



REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

STAFF REPORT

**FORMAL INVESTIGATION ON THE EXPIRY REVIEW
OF THE ANTI-DUMPING DUTY IMPOSED AGAINST IMPORTATIONS
OF WHEAT FLOUR FROM THE REPUBLIC OF TÜRKIYE
(AHN 2022/2017 Subheadings 1101.00.11 and 1101.00.19)**

TCI (AD) No. AD-2023-ER2-WheatFlourTR



Public Version

02 August 2023

Table of Contents

1. TERMS OF REFERENCE	4
1.1 The Original Anti-Dumping Investigation.....	4
1.2 The Petition for First Expiry (Sunset) Review of the Anti-Dumping Duty	5
1.3 The Petition for Second Expiry (Sunset) Review of the Anti-Dumping Duty	6
1.4 The World Trade Organization (WTO) Anti-Dumping Agreement (ADA)	6
1.5 The Mandate of the Tariff Commission	7
2. THE COMMISSION’S EXPIRY REVIEW PROCESS	9
2.1 The Product Subject of Anti-Dumping Duty.....	9
2.2 The Domestic Industry Requirement.....	9
2.3 Periods of Investigation.....	11
2.4 Notifications	11
2.4.1 Impending Expiry of the Effectivity of the Definitive Anti-Dumping Duty.....	11
2.4.2 Initiation of Expiry Review and Conduct of Preliminary Conference	12
2.5 Preliminary Conference	12
2.6 Submissions	12
2.6.1 The Domestic Industry	12
2.6.2 Exporters	13
2.6.3 Importers.....	13
2.7. Ocular Inspection/Data Verification.....	14
3. POSITIONS OF PARTIES	15
3.1 The Domestic Wheat Flour Industry.....	15
3.2 Other Interested Parties.....	18
4. THE DOMESTIC INDUSTRY AND MARKET	22
4.1 The Domestic Industry	22
4.2 Tariffs on Wheat Flour	23
4.3 Supply of Wheat Flour in the Philippines.....	25
4.3.1 Domestic Production of Wheat Flour.....	26
4.3.2 Philippine Imports of Wheat Flour.....	27
4.3.3 Philippine Exports of Wheat Flour	28
4.4 Demand for Wheat Flour in the Philippines	29
5. DETERMINATION OF DUMPING	31
5.1 Export Price.....	32
5.2 Normal Value.....	33
5.3 Dumping Margin	34
5.4 Conclusion.....	35

6. DETERMINATION OF LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING	36
6.1 Existence of Dumping During the POI.....	36
6.2 Status of Türkiye as Wheat Flour Exporter in the World Market	36
6.3 Status of the Philippines as Export Market for Wheat Flour from Türkiye	38
6.4 Status of Türkiye as Source of Wheat Flour for the Philippines	39
6.5 Conclusion.....	39

Annexes:

- A - Notice of the Impending Expiry of the Effectivity of the Definitive Anti-Dumping Duty
- B - Notice of Initiation of Expiry Review and Conduct of Preliminary Conference
- C - List of Parties Notified for the Expiry Review and Preliminary Conference
- D - List of Attendees at the Preliminary Conference
- E - Order of Preliminary Conference
- F - Submissions Received: Summary List

1. TERMS OF REFERENCE

1.1 The Original Anti-Dumping Investigation

On 14 March 2013, the Philippine Association of Flour Millers, Inc. (PAFMIL) representing the domestic flour industry, filed an anti-dumping application with the Department of Agriculture (DA) against importations of wheat flour (AHTN¹ 2022 subheadings 1101.00.11 and 1101.00.19)² from the Republic of Türkiye (Türkiye).

The DA conducted its preliminary investigation on 29 May 2013 and established the existence of a threat of material injury to the local wheat flour industry caused by the dumping of wheat flour from Türkiye.

The case was endorsed to the Tariff Commission (TC or Commission) for formal investigation on 22 April 2014. The investigation was conducted pursuant to Section 3(h) of Republic Act (RA) No. 8752 otherwise known as the *Anti-Dumping Act of 1999*. The Commission found that there was an imminent threat of material injury to the domestic industry from the dumping of wheat flour from Türkiye into the Philippines.

On 09 January 2015, the Bureau of Customs (BOC) issued Customs Memorandum Order (CMO) No. 2-2015 to implement the DA's Department Order No. 10, dated 17 November 2014, on the imposition of definitive anti-dumping duties, for five years, on the following exporters of wheat flour from Türkiye (Table 1.1):

Table 1.1. Definitive Anti-Dumping Duties on Imported Wheat Flour from Türkiye

Exporter	Weighted Average Dumping Margin (% of Export Price)
Unay Gıda Nak San Ve Tic Ltd Sti	16.19
Dost Gıda Sanayi Ve Ticaret A.S.	15.43
Tekinak Gıda Sanayi Ve Ticaret A.S.	13.72
Tekirdag Un San Ve Tic Ltd Sti	12.60
Karahan Degirmencilik Ltd Sti	7.91
Akduy Gıda Traim Tarım İns Nak San	5.90
Erisler Gıda Sanayi Ve Ticaret	5.07
Eksun Gıda Tarım San Ve Tic A.S.	4.72
Turun Gıda San Ve Tic A.S.	4.60
Kale Madencilik San Ve Tic A.S.	3.55
Doruk Marmara Un Sanayi Ciliği A.S.	3.12
Ulusoy Un Sanayi Ve Ticaret	3.04
Ulas Gıda Un Tekstil Nakliye Ticaret Ve Sanayi A.S.	2.87
Yorukogullari Gıda Sanayi Ve	0
Ektas Tarım Ürünleri End Ve Tic A.S.	0
Ozdoyuran Dis Ticaret Ve Un Sanayi	0

¹ Association of Southeast Asian Nations (ASEAN) Harmonized Tariff Nomenclature

² AHTN 2012 subheading 1101.00.10 in the original anti-dumping investigation; AHTN 2017 subheadings 1101.00.11 and 1101.00.19 in the first expiry review

Exporter	Weighted Average Dumping Margin (% of Export Price)
Yuksel Tezcan Gida San Ve Tic Ltd Sti	0
Other Exporters (All Others' Rate)	16.19

1.2 The Petition for First Expiry (Sunset) Review of the Anti-Dumping Duty

On 20 February 2019, the Commission issued a *Notice of Impending Expiry of the Effectivity of the Definitive Anti-Dumping Duty* pursuant to Section 19(b) of the Implementing Rules and Regulations (IRRs) of RA No. 8752.

On 17 May 2019, PAFMIL requested the DA for the initiation of an expiry review of the anti-dumping duty imposed against wheat flour from Türkiye, for endorsement to the Commission. PAFMIL claimed that there is a likelihood of recurrence of dumping and threat of injury to the domestic wheat flour industry, which is still recuperating from the losses it suffered due to the dumping of Turkish wheat flour into the Philippines and requested that the anti-dumping duty be extended by another five years.

On 11 June 2019, the Commission formally received the DA endorsement. The Commission's investigation established the likelihood of continuation or recurrence of dumping.

On 28 October 2020, the BOC issued CMO No. 27-2020 to implement DA Department Order No. 10, s. 2020, which extended the imposition of anti-dumping duty on imported wheat flour from Türkiye for a period of three years (Table 1.2).

Table 1.2. Definitive Anti-Dumping Duties on Imported Wheat Flour from Türkiye

Exporter	Weighted Average Dumping Margin (% of Export Price)
Yorukogullari Gida Sanayi Ve	29.57
Ozdoyuran Dis Ticaret Ve Un Sanayi	19.07
Unay Gida Nak San Ve Tic Ltd Sti	16.19
Dost Gida Sanayi Ve Ticaret A.S.	15.43
Tekinak Gida Sanayi Ve Ticaret A.S.	13.72
Ektas Tarim Urunleri End Ve Tic A.S.	13.34
Tekirdag Un San Ve Tic Ltd Sti	12.60
Karahan Degirmencilik Ltd Sti	7.90
Akduy Gida Traim Tarim Ins Nak San	5.90
Erisler Gida Sanayi Ve Ticaret	5.07
Eksun Gida Tarim San Ve Tic A.S.	4.72
Turun Gida San Ve Tic A.S.	4.60
Kale Madencilik San ve Tic A.S.	3.55
Doruk Marmara Un Sanayi Ciligi A.S.	3.12
Ulusoy Un Sanayi Ve Ticaret	3.04
Ulas Gida Un Tekstil Nakliye Ticaret Ve Sanayi A.S.	2.87
Yuksel Tezcan Gida San Ve Tic Ltd Sti	0.00
Other Exporters (All Other's Rate)	29.57

1.3 The Petition for Second Expiry (Sunset) Review of the Anti-Dumping Duty

On 02 December 2022, the Commission issued another *Notice of Impending Expiry of the Effectivity of the Definitive Anti-Dumping Duty*.

On 22 February 2023, PAFMIL, through its legal counsel, requested the DA to recommend and endorse its request for the Commission to initiate an expiry review of the anti-dumping duty imposed against the subject products. All PAFMIL members, as well as several local millers (namely, San Miguel Mills Inc., Morning Star Milling Corporation, Atlantic Grains Inc., and Mabuhay Interflour Mills, Inc.), supported the conduct of the second expiry review. The petition alleged that there is a likelihood of recurrence of dumping and threat of injury to the domestic wheat flour industry given that even with the imposition of anti-dumping measure, Turkish millers continued to export at dumped prices. PAFMIL further believed that the removal of anti-dumping duties will lead to an increase in flour exports that will again threaten injury to the Philippine milling industry.

On 15 March 2023, the Commission formally received the endorsement of DA recommending the conduct of an expiry review on the anti-dumping measure imposed on imported wheat flour from Türkiye as requested by PAFMIL.

