounts.

(B-15) Describe in detail your financial accounting system and state whether your accounting practices are in accordance with the Generally Accepted Accounting Principles ("GAAP") of your country. Please advise, for each of the program under investigation, where the benefit under that program can be found in your books of accounts.

(B-16) In the event that any of the accounting methods used by your enterprise has changed over the last three financial years, please explain in detail.

(B-17) Provide a list of exchange rates for your domestic currency against the U.S. dollar (or other currency of exportation to Egypt) from 1/7/2015 to 30/6/2016 and identify the source of the information.

(B-18) Provide a list of inflation rates on a monthly and annual basis for the last complete calendar year and available months of the current calendar year and identify the sources of the information.

(B-18.1) Provide a list of the long-term commercial interest rates in your country on a monthly basis for the 36-month period from 1/7/2015 to 30/6/2016 and identify the source of the information.

**Operating Information**

(B-19) Provide information for the following Operating statistics, All figures should be provided in one currency and one measurement unit for comparison purposes. Please use the currency in which your accounts are kept and write the currency in each table.

**1. Turnover**

State your company's net turnover (after all discounts), free of taxes in the format shown in **Table (B-19-1)** below for the 12 months of the POI.

**Table (B-19-1): Turnover**

	<b>(IP period)</b>				<b>Total Value</b>	<b>Total Volume</b>
	Unrelated customers		Related customers			
	Value	Volume	Value	Volume		
<b>Total company turnover (all products)</b>						
Domestic market						
Egypt						
Other countries*						
<b>Turnover of the sector including the product concerned</b>						
Domestic market						
Egypt						

Other countries*						
<b>Turnover of the product concerned</b>						
Domestic market						
Egypt						
Other countries*						

\* Please indicate the main non-Egypt countries of export destination.

In case the accounts of your company have been consolidated with other companies, please note that in this case total company turnover must be replaced by total company group turnover.

## **2. Production and Capacity Statistics**

1. Provide information concerning the total production (and if applicable, purchases) of the product concerned of your company in the format shown in **Table (B-19-2)** below:

**Table (B-19-2): Production and Capacity Statistics**

	(IP period)
Production capacity in '000 units	
Actual production in volume in '000 units	
Capacity Utilisation (%)	
Purchases of product concerned in '000 units	

\*The same table should be provided indicating quantities in XXX.

Please note: Purchases means all purchases of the product concerned in a finished state. Minor alterations to the purchased product (e.g. repackaging) before resale do not normally affect the consideration of such purchases as a finished product.

2. Explain your calculation of the capacity and capacity utilisation.
3. Please indicate the country or countries of origin and the name(s) of the supplier(s) of the product concerned purchased and sold by your company and your related companies.
4. Explain whether the production capacity of the plant can be used for the production of products other than the product concerned. Explain the method used to allocate production capacity in this event.

**3. Stocks**

Complete in the format shown in **Table (B-19-3)** below the values and volumes (in '000 units and XXX) of stocks of your company:

**Table (B-19-3): Stocks**

Value of Stock	Stock Produced by the Company		Stock of Purchased Goods	
	Product Concerned Value	Product Concerned Quantity	Product Concerned Value	Product Concerned Quantity
Beginning of IP (XXX)				
End of IP (XXX)				

**4. Labour**

Provide in the format shown in **Table (B-19-4)** below the number of people employed in your company:

**Table (B-19-4): Labour**

	(IP period)
Total personnel employed <b>Whole company</b>	
Personnel employed in the production of the product concerned	
Personnel employed in sales and administration of the product concerned	

**5. Investments**

Please indicate in the format shown in **Table (B-19-5)** below the amount of investments made for the production of the product concerned by your company:

**Table (B-19-5): Investments**

	IP (period)	Source of Investment
Buildings		
Production equipment and machinery		
Other (specify)		

## **Product Details**

- (B-20) Explain the production process of the product concerned as produced and sold by your company and attach a complete flowchart of the production cycle, including descriptions of each stage in the process. Please specify whether you produce all of the product concerned on site.
- (B-21) Provide a list of all product lines produced by your company - both the product concerned and any other products.
- (B-22) Provide copies of the latest brochures, corporate publications, or any other such general literature concerning your company, its affiliates and the products produced or sold both in your domestic and export markets.
- (B-23) Identify which of the affiliated companies are involved in the production, export, import, supplying of raw materials, purchase or sale of the product concerned in/to Egypt, in/to your domestic market, or in/to another country, explain the nature of the business performed and the responsibilities or functions carried out by each affiliated company in respect of the product concerned.
- (B-24) List and describe the nature of the main inputs of the production process and your relationship with the supplier (whether related or not). Indicate whether these input materials or parts were imported and whether the input value includes import charges, excise and indirect taxes (for both exports and domestic sales).

## Section C

### Sales of the Product Concerned

This section requests information concerning export sales of the product concerned during the POI.

- (C-1) Give a full description of the product concerned exported by your company to Egypt during the POI. Please explain any differences between these products and those produced by Egyptian producers and sold on the domestic market in Egypt (if you are aware of any). Please also explain any differences between the products you export to Egypt and those you sell on your domestic market. Such differences may relate to physical characteristics, method of manufacture, function and use, pricing structures, marketing and distribution channels, etc.
- (C-2) If you are not a producer, provide a list of the names and addresses of your suppliers of the product concerned exported by you to Egypt during the POI.
- (C-3) If you are a producer, provide a list of the names and addresses of the exporters who exported the product concerned (the product produced by your company) to Egypt during the POI.
- (C-4) Provide list of names and addresses of the Egyptian importers who imported your company's product concerned during the POI, whether exported or shipped to Egypt directly by your company or by another exporter.
- (C-5) Provide a list of types and sizes of the product concerned which your company produced and/or exported to Egypt during the POI and the percentage of sales for each type / size.
- (C-6) Give an explanation of the terms of trade offered by your company and a description of your selling arrangements during the POI. This should cover:
  - (i) Ordering and invoicing
  - (ii) Terms of agreements or contracts
    - a) Describe your company's agreement(s) for export sales in Egypt (e.g., long-term purchase contract, short-term purchase contract, purchase order, order confirmation) during the POI. Provide a copy of each type of agreement and all sales-related documentation generated in the sales process (including the purchase order, internal and external order confirmation, invoice, and shipping and export documentation) that was applicable during the POI.
    - b) Describe any changes that occurred after the initial agreement that affected the terms of the sale, other than delivery dates. Explain how these changes affected your determination of date of sale.

(iii) Payment terms.

- (C-7) Please schedule the individual shipments of the product concerned exported to Egypt by you in the POI. Please include shipments which may have been exported prior from 1/7/2015 to 30/6/2016, but which would not have entered Egypt until on or after that date. This information should be given in the format shown in **Appendix 1**. Please attach a copy of your export invoice and shipping documents and supporting evidences for each shipment concerned. Should you have more than 24 transactions, you may include copies of documents for 2 transactions per month.



## **Section D**

### **Cost of Production**

- (D-1) Please provide the cost of production for the product concerned for both export and domestic market, and please identify and quantify the main raw material components (purchased domestically/ imported).

Separate schedules should be provided showing the cost structure for each type and size of the product concerned for the period from 1/7/2015 to 30/6/2016. This should include details of the quantity and types of materials used, direct labour costs, and the method used to allocate overheads, for each type and size of the product concerned.

This information should be provided in the formats in **Appendices 2(a) & (b)** for each type and size of the product concerned.

Supporting documentation for the cost items and working papers demonstrating the allocation of costs and expenses should be attached.

- (D-2) Does your company purchase raw materials, energy or other manufacturing related services from companies that have corporate affiliations and/or common shareholding with your company? If the answer is “yes”, please provide the names of these companies, and describe the nature of the relationship between your company and the companies concerned, including the product or service purchased. Also, if the answer is “yes”, please provide details concerning how the selling prices of the raw materials purchased from the companies concerned are determined.

**SECTION E**

**Subsidies**

**I. Subsidy Programs Identified by the Domestic Industry**

(E-1) The applicant has alleged that producers/exporters of the subject goods in Turkey have benefited from subsidy programmes listed below. Please provide detailed information of the programs and descriptions of the records kept on these programs. If a program has been withdrawn **before** the current investigation period, please state so and provide a detailed explanation of the program and a detailed description of the records kept on that program. If a program has been withdrawn during or **after** the current investigation period, you must still respond to the question.

(E-1.1) Please note that a separate reply is required from each related company, which produces and/or exports the product concerned or any raw material, component or other input used in the production or sales of the product concerned. In cases where a related company has obtained any benefits from the programmes under investigation, the details shall be reported by the company as requested in this Section.

<b>No</b>	<b>Subsidy Program</b>
<b>1</b>	<p><b>1- Provision of Gas at Less Than Adequate Remuneration:</b></p> <ul style="list-style-type: none"> <li>- World Steel Association, “World Steel in Figures” (2016), p. 10; see also Siemens, “New Electric Arc Furnace Reduces CO2 Emissions” (2012).</li> <li>- IEA Turkey 2009 Review, p. 69.</li> <li>- Argus Media, “Argus Turkish Energy Special” (2013), p. 3, available at <a href="http://www.argusmedia.com/~media/a658f269600147adaa2bc9f58b230b98.ash/">http://www.argusmedia.com/~media/a658f269600147adaa2bc9f58b230b98.ash/</a></li> </ul>
<b>2</b>	<p><b>2- Purchase of Electricity for More Than Adequate Remuneration:</b></p> <ul style="list-style-type: none"> <li>- Letter from the GOT in countervailing duty administrative review on imports of steel concrete reinforcing bar from Turkey (April 2016) (Public Version), p. 2.</li> <li>- Habas Questionnaire Response in U.S. countervailing duty investigation into steel reinforcing bar from Turkey (Public Version).</li> <li>- Reforming Turkey’s Electricity Market, p. 8, <a href="http://myweb.sabanciuniv.edu/izak/files/2008/10/atiyas-dutz-">http://myweb.sabanciuniv.edu/izak/files/2008/10/atiyas-dutz-</a></li> </ul>