Upon receipt of the required sufficient evidence from PAFMIL, the Commission issued a *Notice of Initiation of Expiry Review and Conduct of Preliminary Conference* on 20 March 2023.

1.4 The World Trade Organization (WTO) Anti-Dumping Agreement (ADA)

Article 11 of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (GATT) 1994 states:

“Article 11. Duration and Review of Anti-Dumping Duties and Price Undertakings

11.1 An anti-dumping duty shall remain in force only as long as, and to the extent necessary to counteract dumping which is causing injury.

11.2 The authorities shall review the need for the continued imposition of the duty, where warranted, on their own initiative or, provided that a reasonable period of time has elapsed since the imposition of the definitive anti-dumping duty, upon request by any interested party which submits positive information substantiating the need for a review. Interested parties shall have the right to request the authorities to examine whether the continued imposition of the duty is necessary to offset dumping, whether the injury would be likely to continue or recur if the duty were removed or varied, or both. If, as a result of the review under this paragraph, the authorities determine that the anti-dumping duty is no longer warranted, it shall be terminated immediately.

- 11.3 *Notwithstanding the provisions of paragraphs 1 and 2, any definitive anti-dumping duty shall be terminated on a date not later than five years from its imposition (or from the date of the most recent review under paragraph 2 if that review has covered both dumping and injury, or under this paragraph), unless the authorities determine, in a review initiated before that date on their own initiative or upon a duly substantiated request made by or on behalf of the domestic industry within a reasonable period of time prior to that date, that the expiry of the duty would be likely to lead to continuation or recurrence of dumping and injury. The duty may remain in force pending the outcome of such a review.*
- 11.4 *The provisions of Article 6 regarding evidence and procedure shall apply to any review carried out under this Article. Any such review shall be carried out expeditiously and shall normally be concluded within 12 months of the date of initiation of the review.*
- 11.5 *The provisions of this Article shall apply mutatis mutandis to price undertakings accepted under Article 8.”*

1.5 The Mandate of the Tariff Commission

Section 1603(a) of RA No. 10863, otherwise known as the *Customs Modernization and Tariff Act* (CMTA), mandates the Commission to “*adjudicate cases on the application of trade remedies against imports pursuant to Sections 711, 712 and 713 of this Act*”. Section 711 (*Dumping Duty*) of the CMTA adopts the provisions of RA No. 8752.

Section 3(o) of RA No. 8752 provides that the “*need for the continued imposition of the anti-dumping duty may be reviewed by the Commission when warranted motu proprio, or upon the direction of the Secretary, taking into consideration the need to protect the existing domestic industry against dumping.*” Any such review should be carried out expeditiously and should be conducted not later than one hundred fifty (150) days from the date of initiation of such review.

Section 19(b) of the IRRs of RA No. 8752 further provides:

“Section 19. Duration and Review of the Anti-Dumping Duty

(b) The duration of the definitive anti-dumping duty shall not exceed five (5) years from the date of its imposition, or from the date of the most recent review if that review has covered both dumping and injury, unless the Commission has determined, in a review initiated before that date on their own initiative or upon a duly substantiated request made by or in behalf of the domestic industry at least six (6) months prior to the termination date, that the termination of the anti-dumping duty will likely lead to the continuation or recurrence of dumping and injury. The anti-dumping duty shall remain in force pending the outcome of such an expiry review.

An expiry review shall be initiated when there is sufficient evidence that the expiry of the definitive anti-dumping duty would likely result in a continuation or recurrence of dumping and injury. Such a likelihood may be indicated, for example, by evidence of continued dumping and injury or evidence that the removal of injury is partly or solely due to the existence of the duty or evidence that the circumstances of the foreign exporters, or market conditions, are such that these would indicate the likelihood of further injurious dumping.

In carrying out investigations under this paragraph, the foreign exporters, the representatives of the country of export or origin and the domestic producers and importers shall be provided with the opportunity to comment on the matters set out in the review request, and conclusions shall be reached with due account taken of all relevant and duly documented evidence presented in relation to the question as to whether the expiry of the definitive anti-dumping duty would be likely, or unlikely, to lead to the continuation or recurrence of dumping and injury x x x.”

2. THE COMMISSION'S EXPIRY REVIEW PROCESS

2.1 The Product Subject to Anti-Dumping Duty

The product subject to anti-dumping duty is wheat flour falling under ASEAN Harmonized Tariff Nomenclature (AHTN) 2017 subheadings 1101.00.11 (fortified) and 1101.00.19 (other).

In the 2022 version of the AHTN (AHTN 2022), which the Philippines implemented starting 01 July 2022, the nomenclature for wheat flour was not changed.

The pertinent Harmonized System (HS) Explanatory Notes (EN) to heading 11.01 state that this heading covers wheat flour (i.e., the pulverised products obtained by milling the wheat grains of heading 10.01) which fulfil the requirements of a starch content exceeding 45 % and ash content not exceeding of 2.5 % and comply with the criterion of passage through a standard sieve, with an aperture of 315 micrometres, of not less than 80 % by weight.

Flours of this heading may be improved by the addition of very small quantities of mineral phosphates, anti-oxidants, emulsifiers, vitamins or prepared baking powders (self-raising flour). Wheat flour may be further enriched by an addition of gluten, generally not exceeding 10 %.

The heading also covers "swelling" (pregelatinised) flours which have been heat treated to pregelatinise the starch. They are used for making preparations of heading 19.01, bakery improvers or animal feeds or in certain industries such as the textile or paper industries or in metallurgy (for the preparation of foundry core binders).

In view of the foregoing, the product subject to anti-dumping duty, and covered by this second expiry review, is wheat flour falling under AHTN 2022 subheadings 1101.00.11 (fortified) and 1101.00.19 (other), whether hard, soft, blended, customized, heat-treated, pregelatinized and whole/hi-fiber, originating or imported from Türkiye.

2.2 Domestic Industry Requirement

Section 19(b) of the IRRs of RA No. 8752 states:

"The duration of the definitive anti-dumping duty shall not exceed five (5) years from the date of its imposition x x x, unless the Commission has determined, in a review initiated before that date on their own initiative or upon a duly substantiated request made by or in behalf of the domestic industry at least six (6) months prior to the termination date x x x."

The term “domestic industry” under Section 2(i) of said IRRs refers to:

“the domestic producers as a whole of the like product or to those of such producers whose collective output of the product constitutes a major proportion of the total domestic production of that product, except that when producers are related to the importers or foreign exporters or are themselves importers of the allegedly dumped product, the term “domestic producers” may be interpreted as referring to the rest of the producers.”

The request for an expiry review was filed by PAFMIL for and on behalf of its seven member-companies, namely, General Milling Corporation, Liberty Flour Mills, Inc., Philippine Flour Mills, Pilmico Foods Corporation, Republic Flour Mills Corporation, Universal Robina Corporation, and Wellington Investment and Manufacturing Corporation. Four other domestic wheat flour millers, namely, San Miguel Mills, Inc.; Morning Star Milling Corporation; Atlantic Grains Inc.; and Mabuhay Interflour Mills, Inc. expressed support for the PAFMIL petition.

The collective output of PAFMIL member-companies and of the four wheat flour millers supporting the PAFMIL request totaled 1.7 million MT, or 79%, of the domestic industry’s total production of wheat flour of 2.15 million MT in 2022 (Table 2.1). Hence, the requirement that the request must be made by or in behalf of the domestic industry was satisfied.

Table 2.1. Total Production of Wheat Flour: 2022

Name of Company	Volume (MT)
A. PAFMIL Members ^{1/}	
1. Universal Robina Corporation	
2. Republic Flour Mills (RFM) Corporation	
3. Liberty Flour Mills, Inc.	
4. General Milling Corporation	
5. Wellington Investment and Manufacturing Corporation	
6. Pilmico Foods Corporation	
7. Philippine Flour Mills	
<i>Sub-Total</i>	1,015,176
B. Local Producers that Expressed Support for the Request ^{2/}	
8. San Miguel Mills	
9. Morning Star Milling Corporation	
10. Atlantic Grains Inc.	
11. Mabuhay Interflour Mills, Inc.	
<i>Sub-Total</i>	679,964
Industry Production: Sub-Total	1,695,140
C. Other Domestic Producers ^{2/}	
	451,558
Industry Production: Total	2,146,698
Share of Industry Production Sub-Total to Total Industry Production (%)	78.96

Sources: ^{1/} Verified actual production of PAFMIL member-companies

^{2/} Estimates submitted by PAFMIL based on the companies’ monitored raw material wheat arrivals on file with the BOC

2.3 Period of Investigation

The expiry review commenced on 20 March 2023 on the date of issuance by the Commission of its *Notice of Initiation of Expiry Review and Conduct of Preliminary Conference*.

The WTO ADA does not establish any specific period of investigation (POI), nor does it establish guidelines for establishing an appropriate POI. However, the Committee on ADA adopted a recommendation concerning the POI, reflecting the common practice of Members. The recommendation is, as a general rule, the POI for dumping determination should normally be 12 months, and in any case no less than six (6) months, ending as close to the date of initiation as is practicable, and for injury determination should normally be at least three years.³

On the other hand, Section 11(a) of the IRRs of RA No. 8752 provides that:

“In general, the POI for the determination of the margin of dumping or price difference shall cover import transactions made at least six (6) months prior to the date of filing of the petition: xxx”

For purposes of the Commission’s expiry review, the POI for dumping determination is the 12-month period preceding 22 February 2023, the date on which the request for expiry review was filed by PAFMIL with the DA. Hence, the dumping determination POI is 01 February 2022 to 31 January 2023.

On the other hand, the POI for injury determination covers the three years preceding the date of filing of the request for expiry review. Hence, the injury determination POI is 2020 to 2022.