	<p>electricity-2004.pdf</p> <ul style="list-style-type: none"> <li>- Fossil Energy International, “An Energy Overview of the Republic of Turkey” (2003). <a href="http://www.geni.org/globalenergy/library/national_energy_grid/turkey/EnergyOverviewofTurkey.shtml">http://www.geni.org/globalenergy/library/national_energy_grid/turkey/EnergyOverviewofTurkey.shtml</a></li> <li>- A.F.Ö, “Towards a Fully Liberalized Turkish Electricity Market: Progress and Problems” (2011), International Energy Law Review, p. 10.</li> </ul>
<p><b>3</b></p>	<p><b>3- Government Loans and Assistance:</b></p> <p><b>3-1 Turkish Development Bank loans</b></p> <ul style="list-style-type: none"> <li>- Law on the Establishment of DTB, Law No: 4456 (14 October 1999).</li> <li>- Kalkinma Development Bank of Turkey, 2015 Annual Report, p. 3, 18 <a href="http://english.kalkinma.com.tr/userfiles/pagefiles/annual-reports/annual_report_2015.pdf">http://english.kalkinma.com.tr/userfiles/pagefiles/annual-reports/annual_report_2015.pdf</a></li> <li>- Kalkinma Development Bank of Turkey, <a href="http://english.kalkinma.com.tr/kalkinma-working-capital-credit.aspx">http://english.kalkinma.com.tr/kalkinma-working-capital-credit.aspx</a></li> <li>- Kalkinma Development Bank of Turkey, <a href="http://english.kalkinma.com.tr/external-loans.aspx">http://english.kalkinma.com.tr/external-loans.aspx</a></li> </ul> <p><b>3-2 Other government loans and grants.</b></p> <ul style="list-style-type: none"> <li>- Erdemir Grubu 2014 Annual Report, p. 141, <a href="https://www.erdemir.com.tr/Sites/1/upload/files/erdemir-flipping-books/#143/z">https://www.erdemir.com.tr/Sites/1/upload/files/erdemir-flipping-books/#143/z</a></li> </ul>
<p><b>4</b></p>	<p><b>4- Investment Incentive Regimes:</b></p> <ul style="list-style-type: none"> <li>- Decree 2012/3305.</li> <li>- Delegation of the European Union to Turkey, “New investment incentives package” (12 April 2012), <a href="https://www.bcc.org.pl/fileadmin/media/do_pobrania/IIG/incentives%20package.pdf">https://www.bcc.org.pl/fileadmin/media/do_pobrania/IIG/incentives%20package.pdf</a></li> <li>- KPMG, “The New Investment Incentives in Turkey”, p. 5, <a href="https://www.kpmg.com/TR/en/IssuesAndInsights/ArticlesPublications/Documents/The-New-Investment-Incentives-in-Turkey.pdf">https://www.kpmg.com/TR/en/IssuesAndInsights/ArticlesPublications/Documents/The-New-Investment-Incentives-in-Turkey.pdf</a></li> </ul> <p><b>4-1 The General Investment Incentive Scheme</b></p> <ul style="list-style-type: none"> <li>- Decree 2012/3305.</li> </ul> <p><b>4-1-1 Customs duty exemption</b></p> <ul style="list-style-type: none"> <li>- Decree 2012/3305.</li> </ul> <p><b>4-1-2 VAT exemption</b></p>

- Turkish Steel Exporter Association (in Turkish),  
<http://www.cib.org.tr/tr/haberler-yeni-tesvik-paketi-ile-bazi-demir-celik-girdileri-tesvik-kapsaminda.html>
- WTO document, G/SCM/N/289/USA

#### **4-2 Regional Investment Incentive Scheme**

- Decree 2012/3305.
- WTO notification of 26 December 2014, G/SCM/N/253/TUR/Suppl.2, p. 3.
- KPMG, “The New Investment Incentives in Turkey”, p. 10,  
<https://www.kpmg.com/TR/en/IssuesAndInsights/ArticlesPublications/Documents/The-New-Investment-Incentives-in-Turkey.pdf>
- Habas’ website, <http://www.habas.com.tr/Category/Alias/contact-habas>

#### **4-3 Large-Scale Investment Incentive Scheme**

- Decree 2012/3305.
- Turkish Steel Exporter Association (in Turkish),  
<http://www.cib.org.tr/tr/haberler-yeni-tesvik-paketi-ile-bazi-demir-celik-girdileri-tesvik-kapsaminda.html>
- KPMG, “The New Investment Incentives in Turkey”, p. 13,  
<https://www.kpmg.com/TR/en/IssuesAndInsights/ArticlesPublications/Documents/The-New-Investment-Incentives-in-Turkey.pdf>

#### **4-4 Tax reduction**

- Decree 2012/3305.