2.4 Notifications

2.4.1 Impending Expiry of the Effectivity of the Definitive Anti-Dumping Duty

Section 19(b) of the IRRs of RA No. 8752 states:

“The Commission shall cause the publication of a notice of impending expiry of the effectivity of the anti-dumping duty in two (2) newspapers of general circulation on the first quarter of the final year of the period of application of the definitive anti-dumping duty, to give the domestic producers adequate time to lodge a request for an expiry review xxx”

On 02 December 2022, the Commission issued a *Notice of Impending Expiry of the Effectivity of the Definitive Anti-Dumping Duty*. Said *Notice* was uploaded to the Commission’s website⁴ on the date of issuance and published in *The Manila Times* and *Manila Standard* on 06 January 2023 ([Annex A](#)).

³ WTO Committee on Anti-Dumping Practices - Recommendation Concerning the Periods of Data Collection for Anti-Dumping Investigations adopted by the Committee on 5 May 2000, G/ADP/6.

⁴ www.tariffcommission.gov.ph

2.4.2 Initiation of Expiry Review and Conduct of Preliminary Conference

Following its receipt of a properly documented application from the domestic wheat flour industry, and having assessed the completeness of the necessary information, the Commission issued a *Notice of Initiation of Expiry Review and Conduct of Preliminary Conference* on 20 March 2023 ([Annex B](#)).

Said *Notice* was published in *The Manila Times* and *Manila Standard* on 21 March 2023 and posted on the Commission's website. Individual notices with attached questionnaires⁵ were likewise sent to identified importers and exporters, members of the Chamber of Philippine Flour Millers, Inc. (CHAMPFLOUR), and new domestic flour millers. [Annex C](#) lists the parties notified.

The Turkish Embassy in Manila was formally notified on 20 March 2023.

2.5 Preliminary Conference

A Preliminary Conference was conducted on 28 March 2023. Matters discussed included timelines, the nature of the investigation, appearance of counsel/s and parties, number of witnesses, notifications, accessibility of documents, confidentiality of documents, submission of position paper/s, memoranda, and adjustment plan/s, conduct of inspection and verification of data, schedule of public hearing, and other matters that may aid in the timely disposition of the second expiry review.

Parties in attendance were representatives from PAFMIL, importers, the Turkish Embassy in Manila, and government agencies ([Annex D](#)). The agreements reached were contained in an *Order of Preliminary Conference* issued by the Commission on 31 March 2023 ([Annex E](#)), which was posted on the Commission's website on the same date and provided to all interested parties.

2.6 Submissions

A summary list of the parties who accomplished TC Form 6 and provided other evidences is shown in [Annex F](#).

2.6.1 The Domestic Industry

In its first submission received by the Commission on 24 July 2023, PAFMIL accomplished TC Form 6-A⁶ and provided information vital to dumping margin and injury determination (e.g., export prices to the Philippines and third country, normal values, volume of dumped imports by exporters, domestic selling prices, domestic production, market shares of PAFMIL members, capacity utilization, audited financial statements, product brochures). Supporting documents as well as other information related to wheat flour production and material injury allegedly being suffered by the domestic industry were also submitted. Moreover, PAFMIL also submitted an amended TC Form 6-A on 29 May 2023.

⁵ TC Form 6-A is the questionnaire for domestic producers.

Following assessment by the Commission of the data received, PAFMIL was requested to provide additional information. PAFMIL submitted its last compliance on requested additional data/information to the Commission on 10 July 2023.

2.6.2 Exporters

Based on the data from the Bureau of Customs (BOC) Electronic Import Entry Declarations (EIEDs), three Turkish exporters, namely, Tekirdag Un Sanayi ve Ticaret Ltd., Turun Gida Sanayi ve Ticaret A.S., and Bastak Analitik Cihazlar Ltd. Sti, were identified to have exported wheat flour to the Philippines during the POI for dumping determination of 01 February 2022 to 31 January 2023.

All known exporters, including those involved in the original anti-dumping investigation and in the first expiry review, were sent a copy of TC Form 6-B⁷ for them to accomplish and submit to the Commission. The same questionnaire was made available on the Commission's website for completion by other exporters who could not be contacted, specifically Bastak whose contact details could not be determined.

Table 2.2 shows the list of Turkish exporters who submitted their accomplished TC Form 6-B to the Commission.

Table 2.2. Turkish Exporters Who Submitted TC Form 6-B

Exporter	Date Received By TC
1. Yuksel Tezcan Gida Sanayi ve Ticaret A.S.	20 April 2023
2. Ozdoyuran Dis Ticaret ve Un Sanayi A.S.	02 May 2023
3. Turun Gida Sanayi ve Ticaret A.S.	12 May 2023
4. Ulas Gida Un Tekstil Nakliye Sanayi ve Ticaret A.S. (Ulas)	12 May 2023
5. Ulusoy Un Sanayi ve Ticaret A.S. (Ulusoy)	23 May 2023

2.6.3 Importers

There were 13 importers identified during the POI for dumping determination. All known importers of wheat flour from Türkiye, including those involved in the original anti-dumping investigation and the first expiry review, were sent a copy of TC Form 6-C⁸. A copy of TC Form 6-C was also made available on the Commission's website.

Only Malabon Long Life Trading Corporation submitted an accomplished TC Form 6-C to the Commission (Table 2.3).

Table 2.3. Philippine Importers of Wheat Flour from Türkiye Who Submitted TC Form 6-C

Importer	Date Received By TC
1. Malabon Long Life Trading Corporation	04 April 2023

⁷ TC Form 6-B is the questionnaire for foreign exporters.

⁸ TC Form 6-C is the questionnaire for importers.

2.7 Ocular Inspection/Data Verification

As provided in its *Order of Preliminary Conference*, the Commission shall conduct on-site investigations, to include ocular inspections, to verify submissions or to obtain further details. Prior to the scheduled visit, parties were informed about the general nature of the information to be verified and of any further information which may be required.

The Commission conducted ocular inspection and verification of the submissions of all seven PAFMIL member-companies. Likewise, the submissions of Turkish exporter Turun were subjected to verification, *via* videoconferencing through the MS Teams platform.

Listed below are the names of parties and the dates of the Commission's verification activities:

Table 2.4. Ocular Inspection and Data Verification Activities: As of 23 July 2023

Company	Location	Date
PAFMIL Members:		
General Milling Corporation	Lapu-Lapu City, Cebu	16-17 May 2023
PILMICO Foods Corporation	Dalipuga, Iligan City	24-25 May 2023
Wellington Flour Mills	Pasig City	30 May 2023
RFM Foods Corporation	Mandaluyong City	01 June 2023
Liberty Flour Mills	Mandaluyong City	06 June 2023
Philippine Flour Mills	Makati City	08 June 2023
Universal Robina Corporation	Davao City	14-15 June 2023
Exporter:		
Turun Gıda Sanayi ve Ticaret A.S.	Videoconference via MS Teams	18 July 2023

3. POSITIONS OF PARTIES

All position papers, affidavits and other documentary evidence received by the Commission to date are tabulated in Annex F. A public file containing non-confidential information/submissions is available in the Commission.

3.1 The Domestic Wheat Flour Industry

All seven PAFMIL member-companies fully support the continuation of the imposition of the anti-dumping duty against imports of wheat flour from Türkiye and claimed the following:

Table 3.1. Positions of PAFMIL

Issue	Position
The price of imported products is less than its normal value	<ul style="list-style-type: none"> • An analysis of recent prices for wheat flour in Türkiye and Turkish wheat flour into the Philippines demonstrates that Turkish wheat flour producers continue to export to the Philippines at less than the normal value despite the imposition of anti-dumping duties. • For both types of flour, comparisons of Turkish domestic prices to Philippine imports show that the Turkish wheat is being sold in the Philippines for less than the normal value. • Comparison of Turkish domestic prices to Turkish export prices shows dumping ranging from 13.7% to 126.3%.
Likelihood of recurrence of dumping	<ul style="list-style-type: none"> • Based on the import data of wheat flour to the Philippines from 2020 – 2022 and its subsequent estimated importations for 2023, Petitioner posits that if the dumping duty is lifted, the threat of dumping of Turkish flour and its consequent damage to the Philippine flour milling industry will not only recur but will become even more injurious. • The Turkish wheat flour export business has grown at a rate of 428.7% from 2003 (0.58 million MT) to 2016 (peaking at 3.53 million MT), and with more or less 3 million MT of exports from 2020 to 2021. • Türkiye remains to be the world’s top wheat flour exporting country from 2020 to 2022, selling 2.9 million MT at a value of more or less USD 1 billion in 2020 and 2021, and 3 million MT at a value of USD 1.5 billion in 2022. Its ability to export flour has become even stronger and is expected to increase in 2023 and 2024. • There are 1,200 flour mills in Türkiye, 707 of which are in active commercial production. The average capacity utilization of these flour mills is 45%, giving it huge room for export growth. • The Philippines used to rank as Türkiye’s 3rd biggest export market, after Iraq and Syria. Türkiye exported USD 68.5 million worth of wheat flour to the Philippines in 2012 and 60.4 USD million in 2013, representing 8% of the total wheat flour exports of Türkiye. • The Philippines as a target again for exportation of Turkish wheat flour is plausible because of the proximity of the Philippines to Türkiye. In 2017, despite the imposition of anti-dumping duties, Türkiye continued to market