##### **4-4-1 Social security premiums support for employer’s share.**

- Decree 2012/3305.
- Law No. 5510 originally published in Official Gazette No. 26200 of 16 June 2006. For the amendment to Article 81 to this Law, adding to the Law the text relevant to our analysis, see Law No. 6486 published in Official Gazette No. 2866 of 29 May 2013.

##### **4-4-2 Land allocation**

- Article 16.1 of Decree 2012.
- Law No. 4706 of 29 June 2001.

##### **4-4-3 Social security premiums support for employee’s share**

- KPMG, “The New Investment Incentives in Turkey”, p. 8,  
<https://www.kpmg.com/TR/en/IssuesAndInsights/ArticlesPublications/Documents/The-New-Investment-Incentives-in-Turkey.pdf>

	<p><b>4-4-4 Income tax withholding allowance</b></p> <ul style="list-style-type: none"> <li>- KPMG, “The New Investment Incentives in Turkey”, p. 8, <a href="https://www.kpmg.com/TR/en/IssuesAndInsights/ArticlesPublications/Documents/The-New-Investment-Incentives-in-Turkey.pdf">https://www.kpmg.com/TR/en/IssuesAndInsights/ArticlesPublications/Documents/The-New-Investment-Incentives-in-Turkey.pdf</a></li> <li>- Turkish Isbank, Economic Research Department, Steel Industry Report by Ilker Sahin, April 2015 (in Turkish), p. 30, <a href="https://ekonomi.isbank.com.tr/UserFiles/pdf/demir_celik_sektoru.pdf">https://ekonomi.isbank.com.tr/UserFiles/pdf/demir_celik_sektoru.pdf</a></li> <li>- WTO document, G/SCM/N/289/USA</li> </ul>
5	<p><b>5- Export credit, guarantee, and insurance incentives provided by Turk Eximbank:</b></p> <ul style="list-style-type: none"> <li>- WTO notification of 26 August 2015, G/SCM/N/284/TUR, p. 9</li> <li>- Turk Eximbank’s website, <a href="https://www.eximbank.gov.tr/EN,1193/about-us.html">https://www.eximbank.gov.tr/EN,1193/about-us.html</a></li> <li>- Turk Eximbank 2015 Annual Report, p. 9, <a href="http://www.eximbank.gov.tr/En/files/aboutUs/annual2015.pdf">http://www.eximbank.gov.tr/En/files/aboutUs/annual2015.pdf</a></li> <li>- WTO document, G/SCM/N/289/USA</li> </ul> <p><b>5-1 Export credits and guarantees</b></p> <ul style="list-style-type: none"> <li>- WTO notification of 10 November 2014, G/SCM/N/253/TUR/Suppl.1, p. 15</li> </ul> <p><b>5-1-1 Rediscount credits</b></p> <ul style="list-style-type: none"> <li>- WTO notification of 10 November 2014, G/SCM/N/253/TUR/Suppl.1, p. 5</li> <li>- Turk Eximbank’s website, <a href="http://www.eximbank.gov.tr/dosyalar/krediler/16-ssrk/ssrkue00-ue.pdf">http://www.eximbank.gov.tr/dosyalar/krediler/16-ssrk/ssrkue00-ue.pdf</a></li> <li>- Turk Eximbank’s website, <a href="http://www.eximbank.gov.tr/TR,317/reeskont-kredisi-rk.html">http://www.eximbank.gov.tr/TR,317/reeskont-kredisi-rk.html</a></li> </ul> <p><b>5-1-2 Foreign trade companies’ export credits</b></p> <ul style="list-style-type: none"> <li>- Turk Eximbank’s website, <a href="http://www.eximbank.gov.tr/TR,207/dis-ticaret-sirketleri-ihracat-kredisi-dts.html">http://www.eximbank.gov.tr/TR,207/dis-ticaret-sirketleri-ihracat-kredisi-dts.html</a></li> <li>- Turk Eximbank’s website, <a href="https://www.eximbank.gov.tr/EN,1227/foreign-trade-companies-short-term-export-credits-progr-.html">https://www.eximbank.gov.tr/EN,1227/foreign-trade-companies-short-term-export-credits-progr-.html</a></li> <li>- WTO notification of 10 November 2014, G/SCM/N/253/TUR/Suppl.1, Table, p. 15</li> </ul> <p><b>5-1-3 Pre-shipment export credits</b></p>