Issue	Position
	<p>Turkish flour to the Philippines. In 2022, the Philippines remained to be ranked 8th out of 179 countries for Turkish flour export market destination.</p> <ul style="list-style-type: none"> • The Chairman of the Turkish Flour, Yeast, and Ingredients Promotions Group (TFYIG) was quoted as saying that Türkiye was targeting the Philippines as export market especially since Türkiye had “important studies especially in the Philippines.” The Turkish government invested in a new global certification system for its wheat flour which will be launched first in the Philippines. • Commercial relationships between Turkish exporters and Philippine importers are already in place. • Even if there was no increase in Turkish flour exports to the Philippines during the period of 2020 – 2022 due mainly to the imposition of the anti-dumping duty, which made Turkish flour uncompetitive in the Philippine market, the likelihood of substantially increased importation however remains a strong possibility if the anti-dumping duty is lifted.
Effect of the dumped imports on prices in the domestic market for like products	<ul style="list-style-type: none"> • The expiry of the anti-dumping duty is likely to lead to the continuation or recurrence of dumping and injury. • The landed cost of Turkish flour is much lower than those from Viet Nam and even lower than the ex-mill prices of locally produced flour. And these Turkish landed cost prices already included the dumping duty. • If Turkish flour is allowed to come in at dumping prices, this will lead to unfair competition and cause damage to the local industry. Türkiye has dumped their flour products to the Philippines and threatened the economic feasibility of the local industry. The anti-dumping duty imposed in 2015 and extended in 2019 prevented Türkiye from damaging the local industry.
Market share	<ul style="list-style-type: none"> • The domestic industry’s market share will decline as a result of the expiration of the anti-dumping duty and if it will not be renewed. If it will not decline, it will remain constant, which means that the domestic industry’s employment and compensation have not improved and will continue at a loss.
Capacity utilization	<ul style="list-style-type: none"> • The domestic industry’s capacity utilization will decline as a result of the expiration of the anti-dumping duty if it is not renewed. If it will not decline, it will remain constant, which means that the domestic industry’s employment and compensation have not improved and will continue at a loss.
Production and sales	<ul style="list-style-type: none"> • The domestic industry’s production and sales will decline as a result of the expiration of the anti-dumping duty if it will not be renewed. If it will not decline, it will remain constant, which means that the domestic industry’s employment and compensation have not improved and will continue at a loss.
Profitability	<ul style="list-style-type: none"> • The domestic industry’s profitability will decline as a result of the expiration of the anti-dumping duty if it will not be renewed. If it will not decline, it will remain constant, which means that the domestic industry’s employment and compensation have not improved and will continue at a loss.
Cost of production	<ul style="list-style-type: none"> • The domestic industry’s cost of production will decline as a result of the expiration of the anti-dumping duty if it will not be renewed. If it will not decline, it will remain constant, which means that the domestic industry’s employment and compensation have not improved and will continue at a loss.
Inventory	<ul style="list-style-type: none"> • The domestic industry’s inventory will decline as a result of the expiration of the anti-dumping duty if it will not be renewed. If it will not decline, it will remain

Issue	Position
	constant, which means that the domestic industry's employment and compensation have not improved and will continue at a loss.
Employment and compensation	<ul style="list-style-type: none"> The domestic industry's employment and compensation will decline as a result of the expiration of the anti-dumping duty if it will not be renewed. If it will not decline, it will remain constant, which means that the domestic industry's employment and compensation have not improved and will continue at a loss.
Excess production capacity in Türkiye	<ul style="list-style-type: none"> The Turkish Exports Strategy for 2023 was initiated by the Ministry of Economy and Turkish Exporters Assembly. The main purpose of this strategy is to reach USD 500 billion in total export volume in 2023, with an average of 12% increase in exports annually. Türkiye plans to import more wheat in 2022 – 2023 to meet domestic food and feed demand, strengthen country stocks and meet stable demand from wheat product producers and exporters, according to a report from the foreign agricultural service of the US Department of Agriculture. The Turkish Grain Board (TMO) purchased imported wheat and sold it to local millers at a significant discount below domestic and international prices. TMO announced that it will continue this flour regulation program for bread bakeries in the new marketing year
The Philippines is still a target market of Türkiye	<ul style="list-style-type: none"> The Philippines used to rank as Türkiye's 3rd biggest export market, after Iraq and Syria. Türkiye exported USD 60.4 million worth of wheat flour to the Philippines in 2013 and USD 68.5 million in 2012. It represented 8% of total wheat flour exports of Türkiye. The Philippines as a target again for exportation of Turkish wheat flour is plausible because of the close proximity of the Philippines to Türkiye. As recently as 2017 and despite the imposition of the anti-dumping duties, Türkiye has continued to market Turkish flour to the Philippines. In 2022, the Philippines remained 8th out of 179 countries for Turkish flour export market destination. The Chairman of the TFYIG was quoted as saying that Türkiye was targeting the Philippines as export market especially since Türkiye had "important studies especially in the Philippines." The Turkish government invested in a new global certification system for its wheat flour which will be launched first in the Philippines. Commercial relationships between Turkish exporters and Philippine importers are already in place.
Extension of the anti-dumping duty will support Philippine flour millers in recuperating and adjusting	<ul style="list-style-type: none"> The present anti-dumping duty has been of great help to the Philippine flour millers in recuperating from their losses caused by the dumping of Turkish Flour in the country. The extension of the anti-dumping duty will again be of great help to the Philippine flour millers in fully recuperating from the losses they have incurred prior to the imposition of the present anti-dumping duty. Because of the present anti-dumping duty, relatively smaller and independent Philippine flour millers emerged. The present environment brought by the present anti-dumping duty has encouraged these relatively small players to participate in the flour milling Industry. Thus, the extension of the anti-dumping duty will help these emerging independent Philippine flour millers to establish themselves and even expand such that the needs of the Philippine market for flour will be fully addressed.

Issue	Position
Ukraine and Russia war	<ul style="list-style-type: none"> • Even amidst the war between Russia and Ukraine, Türkiye brokered a deal between the two warring sides. This led to more than 11 million MT of agricultural products shipped from three of Ukraine's Black Sea Ports, including 3.2 million MT of wheat. • This development would allow Türkiye to massively grow its production capacity which would lead to surplus of wheat flour that Türkiye may export to other countries, including the Philippines, at dumped prices.
The proximate cause of the likelihood of the recurrence of dumping and threat of injury is the dumping of Turkish wheat flour	<ul style="list-style-type: none"> • There is a likelihood of recurrence of dumping and threat of injury to the domestic industry, which is still recuperating from the losses it suffered due to the dumping of Turkish wheat flour in the Philippines. • By extending the imposition of the anti-dumping duty, the government will be supporting the domestic industry's efforts in regaining its losses caused by the dumping of Turkish wheat flour in the previous years.

3.2 Other Interested Parties

Turkish wheat flour producers and exporters, together with the Ministry of Trade from the Republic of Türkiye, oppose the continuation of the imposition of anti-dumping duty on their exports of wheat flour to the Philippines. Their arguments to support their respective positions are summarized below:

Table 3.2. Positions of Other Interested Parties

Party	Position
On the recurrence of dumping and/or injury	
Ministry of Trade of the Republic of Türkiye	<ul style="list-style-type: none"> • The allegation that Turkish producers continued to export at dumped prices of FOB USD 198/MT is incorrect. Average price of wheat flour exports from Türkiye to the Philippines was FOB USD 372/MT in 2021 and FOB USD 583/MT in 2022 displaying a 56.7% increase. • According to petitioner's arguments, Turkish imports were priced at less than half of the domestic producers' cost of raw materials. At this point, we would like to ask the petitioners on why wheat flour imports from Türkiye decreased by 97%, if Turkish exporters were in a position to afford cutting their prices at least in half.
Southeast Anatolian Exporter's Association (GAIB)	<ul style="list-style-type: none"> • The complaint does not include any concrete evidence of the recurrence of dumping. There is no sufficient information on normal value, export prices of Turkish exporters and it is unclear how PAFMIL concluded that dumping would recur if the measure is not extended. • Türkiye's average export price of wheat flour to the Philippines was USD 583/MT. This price is higher than Türkiye's average export price of wheat flour to the world which was USD 486/MT. • PAFMIL should have compared the alleged export price with the prevailing price in the Turkish domestic market. PAFMIL instead compares alleged export prices of two countries which have different production and market structures. The two countries' costs of production of wheat flour significantly differ which affects their selling prices.

Party	Position
	<ul style="list-style-type: none"> • In 2020, more than 60 % of Türkiye's wheat imports were sourced from Russia. In the same year, imports from Australia, Russia and the USA accounted for more than 60 % of Viet Nam's wheat imports. When wheat prices of these suppliers, representing more than 60 % of Viet Nam's wheat imports, are compared, it appears that Turkish mills paid USD 232/ton whereas Viet Nam's mills paid 15 % more (USD 266/ton) in average. • Being geographically close to the Black Sea wheat market where major wheat supplying countries like Russia and Ukraine operate strengthens Turkish mills' competitive abilities. Turkish producers have relatively low wheat cost in comparison to Vietnamese producers' cost of production which eventually impact their wheat flour selling prices. It is normal that Türkiye is able to sell wheat flour at relatively low prices than Viet Nam. Selling at competitive prices due to having a lower cost of production is not a fault and has nothing to do with dumping practices. • Publicly available information does not show any injury suffered by the Philippines' domestic industry. Several firms have reported revenue increases for FY2022. • While in the recent period the domestic industry's sales in terms of quantity decreased compared to previous periods, it is important to examine the reasons behind this negative development in order to refrain from attributing any injury caused by other factors to imports from Türkiye. • PAFMIL itself accepts the absence of any injury and instead asserts the likelihood of threat of injury in the event of termination of the current measure.
On volume of imported wheat flour from Türkiye	
Ministry of Trade of the Republic of Türkiye	<ul style="list-style-type: none"> • Imports from Türkiye have significantly decreased. According to the Turkish Statistical Institute data, Türkiye's wheat flour exports to Philippines decreased by 97% from 122.3 thousand tons in 2015 to 3.7 thousand tons in 2022. • We do not agree that the reason for this decrease was the anti-dumping duties. First, not only the duty margins for some of the Turkish exporters were 0% but also magnitude of the anti-dumping duties for others was not at a level to prevent imports entirely. The exports of many companies that are subject to 0% duty margin also stopped. Türkiye was not the only country which lost its market. On the contrary, total imports of Philippines also significantly decreased from 237 thousand tons in 2016 to 28.2 thousand tons in 2021, which is the most recent data from the International Trade Centre (ITC) <i>TradeMap</i> database. The overall decrease in imports clearly shows that the domestic industry is now in an advantageous position against imports from all sources.
GAIB	<ul style="list-style-type: none"> • Import data reveals that imports of wheat flour from Türkiye has substantially decreased since the imposition of the anti-dumping measure.

Party	Position
	<ul style="list-style-type: none"> Imports of wheat flour from Türkiye continually decreased between 2015 – 2020 even though four Turkish exporters have been excluded from the measure due to getting <i>de minimis</i> dumping margins in the original investigation. Imports continued to decrease even more after 2020 when the measure was extended although one exporter was excluded from the order and there are plenty of Turkish exporters having less than 4% dumping margins. Although the Commission assigned company-specific dumping margins to 17 Turkish exporters, more than half of these companies do not have a punitive dumping margin which means they could have exported to the Philippine market if they wanted. However, obviously, Turkish wheat flour exporters do not intend to sell to the Philippine market.
On threat of injury from Türkiye	
Ministry of Trade of the Republic of Türkiye	<ul style="list-style-type: none"> The purpose of the Black Sea Grain Initiative under the auspices of the United Nations (UN) is to enable the safe exports of grain, related foodstuffs and fertilizers, including ammonia, from designated Ukrainian ports to global markets. This initiative is not a favor to Türkiye, but an attempt to find a solution to the crisis in food supply for the whole world. According to the Food and Agriculture Organization, the implementation of the Initiative has helped reduce global food prices and cereal prices for consecutive months in a row since its signing in July 2022. The UN also underlines that 17.8 million tons of grain were exported to 43 countries from Ukrainian ports between August 2022 and January 2023. This being said, millers from Philippines also had access to so called “cheap wheat” in the same period thanks to these efforts. Therefore, petitioner’s biased approach has no basis and merit. The petitioner should put forward evidence on why it believes only Türkiye had access to Black Sea grain and why it would be a threat to domestic industry in Philippines. Türkiye has also imported wheat from all around the world including Ukraine before the Russian invasion. With this regard, there is no reason to believe that it has just started to raise a threat to Philippine market. The petitioner refers to media reports which claims that Russia may donate substantial amounts of wheat at no cost. We would like to ask the investigating authority to request the petitioners to prove these claims with supporting evidence.
GAIB	<ul style="list-style-type: none"> Türkiye’s share in the Philippines’ wheat flour imports has dropped sharply from 52% levels to 22%. Türkiye has been losing share in the Philippines’ wheat flour market. As PAFMIL did not provide any information on the domestic industry’s production and consumption in the Philippine market in the non-confidential version of the complaint, GAIB is not able to comment on whether there is also a significant increase in imports relative to production or consumption in the Philippines. PAFMIL merely states that the domestic industry saw an improvement in domestic sales

Party	Position
	<p>without presenting any data. Relying on PAFMIL's statement, GAIB submits that there is neither a significant increase in imports relative to consumption in the Philippines.</p> <ul style="list-style-type: none"> • The non-confidential version of the complaint does not provide any data on the financial indicators of the domestic industry or the effect of the alleged dumped imports on prices. • GAIB believes that the Commission should terminate the expiry review investigation as well as the measure immediately. If the Commission insists on continuing the investigation, GAIB requests to receive a revised public summary of the complaint that allows the interested parties to exercise their right of defense. • Since 2021, less than four Turkish companies sold wheat flour to Philippines who were subject to substantial dumping margins. Lots of Turkish exporters having relatively low dumping margins did not prefer to sell to the Philippines. There is not so much interest of Turkish flour exporters towards the Philippines' market. • In 2022, the Philippines represented only 0.12% of Türkiye's wheat flour exports to the world. In 2022, Philippines only ranked as the 36th export market of Türkiye. In the first four months of 2023, the Philippines' share in Türkiye's wheat flour exports to the world even decreased to 0.02%. GAIB cannot see any evidence showing that the Philippines has remained a significant and accessible market for Türkiye even while the anti-dumping duty is in effect. • It is true that Türkiye is the largest wheat flour exporter in the world. However, this does not necessarily mean that Türkiye is a threat to other markets. Instead, considering that wheat flour is one of the main sources of food and energy for most households and is a very important product to maintain the food security and stability in food prices prevailing in a country, Türkiye plays a crucial role. • In addition to increasing food prices on the international markets, unfortunately nations have been facing food insecurity problems due to drought, COVID-19 pandemic, natural disasters, etc. Domestic producers themselves mention the supply challenges brought about by the global wheat market volatility and occurrence of more severe typhoons which impact their businesses. Considering how vital it could be to access the main sources of food in affordable prices, extending such protective measures on such vital products would only harm wheat flour consumers.

4. THE DOMESTIC INDUSTRY AND MARKET

4.1 The Domestic Industry

The first flour mill established in the Philippines was Republic Flour Mill (RFM) Corporation established in 1958. RFM Corporation was the pioneer of the flour-milling industry in the Asian region and evolved from a single company producing bags of flour to a multi-company enterprise managing a chain of branded products. Following RFM Corporation's success, other players were attracted to enter the flour milling business.⁹

Currently, there are 22 companies in the Philippine wheat flour milling sector (Table 4.1). There are two industry associations, namely: (i) Philippine Association of Flour Millers, Inc. (PAFMIL) established in 1962 and with seven members and (ii) Chamber of Philippine Flour Millers, Inc. (CHAMPFLOUR) established in 1990 and with four members. There are 11 flour millers who are not affiliated with either association.

Table 4.1. List of Wheat Flour Millers in the Philippines: As of June 2023

No.	Name of the Company	Plant Location/s	Affiliation
1	RFM Corporation	• Mandaluyong City	PAFMIL
2	Liberty Flour Mills, Inc.	• Mandaluyong City	
3	Wellington Flour Mills	• Pasig City	
4	Pilmico Foods Corporation	• Iligan City, Lanao del Norte	
5	General Milling Corporation	• Lapu-Lapu City, Cebu	
6	Universal Robina Corporation	• Pasig City • Davao City	
7	Philippine Flour Mills	• Lopez, Quezon	
8	San Miguel Mills, Inc.	• Batangas City • Mabini, Batangas	CHAMPFLOUR
9	Philippine Foremost Milling Corporation	• Manila Harbour Center; • Iloilo City • Mariveles, Bataan	
10	Morning Star Milling Corp.	• Pasig City	
11	Delta Milling Industries, Inc.	• Quezon City	
12	Monde Nissin Corporation	• Sta. Rosa, Laguna	None
13	Atlantic Grain, Inc.	• Calamba, Laguna	
14	Asian Grain, Inc.	• Naga City, Cebu	
15	New Hope Flour Milling Corp.,	• Cagayan De Oro City	
16	Great Earth Industrial Food, Inc.	• Guiguinto, Bulacan	
17	North Star Flour Mill	• Valenzuela City	
18	Mabuhay Interflour Mill	• Subic Bay Freeport Zone, Zambales	
19	Agripacific Corporation (Rebisco)	• Tanza, Cavite	
20	Big-C Agri Miller	• Porac, Pampanga	
21	California Flour Mill Group	• Balagtas, Bulacan	

⁹ Pinca, R., *The Philippine Flour Milling Industry*, <https://www.iaom.org/wp-content/uploads/01pafmsea18.pdf> (accessed 27 July 2023)

No.	Name of the Company	Plant Location/s	Affiliation
22	Crown Asia Flour Mill	• Banilad, Cebu	

Source: PAFMIL

The country's 22 wheat flour millers have plants that are located nationwide, i.e., eight plants in the National Capital Region (NCR), 11 plants in Luzon; four plants in the Visayas region; and another three plants in Mindanao (Figure 1).

4.2 Tariffs on Wheat Flour

The tariff on wheat flour is bound at 40% under the WTO Agreement and its 2023 Most Favoured Nation (MFN) tariff rate is 7% (Table 4.2).

Table 4.2. MFN and Bound Tariff Rates of Wheat Flour: 2019-2023

AHTN 2022 Code	WTO Bound Rate (%)	MFN Tariff Rate (%)
1101.00.11	40	7
1101.00.19	40	7

Under the 10 Free Trade Agreements (FTAs) that the Philippines is party to, the Philippines' concessions on subject article are as follows (Tables 4.3 and 4.4):

- a. Wheat flour may be imported duty-free under six FTAs, namely: ASEAN-Australia-New Zealand FTA (AANZFTA); ASEAN-Hong Kong, China FTA (AHKFTA); ASEAN-Japan Comprehensive Economic Partnership (AJCEPA); ASEAN Trade in Goods Agreement (ATIGA); Philippines-Japan Economic Partnership Agreement (PJEPA); and the Philippines-European Free Trade Association FTA (PH-EFTA FTA), specifically for Switzerland and Liechtenstein.
- b. Tariff preferences are granted under the ASEAN-China FTA (ACFTA) and the ASEAN-Korea FTA (AKFTA). As of 2023, the applicable rates for wheat flour under the Regional Comprehensive Economic Partnership (RCEP) Agreement is the same as the MFN rate.
- c. Wheat flour is not subject to tariff concessions under the ASEAN-India FTA (AIFTA), and for Norway and Iceland under the PH-EFTA FTA.