	<p>- Turk Eximbank's website, <a href="http://www.eximbank.gov.tr/dosyalar/krediler/12-soik/soik-GenelBilgi.pdf">http://www.eximbank.gov.tr/dosyalar/krediler/12-soik/soik-GenelBilgi.pdf</a></p> <p><b>5-1-4 Export-oriented production financing credits</b></p> <p>- Turk Eximbank's website, <a href="http://www.eximbank.gov.tr/TR,141/genel-bilgi.html">http://www.eximbank.gov.tr/TR,141/genel-bilgi.html</a></p> <p><b>5-1-5 Free trade zone pre-export foreign currency export credit program</b></p> <p>- WTO notification of 26 August 2015, G/SCM/N/284/TUR, p. 13</p> <p><b>5-2 Insurance</b></p> <p>- Turk Eximbank's website, <a href="https://www.eximbank.gov.tr/EN,1286/insurance.html">https://www.eximbank.gov.tr/EN,1286/insurance.html</a></p> <p>- WTO notification of 10 November 2014, G/SCM/N/253/TUR/Suppl.1, p. 12</p> <p>- Turk Eximbank 2015 Annual Report, p. 9, available at <a href="http://www.eximbank.gov.tr/En/files/aboutUs/annual2015.pdf">http://www.eximbank.gov.tr/En/files/aboutUs/annual2015.pdf</a></p>
6	<p><b>6- Tax Benefits Programs:</b></p> <p><b>6-1 Deduction from Taxable Income for Export Revenue</b></p> <p>- Income Tax Law</p> <p>- Addendum 4108 to Article 40 of the Income Tax Law</p> <p><b>6-2 Tax Incentives for Research &amp; Development Activities</b></p> <p>- Law No. 5746.</p> <p>- European Commission, "ERAWATCH Country Reports 2013: Turkey" (2014), p. 27, <a href="http://stps.metu.edu.tr/sites/stps.metu.edu.tr/files/Erawatch%202013.pdf">http://stps.metu.edu.tr/sites/stps.metu.edu.tr/files/Erawatch%202013.pdf</a></p> <p>- KPMG, "Investment in Turkey" (March 2012), pp. 14-15, <a href="https://www.kpmg.de/docs/Investment-in-Turkey-2012.pdf">https://www.kpmg.de/docs/Investment-in-Turkey-2012.pdf</a></p>
7	<p><b>7- Regional Development Subsidies:</b></p> <p>- Investment Support and Promotion Agency of Turkey, <a href="http://www.invest.gov.tr/en-US/investmentguide/investorsguide/Pages/SpecialInvestmentZones.aspx">http://www.invest.gov.tr/en-US/investmentguide/investorsguide/Pages/SpecialInvestmentZones.aspx</a></p> <p>- Decision Memorandum for Preliminary Results of Countervailing Duty (CVD) Administrative Review: Circular Welded Carbon Steel Pipes and Tubes from Turkey (2 April 2013), <a href="http://enforcement.trade.gov/frn/summary/turkey/2013-08236-1.pdf">http://enforcement.trade.gov/frn/summary/turkey/2013-08236-1.pdf</a></p> <p>- Communique No: 2008/1 within the context of Law No. 5084 on Encouragement of Investments and Employment and Amendment of Certain Laws, as amended by Law No. 5350 and Law No. 5615.</p>

	<p>- WTO notification of 19 March 2012, G/SCM/N/220/TUR, p. 8</p> <p>- KPMG, “Investment in Turkey” (March 2012), pp. 16 and 45, <a href="https://www.kpmg.de/docs/Investment-in-Turkey-2012.pdf">https://www.kpmg.de/docs/Investment-in-Turkey-2012.pdf</a></p>
<b>8</b>	<p><b>8- Other Financial Assistance:</b></p> <p><b>8-1 Financial benefits to offset costs related to trade investigations</b></p> <p>- Law on the Foundation and Duties of the TIM and the Exporters’ Associations, No. 27277 (3 July 2009).</p> <p><b>8-2 Grants and loans from the Scientific and Technological Research Council of Turkey</b></p> <p>- KPMG, “Investment in Turkey” (March 2012), pp. 16 and 45, <a href="https://www.kpmg.de/docs/Investment-in-Turkey-2012.pdf">https://www.kpmg.de/docs/Investment-in-Turkey-2012.pdf</a></p>

(E-2) Please answer the questions below in relation to each subsidy programme and provide your answer in the format shown in **Appendix 3**.

(E2.1) Supply your government’s legislation, regulations, policy or other documents on which each subsidy is based. Please provide English transcripts where applicable.

(E-3) Please provide the names and addresses of all governmental institutions including any public, private, federal, provincial or other entities under the control, direction or the administration of the government of Turkey which provides any financial contribution to your company or any upstream company that supplies you with goods or services and responsible for administering of the program. Please indicate clearly under each program identified above which organization make the payment to your company or the upstream company.

(E-4) Specify the eligibility criteria your company had to meet in order to receive benefits separately under each programme. State whether eligibility was or is currently contingent on one or more of the following criteria:

- (a) whether or not your company exports or has increased its exports;
- (b) whether or not your company uses domestic instead of imported goods;

- (c) whether or not the programme is limited to an enterprise or industry, or group of enterprises or industries to which your company belongs; or
  - (d) whether your company is located in a particular region.
  - (e) any other criteria. If so, please specify in detail.
- (E-5) Please explain how and when applications under each programme are made. Please provide details of any application fees or other costs incurred in order to qualify for, or receive the benefit of, the subsidy.
- (E-6) What records does your company keep regarding each of the benefits received under each programme? Please provide copies of your company's executed application forms and other application documents (along with an English translation if necessary) with respect to each programme.
- (E-7) Please explain which organisation makes the payments to your company under each of the programmes and advise how they are treated in your accounting system and financial statements.
- (E-8) Outline the timing of the subsidisation process under each of the programmes from application to the receipt of benefits.
- (E-9) Describe the basis for calculating the benefits received under each programme.
- (E-10) Please advise the value of the assistance received or accrued under each of the programmes listed above (and any other programmes that may be relevant) since the inception of each programme.
- (E-11) Have any of the programmes been changed or terminated since your company received benefits under them? If so, please give details. When is the last date that your company could apply for or claim benefits under any programmes that have been or are to be terminated? When is the last date your company could receive benefits under any such programmes?

## **II. Programs / Schemes Specific Questions**

Wherever applicable, response to the following Appendices:

- 1. Grant Appendix.**
- 2. Loan Benchmark and Loan Guarantee Appendix.**
- 3. Tax Programs Appendix.**
- 4. Equity Appendix.**
- 5. Provision of Goods/Services Appendix.**
- 6. Average Useful Life Appendix.**



### **III. Other Subsidy Programs**

For the other schemes/programs under investigation, which have not been identified by the Domestic Industry, please provide an answer for Point I and II in section E for all the other schemes/programs during the investigation period.

Please provide detailed information of the programs and descriptions of the records kept on these programs. The information must be provided for all those schemes/ programs, which existed during any part of the investigation period, even if any scheme was withdrawn any time during the investigation period.

### **Important Notes**

Please ensure that your response to questions related to the subsidy section is:

- Submitted as requested in the format shown in an **Excel sheet** in the format shown in **Appendix (3)**.
- Included the following information:
  1. A detailed description of all financial contributions or assistance received by your company.
  2. All names and addresses of all governmental institutions including any public, private, federal, provincial or other entities under the control or the administration of the government of Turkey which provides any financial contribution to your company and responsible for administrating of the program. Please indicate clearly under each program identified above which organization make the payment to your company.
  3. A clear clarification of the nature of each subsidy program, criteria, eligibility and **attached by a copy of the legislation / law, which regulate the programme.**
  4. A clear clarification of the application process including any required fees provided by your company if any with an outlining about the timing limit to receipt the benefits.

# APPENDICES

**Appendix 1**

**Exports of the Product Concerned to Egypt**

**Details of Exports for the Period 1/7/2015 to 30/6/2016**

Invoice Date	Invoice NO	Name of Importer	Name of Supplier	Product Type/Size	Payment Terms	Delivery Terms	Quantity Exported <sup>1</sup>	Invoice Value <sup>2</sup>	CIF/ unit

<sup>1</sup>Please specify unit of measurement.

<sup>2</sup>Please specify currency used

<sup>3</sup>Please specify product code.

<sup>4</sup>Please specify country of origin.

**Notes:**

Columns may be added to reflect other charges incurred.  
This information must also be provided in electronic format.



**Appendix 2 (A)**  
**Factory Cost and Profit for Domestic Sales of the Product Concerned**  
**For the Period 1/7/2015 to 30/6/2016**  
**(Per Unit)**

**Specify Currency:.....**

Cost Element	Product Type/Size 1	Product Type/Size 2	Product Type/Size 3	Product Type/Size 4
Direct Materials				
Direct Labour				
Manufacturing Overhead				
- Indirect materials				
- Indirect labour				
- Energy costs				
- others				
- Depreciation				
- Packaging Costs <sup>1</sup>				
- Materials				
- Labour				
Total Manufacturing Cost				
Selling, General and Administrative Costs (SGA)				
Financing Costs				
- others				
Net Profit/Loss before Tax				
Selling Price Ex-Factory (per unit)				
<b>Notes:</b> Lines may be added to reflect the company's cost structure.				
This information must also be provided in electronic format				

<sup>1</sup>Please specify unit of measurement.

If the packing process is parts of the production process detail it here, otherwise it should be included in the selling expense.

**Appendix 2 (B)  
Factory Cost and Profit for Export Sales of Product Concerned  
To Egypt for Period 1/7/2015 to 30/6/2016  
(Per unit)**

Specify Currency:.....