Table 4.3. Preferential Tariff Rates Under Seven Free Trade Agreements: 2014-2023

AHTN 2022 Code	Preferential Tariff Rate (%)						
	AANZFTA	ACFTA	AHKFTA	AIFTA	AJCEPA	AKFTA	ATIGA
1101.00.11 1101.00.19	0	7	N/A (2014-2018) 5 (2019) 2 (2020) 0 (2021-2023)	EL	3 (2014) 2 (2015) 1 (2016-2017) 0 (2018-2023)	7 (2014-2015) 5 (2016-2023)	0

Note: AIFTA: EL - Exclusion List

Figure 1. Locations of Flour Mills in the Philippines

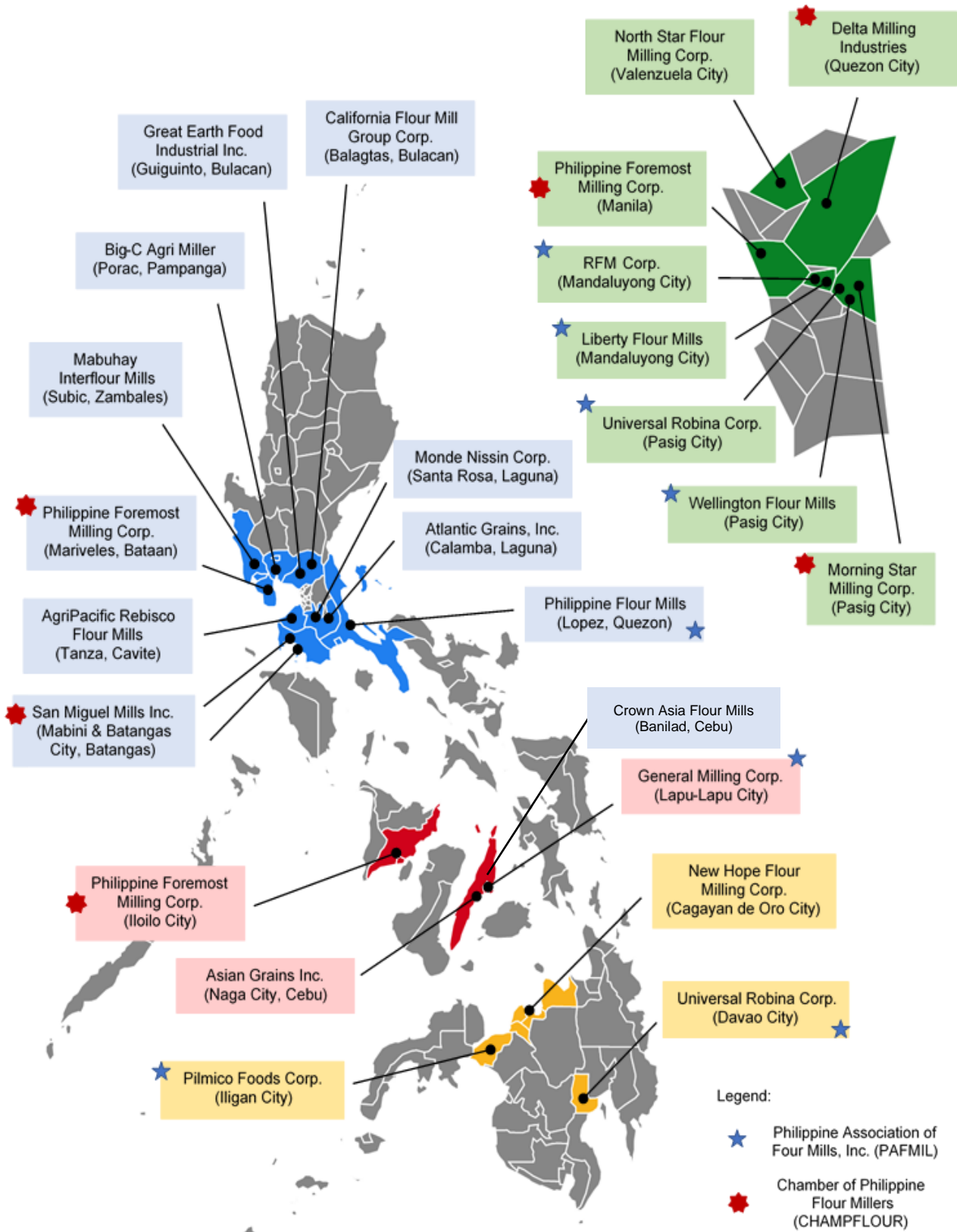


Table 4.4. Preferential Tariff Rates Under Three Free Trade Agreements: 2014-2023

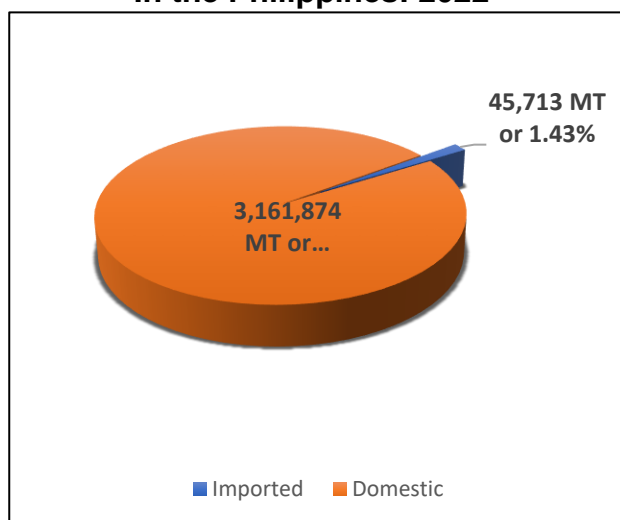
AHTN 2022 Code	Preferential Tariff Rate (%)				
	PJEPA	PH-EFTA FTA			RCEP
		Norway	Switzerland and Liechtenstein	Iceland	
1101.00.11 1101.00.19	3 (2014) 2 (2015) 1 (2016-2017) 0 (2018-2023)	N/A (2014-2017) X (2018-2023)	N/A (2014-2017) 6 (2018) 5 (2019) 4 (2020) 2 (2021) 1 (2022) 0 (2023)	N/A (2014-2017) X (2018-2023)	N/A (2014 – 01 June 2023) 7 (Starting 02 June 2023)

Note: PH-EFTA FTA (Norway): N/A - Not Applicable
 PH-EFTA FTA (Norway): X - Excluded from tariff commitments; the applicable import duty is the MFN rate.
 PH-EFTA FTA (Iceland): N/A - Not Applicable
 PH-EFTA FTA (Iceland): X - Excluded from tariff commitments; the applicable import duty is the MFN rate.
 AHKFTA: N/A - Not Applicable
 RCEP: N/A - Not Applicable

4.3 Supply of Wheat Flour in the Philippines

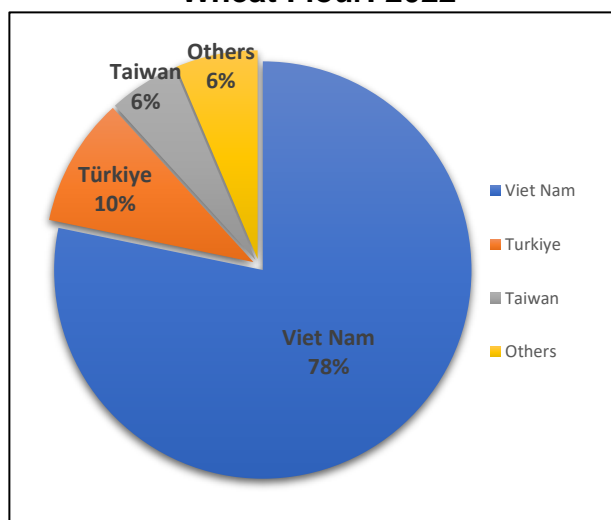
The Philippine market for wheat flour is supplied by both locally produced and imported wheat flour. In 2022, 99% of the total supply of wheat flour came from domestic flour millers (Figure 2). The remaining 1% was imported, mainly from Viet Nam (78%), Türkiye (10%), and Taiwan (5%) (Figure 3).

Figure 2. Sources of Wheat Flour In the Philippines: 2022



Source of basic data: BOC-EIEDs for imports
 PAFMIL for production

Figure 3. Top Suppliers of Imported Wheat Flour: 2022



Source of basic data: BOC-EIEDs

4.3.1 Domestic Production of Wheat Flour

The raw material of wheat flour is wheat classified under AHTN 2022 subheading 1001.99.19. The climate in the Philippines is not suitable to produce wheat hence there is no local production. From 2020 to 2022, the Philippines' wheat requirements were sourced mainly from the USA (86%), Australia (6%) and Canada (4%) (Table 4.5).

Table 4.5. Top Suppliers of Imported Wheat: 2020-2022

Country of Origin	Volume of Imports (in MT)				% Share
	2020	2021	2022	Total	
USA	2,467,301	2,983,628	2,388,060	7,838,989	86
Australia	82,448	78,751	364,110	525,309	6
Canada	--	65,736	325,248	390,984	4
Ukraine	55,328	146,913	5,202	207,443	2
Russia	40,505	--	--	40,505	0.4
Romania	32,699	--	--	32,699	0.4
Others	14,360	5	14,250	28,615	0.3
Total	2,692,641	3,275,033	3,096,869	9,064,543	100

Source of basic data: BOC-EIEDs

Based on data culled from the BOC-EIEDs, there were 29 importers of wheat, of which 17 are domestic flour millers and the remaining 12 are feed manufacturers and traders. PAFMIL members imported 49% of the total volume of wheat imports from 2020 to 2022, followed by CHAMPFLOUR-members with 30%, independent flour producers with 20%, and traders and feed producers with 1% (Table 4.6).