Cost Element	Product Type/Size 1	Product Type/Size 2	Product Type/Size 3	Product Type/Size 4
Direct Materials				
Direct Labour				
Manufacturing Overhead				
- Indirect materials				
- Indirect labour				
- Energy costs				
- Depreciation				
- Packaging Costs <sup>2</sup>				
- Materials				
- Labour				
Total Manufacturing Cost				
Selling, General and Administrative Costs (SGA)				
Financing Costs				
Net Profit/Loss before Tax				
Selling Price Ex-Factory (per unit) <sup>1</sup>				
<b>Notes:</b> Lines may be added to reflect the company's cost structure. This information must also be provided in electronic format.				

<sup>1</sup>Please specify unit of measurement.

If the packing process is parts of the production process detail it here, otherwise it should be included in the selling expense.





**Appendix 4**  
**Grant Annexure**

Please provide the following information:

1. The amount of the grant authorized by the government.
2. The amount actually received by your company. State whether the grant was received in a lump sum or in multiple disbursements.
3. The date of government approval.
4. The date (s) when your company received the grant.
5. The currency in which the grant was made.

**Appendix 5**

**Loan Benchmark and Loan Guarantee Annexure**

The following information should be given for loans provided under the program in question. **For short-term loans** (one year or less) or guarantees or insurance on short-term loans, information must be provided for all loans on which interest was paid, accrued, and/or waived during the POI. Please indicate if any short-term loan program was a line of credit.

**For long-term loans** (greater than one year) or guarantees on long-term loans, information must be provided for all loans with principal or interest outstanding during the POI or for any such loans forgiven or assumed. This information must be provided in chart form, separately for each short-term loan and each long-term loan.

**Loan Information required**

A. Information on the loan:

- Source of loan (if provided by a financial institution, please specify whether such institutions is controlled or participated by the State);
- Program under which the loan is provided;
- Currency in which the loan is denominated;
- Original amount of the loan and any required collateral;
- Date of the loan agreement;
- Date of loan receipt;
- Duration of the loan;
- Effective interest rate of the loan (specify if fixed or variable);

B. Description of the repayment schedule (principal and interest) and any special features associated with the loan such as grace periods, forgiveness of payments, opportunities for re-discounting, rollovers or debt retirement, repayment contingent upon subsequent events; also, if the repayment schedule has not been met, please provide the actual repayment schedule.

C. If the program provides short-term loans or long-term loans with an initial indefinite repayment schedule, please provide the actual repayment schedule (principal and interest).

D. Amount of any fees, commissions, compensating balances, taxes or penalties paid in addition to interest, which affect the cost of the loan (indicate whether paid or provided).

E. Any adjustments made in the loan balance or interest payment to take account of inflation.

- F. If the principal or interest on any loan provided under this program was forgiven or assumed during the POI or over a prior period corresponding to the company's AUL (Average useful life), please provide the dates and amounts of each forgiveness or assumption.

### **Long-Term Benchmark**

If any of the loans identified above are long-term loans, please provide the information requested in A through F above for any other long-term commercial debt incurred contemporaneously and comparable to the loan(s) in question. This information may be used for purposes of a benchmark interest rate. Please note that the benchmark loans should be denominated in the same currency as the corresponding loan above.

### **Short-Term Benchmark**

If any of the loans identified above are short-term loans, please provide the information requested in A through F above for any other commercial short-term debt incurred during the POI and comparable to the loan(s) in question. Please provide your enterprise-specific interest rate for these short-term commercial loans by weighing the rates by the principal amount of each loan. Please provide the calculation worksheets showing how your enterprise derived the weighted-average rate.

If you had short-term interest loans granted prior the POI where interest was paid during the POI, you must provide the above information for the year during which the loans were received.

### **Loan Guarantees**

Please provide the information requested in A through F above for the loans guaranteed or insured under this program. If the guaranteed loan is a long-term loan, please provide the benchmark information requested under the "Long-Term Benchmark" section and the following:

- Source of the loan guarantee and the program under which it is provided (if provided by a financial institution, please specify whether such institutions is controlled or participated by the State).
- Terms of guarantee including any fee paid.
- The effect that the guarantee had on the terms (e.g., interest rate, length, collateral) of the loan. For example, if there were similar commercial loans in the same year without guarantees, please provide the terms of those loans.

- In the case of government ownership, provide any evidence that it is normal commercial practice for shareholders in the country in question to provide similar loan guarantees.
- Rate of interest applicable on the loan without the guarantee.