Table 4.6. Import Volumes of Wheat, By Association: 2020-2022

Party	Volume of Imports (in MT)				% Share
	2020	2021	2022	Total	
PAFMIL	1,441,774	1,486,942	1,467,799	4,396,515	49
CHAMPFLOUR	789,143	1,027,654	920,115	2,736,912	30
Other Millers	435,310	734,796	659,256	1,829,362	20
Traders / Feed Producers	26,414	25,641	49,699	101,754	1
Total	2,692,641	3,275,033	3,096,869	9,064,543	100

Source of basic data: BOC-EIEDs

Since PAFMIL was the biggest importer of wheat from 2020 to 2022, it was also the biggest producer of wheat flour in the country. In 2022, PAFMIL accounted for 47% of total wheat flour production of 2.15 million metric tons (MT) (Table 4.7).

Table 4.7. Domestic Production of Wheat Flour: 2022

Domestic Industry	Production (in MT)	% Share
PAFMIL Member-Companies	1,015,176	47
Local Millers Supporting the Request	679,964	32
Other Local Millers	451,558	21
Total	2,146,698	100

Source: PAFMIL

4.3.2 Philippine Imports of Wheat Flour

To determine the volume of imports of wheat flour for years 2020 to 2022, the Commission used data from the BOC-EIEDs. Specifically, importations classified under AHTN 2022 Codes 1101.00.11 and 1101.00.19 and described in the BOC-EIEDs as “pure white hard wheat flour”, “buckwheat flour”, “wheat flour”, “soft wheat flour”, “hard wheat flour”, “wheat flour fortified with vitamin A and iron”, and “wheat flour agila” were considered.

Imports of wheat flour increased from 25,000 MT in 2020 to 46,000 MT in 2022. During the period, Viet Nam was the top supplier of wheat flour with 67% share, followed by Türkiye with 20% share, and Taiwan and India with 3% shares each (Table 4.8).

Table 4.8. Import Volumes of Wheat Flour: 2020-2022

Country of Origin	Volume of Imports (in MT)				
	2020	2021	2022	Total	% Share
Viet Nam	12,717	17,744	35,766	66,227	67
Türkiye	8,230	6,550	4,570	19,350	20
Taiwan	0	892	2,465	3,357	3
India	910	915	881	2,706	3
Indonesia	793	984	552	2,329	2
Sri Lanka	270	495	248	1,013	1
UAE	273	273	315	861	1
Japan	199	231	250	680	1
United Kingdom	494	0	1	495	1
Ukraine	490	0	0	490	0
Italy	0	0	332	332	0
France	0	0	135	135	0
Others	414	365	199	978	1
Total	24,768	28,451	45,713	98,932	100

Source of basic data: BOC-EIEDs

Imports from Türkiye

Imports of wheat flour from Türkiye declined by 25%, on average, over the three-year period. From approximately 8,000 MT in 2020, imports fell to 5,000 MT in 2022 (Table 4.8).

Philippine Importers of Wheat Flour from Türkiye

From 2020 to 2022, there were nine importers of wheat flour from Türkiye, and these were traders. Their combined import volume amounted to some 19,000 MT and the top importers were Dabao Silk Road Trading Corporation (40% share), Source Interpacific Food Corporation (28%), and Behn Meyer Chemicals (14%) (Table 4.9).

Table 4.9. Importers of Turkish Wheat Flour: 2020-2022

	Importer	Volume of Imports (in MT)				
		2020	2021	2022	Total	% Share
1	Dabao Silk Road Trading Company	2,156	2,377	3,210	7,743	40
2	Source Interpacific Food Corporation	2,646	2,769	0	5,415	28
3	Behn Meyer Chemicals	585	888	1,317	2,790	14
4	Malabon Longlife Trading Corporation	1,348	0	0	1,348	7
5	Fatihrizza International Trade	1,225	0	0	1,225	6
6	Mintrade Corporation	245	490	0	735	4
7	La-Ceara Trading Philippines Corporation	25	13	0	38	0
8	La-Garenne Sales Corporation	0	15	44	59	0
9	Pro Maintech Consultancy, Inc.	0	0	0.0004	0.0004	0
	Total	8,230	6,550	4,570	19,350	100

Source of basic data: BOC-EIEDs

Turkish Exporters of Wheat Flour to the Philippines

From 2020 to 2022, the Commission identified seven exporters from Türkiye, who are either producers or traders of wheat flour. The top four exporters, who accounted for 96% of imports (Table 4.10), have dumping duties ranging from 2.87% to 12.60% (Table 1.2).

Table 4.10. Exporters of Turkish Wheat Flour: 2020-2022

	Exporter	Volume of Imports (in MT)				
		2020	2021	2022	Total	% Share
1	Turun Gida San Ve Tic A.S.	3,381	2,377	3,210	8,968	46
2	Ulas Gida Un Tekstil Nakliye Ticaret Ve Sanayi A.S.	2,646	2,769	0	5,415	28
3	Tekirdag Un San Ve Tic Ltd Sti	585	903	1,321	2,809	15
4	Ulusoy Un Sanayi Ve Ticaret	1,348	0	0	1,348	7
5	Okandeniz Un ve Gida Sanayi Ticaret A.S.	245	490	0	735	4
6	West Gate International Limited	25	13	0	38	0
7	Bastak Analitik Cihazlar Ltd. Sti	0	0	0.0004	0.0004	0
	Total	8,230	6,550	4,570	19,350	100

Source of basic data: BOC-EIEDs

4.3.3 Philippine Exports of Wheat Flour

Based on data from the Philippine Statistics Authority (PSA), the Philippines exported wheat flour from 2020 to 2021, amounting to 29,000 MT (lowest) in 2021 from 33,000 MT (highest) in 2020. Major export markets were neighboring ASEAN members Thailand, Viet Nam, Myanmar, and Malaysia with an aggregated export share of 89% (Table 4.11).

Table 4.11. Top Ten Export Markets of Philippine Wheat Flour: 2020-2022

Country of Destination	Volume of Exports (in MT)		Total	% Share
	2020	2021		
Thailand	22,294	14,753	37,047	89.14
Viet Nam	4,696	8,865	13,561	
Myanmar	1,802	1,717	3,519	
Malaysia	225	180	405	
Hong Kong	2,847	3,119	5,966	
China	640	--	640	1.05
United Arab Emirates	13	3	16	<1
United Kingdom	3	13	16	<1
Sweden	--	3	3	<1
United States of America	--	1	1	<1
Australia	0.34	--	0.34	<1
TOTAL	32,520	28,654	61,174	100.00

Source of basic data: Philippine Statistics Authority

4.4 Demand for Wheat Flour in the Philippines

Wheat flour is considered an intermediate good. The primary user of wheat flour is the food manufacturing industry which includes the “perishable” baked goods sector (breads, rolls, and cakes), the dry baked goods sector (cookies, crackers, and biscuits), and the pasta and noodle sector. The products of this industry are major commodities consumed by Filipinos.

While there were no submissions from baking associations who participated in the original case and the first expiry review, official statistics and relevant reports paint the following picture for the demand-side of wheat flour¹⁰:

- a. Based on the PSA’s *Consumption of Selected Agricultural Commodities in the Philippines* for 2017, 98%-99% of Filipino households consume noodle products and bread products. Top consumed products are instant noodles, *pan de sal*, loaf bread, and buns. The same survey also found that bread is the leading rice substitute among Filipinos with 65% of Filipinos choosing bread as their preferred rice substitute in their meals. This highlights the significance of wheat products in the consumption patterns of Filipinos¹¹.
- b. According to a report by the United States Department of Agriculture (USDA), bakery products comprise roughly 50% of overall milling wheat consumption in the Philippines. These include *pan de sal* and its derivatives (local salt bread consumed as a breakfast muffin), loaf bread, buns and rolls, cakes and pastries, and Chinese steamed buns. The other half of milling wheat demand is for producing noodles, cookies and crackers, and pasta. The Philippines is the only country in Southeast Asia that consumes more bread than noodles. [Bakery](#)

¹⁰ Philippine Baking Industry Group, Inc. (PhilBaking), Filipino-Chinese Bakery Association, Inc. (FCBAI) and the Philippine Federation of Bakers Association, Inc. (PFBAI)

¹¹ Philippine Statistics Authority, *Consumption of Selected Agricultural Commodities in the Philippines*, <https://psa.gov.ph/sites/default/files/2015-2016%20CSAC%20Vol2.pdf> (accessed 12 July 2023)

products may be considered a staple, as they are consumed daily by the average Filipino consumer.¹²

- c. Based on 2015-2016 Philippine per capita consumption on selected wheat flour end-products (i.e., *pan de sal*, loaf bread, buns) and the 2023 estimated Philippine population, it may be concluded that the bulk of local wheat flour production is used in the manufacture of *pan de sal*, loaf bread and buns (74% share of 2022 production) (Table 4.12). The remaining 26% would thus be used for the manufacture of other end-products, e.g., pastries, cakes, and special breads.