**Appendix 6**

**Tax Programs Annexure**

If your company used this program to take deductions from taxable income, receive credit toward taxes payable, take exemptions from taxes owed, defer payment of taxes owed, carry forward losses, use accelerated depreciation, or use other tax benefits on the tax return filed for any part of the period relevant to the POI, please answer the following questions:

- A. Please provide a copy of the tax return filed by your company in the POI. Indicate where in the tax return the assistance is shown.
- B. Explain whether the assistance is a deduction from taxable income, an exemption from taxes, a credit toward taxes payable, accelerated depreciation, a deferral of taxes owed, a loss carry-forward, or other tax benefit. If it is in the form of other tax benefit, please specify the nature of the tax benefit.
- C. Indicate the amount of the tax savings derived from the use of this program by comparing the taxes your company actually paid and the taxes you would have paid absent the program. Provide a detailed calculation of the assistance and all source materials. Show the amount of tax that would have been due absent this program. Show the amount of profit or loss that your company would have incurred absent this program. For tax deferrals, please indicate the amount of Tax owed and the length of the deferral period.
- D. If your company was in a tax loss position for the tax year to which the return applies, please explain the effect of this assistance on your company's Tax position.
- E. Will you carry forward any loss to future years? Does the loss represent accrued losses from earlier years? Please explain.
- F. Indicate where in your company's financial statements tax information can be found. Please explain whether accrued tax losses are carried as assets in the financial statements.
- G. If you carried forward a loss from prior years and used that loss to offset taxes due on the tax return filed during the POI, demonstrate that this loss was not generated by use of any countervailable tax program.
- H. A tax deferral of one year or less will be treated as a short-term loan and a tax deferral of more than one year will be treated as a long-term loan. Therefore, if the program involves a deferral of taxes owed, please provide the following information needed to establish a comparison interest rate:
  - 1. Please provide the length of the deferral.
  - 2. Please indicate whether your company paid any interest on the amount deferred. If so, provide the amount of interest paid, the interest rate, and the date on which the interest was paid.

3. If the length of the tax deferral is one year or less, please answer relevant question in the Loan Annexure for all commercial short-term loans obtained by your company. Include only that were outstanding in the POI.
4. If the length of the tax deferral is more than one year, please answer relevant questions in the Loan annexure for all commercial long-term loans obtained by your company that were outstanding in the POI. Include that whose terms were established in the same year that the multi-year tax deferral was first approved. If you have already provided this information in another part of this questionnaire, please so indicate.

**Appendix 7**

**Equity Annexure**

Please provide the following information for each equity investment or debt-to-equity conversion made during the period of investigation and the preceding number of years corresponding to the AUL of each company under investigation:

- A. Name of the recipient of each investment/conversion.
- B. The dates when the government approved the equity investment/conversion.
- C. The national average long-term fixed interest rate in Turkey in the year in which the equity investment/conversion was approved.
- D. The exact amount and date of the equity infusion and the name and address of the government agencies involved in the approval process and the distribution of funds.
- E. A detailed description of the government accounting records associated with the infusions.
- F. Documentation showing the payment of funds to the company receiving the infusion.
- G. Documentation showing receipt of shares by the government.
- H. Please describe the method used to determine the viability of the company being invested in and the amount of the equity investment. Provide all feasibility studies, reports, and/or analysis conducted/provided by or for the government prior to the equity investment. The studies and reports need not only pertain directly to the equity investment in question, but may also be relevant to initial capital investments, capital to fund start-up operations, major expansion projects, repayment of loans, reorganizations, or any action which would affect the company's income. Please describe the conclusions of these studies or reports. Specify if the study or report was made available to both the government and private investor(s).
- I. Describe any attempts made by the government to obtain equity investment from private sources. If the government attempted to, or did, secure equity investment for the company from private sources, describe the circumstances surrounding the investment, any agreement entered into between the government and the private parties, and provide all relevant documentation (e.g., a copy of the agreement, discussion memoranda, etc.).
- J. The number of shares received by the government and a description of the shares (e.g., common stock, preferred stock).
- K. Any accounting principle used by your enterprise, which deviated from Generally Accepted Accounting Principles in your country. Adjustments made by your enterprise because of a change in or application of an accounting principle.

**Appendix 8**

**Provision of Goods/Services Annexure**

- A. Please provide the following information with respect to each of the goods / services alleged to be provided at less than adequate remuneration.
- B. Provide a general description of the goods / services provided by the government and of the process by which the goods / services are provided.
- C. List all suppliers (domestic and foreign) from which you purchased to good / service in question during the POI. Specify whether any of these suppliers are owned or controlled by the government of your country (or of the concerned province).
- D. Explain how the price of the good/service is determined between your company and each of your suppliers.
- E. Provide a listing of all of your purchase of the good /service during the POI. This list should include all purchases in which payment for the purchase was made or due during the POI. Specify the quantity of the purchase (the total amount of the purchase). The date of payment, the characteristics of the product purchased, the delivery terms, and the price per unit (specify unit i.e. ton, etc). Segregate the list according to the supplier.
- F. Are there trade publications, which specify the prices of the goods / service within your country and on the world market? Provide a list of these publications, along with sample pages from this publication listing the prices of the good / service within your country and in world markets during the period of investigation.



**Appendix 9**

**Average Useful Life Annexure**

Please provide the following:

- A. Explain your enterprise's accounting policies concerning depreciation of productive assets.
- B. State whether straight-line or accelerated depreciation is used, and what conventions are applied.
- C. What is the average useful life of assets considered relevant by you for the present purpose and give justification in support of your claim. Please substantiate your claim in this regard.