Table 4.12. Estimated Utilization of Wheat Flour

Product	2015-2016 Average Annual Per Capita Consumption ^{1/}	2023 Estimated Population ^{2/}	Estimated Demand (MT)	% Share
<i>Pan De Sal</i>	211.218 pieces or 9.50 kgs (each <i>pan de sal</i> has an average weight of 45 grams)	113,979,095	1,082,801.40	
Sliced/Loaf Bread	5.312 pieces or 2.06 kgs (each loaf has an average weight of 388 grams)		234,796.94	
Buns	46.949 pieces or 2.82 kgs (each bun has an average weight of 60g)		321,421.05	
ESTIMATED DEMAND			1,639,019.39	74
2022 LOCAL PRODUCTION^{3/}			2,199,705.00	
Difference			560,685.61	26

Sources: ^{1/} PSA; ^{2/} Worldometer, www.worldometer.com; ^{3/} PAFMIL

- d. According to the USDA, the country's baking industry is forecasted to grow at an annual growth rate of 5% to reach USD2.5 billion in retail sales in 2027. Said growth would be driven by moderate inflation, population growth, and urbanization.¹³
- e. Given the strong demand for products which require wheat flour as an input, an equally strong and robust local industry would be necessary to meet it. Based on the submission of PAFMIL, local flour milling capacity increased by 7% in 2019 but capacity utilization remains low at around 50%, which means the Philippine wheat flour industry can meet future increases in demand.¹⁴

¹² United States Department of Agriculture, *Grain and Feed Annual Report: Philippines*, https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Grain%20and%20Feed%20Annual_Ma_nila_Philippines_03-19-2020 (accessed 12 July 2023)

¹³ Talavera, S., Business World, "Philippine Baking Industry seen growing 5% a year to \$2.5 billion by 2027", published online on 17 July 2023, [https://www.bworldonline.com/economy/2023/07/16/534326/philippine-baking-industry-seen-growing-5-a-year-to-2-5-billion-by-2027/#:~:text=One%20News-.Philippine%20baking%20industry%20seen%20growing%205%25%20a.to,%20%20242.5%20billion%20by%202027&text=THE%20Philippine%20baking%20industry's%20retail.Department%20of%20Agriculture%20\(USDA\)](https://www.bworldonline.com/economy/2023/07/16/534326/philippine-baking-industry-seen-growing-5-a-year-to-2-5-billion-by-2027/#:~:text=One%20News-.Philippine%20baking%20industry%20seen%20growing%205%25%20a.to,%20%20242.5%20billion%20by%202027&text=THE%20Philippine%20baking%20industry's%20retail.Department%20of%20Agriculture%20(USDA)).

¹⁴ TC Final Report on the First Expiry Review on the Anti-Dumping Duties Imposed Against Importation of Wheat Flour (AHTN 2017 Subheadings 1101.00.11 and 1101.00.19) from the Republic of Turkey, submitted to DTI on 09 September 2020.

5. DETERMINATION OF DUMPING

Section 19 (b) of the IRRs of RA No. 8752 provides that:

“The duration of the definitive anti-dumping duty shall not exceed five (5) years from the date of its imposition, or from the date of the most recent review if that review has covered both dumping and injury, unless the Commission has determined, in a review initiated before that date on their own initiative or upon a duly substantiated request made by or in behalf of the domestic industry at least six (6) months prior to the termination date, that the termination of the anti-dumping duty will likely lead to the continuation or recurrence of dumping and injury. x x x”

Dumping occurs when any specific kind or class of foreign article is imported or brought into the Philippines at a price, i.e., export price, less than its normal value.

Section 11(a) and (b) of the IRRs of RA No. 8752 set the terms for comparing normal value and export price, to wit:

“(a) The Secretary and the Commission shall determine the existence of dumping by making a fair comparison between the export price and the normal value of the allegedly dumped product, covering all transactions for the allegedly dumped product during the period of investigation (POI). x x

(b) The comparison shall be made at the same level of trade, normally at the ex-factory level, and in respect of sales made at the same time or as near as possible to the date of exportation. Due allowances shall be made in each case for differences which affect price comparability including differences in conditions and terms of sale, taxation, levels of trade, quantities, physical characteristics and any other differences which are also demonstrated to affect price comparability.”

As mentioned in Section 2.6.2 of this Report, there were three identified exporters of Turkish wheat flour to the Philippines during the POI for dumping determination (01 February 2022 to 31 January 2023), namely: Tekirdag Un Sanayi ve Ticaret Ltd. (Tekirdag), Turun Gida Sanayi ve Ticaret A.S. (Turun), and Bastak Analitik Cihazlar Ltd. Sti (Bastak).

Among the three aforesaid exporters, only Turun accomplished and submitted TC Form 6-B¹⁵ to the Commission. The Commission verified the data submitted by Turun (Table 2.4).

Turun is considered a major exporter of Turkish wheat flour during the POI. Based on import data collected from the BOC, wheat flour exports of Turun totaled 2,768.50 MT, representing 64% of the total volume of wheat flour exports of Türkiye to the Philippines during the POI.

¹⁵ TC Form 6-B is the questionnaire for foreign exporters.

**Table 5.1. Exports of Turkish Wheat Flour to the Philippines:
February 2022-January 2023**

No.	Exporter	During POI for Dumping Determination	
		Volume of Exports to the Philippines (MT)	Share in Total Exports of Türkiye to the Philippines (%)
Participating Exporter			
1	Turun	2,768.50	64.36
Other Exporters			
1	Tekirdag	1,533.00	35.64
2	Bastak	.00044	0.00
Sub-Total: Other Exporters		1,533.00	35.64
Total: All Turkish Exporters		4,301.50	100.00

Source of basic data: BOC-EIEDs

Note: The Commission verified the BOC data against the submission/s of Turun. Any difference in figures between the BOC import data and Turun's export volumes are attributable to the date of recording: the former is based on the dates of arrival in the Philippines while the latter is based on the dates of sale (e.g., date of contract, purchase order, order confirmation, invoice) which establish the material terms of sale.

5.1 Export Price

Section 2(l) of the IRRs of RA No. 8752 refers to export prices as:

“(1) the ex-factory price at the point of sale for export; or (2) the freight-on-board (F.O.B.) price at the point of shipment, of the allegedly dumped product. In cases where (1) or (2) cannot be used, then the export price may be constructed based on such reasonable bases as the Secretary or the Commission may determine.”

Turun confirmed¹⁶ that it exported wheat flour to the Philippines during the POI. It claimed that export sales were made to unaffiliated/independent Philippine importers and the export prices invoiced on the date of sale were at arm's length.

Based on its verification, the Commission found the prices reported by Turun reliable, hence export prices were calculated based directly on the actual gross FOB prices reported. These prices were adjusted to their ex-factory level by deducting all post-exportation charges¹⁷ incurred by Turun such as: inland freight and other local charges directly linked to the sale of goods (i.e., fortification, insurance and finance, international survey¹⁸ and packing cost).

Table 5.2 shows that the adjusted ex-factory export prices of wheat flour sold by Turun to the Philippines during the POI ranged from ■■■ – ■■■ per MT.

¹⁶ Turun confirmed its exports of wheat flour to the Philippines during the POI at the Commission's data verification meeting held on 18 July 2023.

¹⁷ Philippine practice based on RA No. 8752 consistent with the WTO ADA

¹⁸ Includes export documentation costs and other related port charges

Table 5.2. Adjusted Ex-Factory Export Prices: Turun

Exporter / Product Type	Export Prices During POI for Dumping Determination (USD/MT)	
	Gross	Adjusted Ex-Factory
<u>Turun</u>		
➤ 31-34% wet gluten wheat flour (hard flour)	■	■

Source: TC Form 6-B as verified

5.2 Normal Value

Section 2(s) of the IRRs of RA No. 8752 defines normal value as:

“A comparable price at the date of sale of the like product in the ordinary course of trade when destined for consumption in the country of export or origin.”

Turun provided the Commission with its home market sales of wheat flour during the POI which are shown in Table 5.3.

Table 5.3. Domestic Sales of Wheat Flour in Türkiye: Turun

Exporter / Product Type	Like Product Sold in Home Market	During POI for Dumping Determination	
		Volume of Domestic Sales in Home Market (MT)	Ratio of Domestic Sales to Export Sales to the Philippines (%)
<u>Turun</u>			
➤ 31-34% wet gluten wheat flour (hard flour)	➤ 31-34% wet gluten wheat flour (hard wheat flour)	■	34.24

Source: TC Form 6-B as verified

The Commission applied two tests to Turun’s verified submissions, namely: (i) ordinary course of trade (OCOT) test to determine whether there are sales to related parties or sales made at prices below cost; and (ii) sufficiency/viability test to determine whether domestic sales of the like product constitute a sufficient quantity as basis for normal value calculation. In particular, the following were undertaken:

- a. The OCOT test was done by comparing the net unit price per sale (i.e., gross domestic selling price minus any costs incidental to the delivery of the subject product to the customer) with the total unit costs [i.e., sum of manufacturing costs plus selling, administrative and general expenses (SAGE), and financial expenses]. Although there were sales below cost made by Turun, such sales were not made within an extended period of

time¹⁹ in substantial quantities²⁰ and thus the Commission did not reject the same in the determination of normal value.

- b. For the sufficiency/viability test, the ratio of home market sales to the volume of wheat flour exports to the Philippines was determined. Since the resulting ratio of 34% is above the required 5% sufficiency threshold²¹, the Commission used the domestic selling prices of wheat flour sold in Türkiye provided by Turun as basis of normal value.

The domestic selling prices of Turun were adjusted by deducting costs directly linked to the sale of subject product²², such as inland freight and packing cost, and adding the cost difference of raw materials used (wheat) for export sales and domestic sales, in order to make the normal value comparable with the export prices on an ex-factory level.

Table 5.4 shows the adjusted ex-factory normal values of Turun based on its domestic selling prices of wheat flour sold in its home market of Türkiye during the POI. These adjusted ex-factory normal values ranged from ■ – ■ per MT.

Table 5.4. Adjusted Ex-Factory Normal Value: Turun

Exporter / Product Type	Domestic Prices During POI for Dumping Determination (USD/MT)	
	Gross Domestic Selling Prices	Adjusted Ex-Factory Normal Value
<u>Turun</u>		
➤ 31-34% wet gluten wheat flour (hard wheat flour)	■	■

Source: TC Form 6-B as verified

5.3 Dumping Margin

Consistent with the original investigation whereby Method 1 in the calculation of dumping margin was used pursuant to Section 11(l) of the IRRs of RA No. 8752²³, the Commission calculated the dumping margin by comparing the weighted average export price over the POI with the weighted average of corresponding normal value over the POI.

In particular, the weighted average dumping margin was determined by subtracting the weighted average export price from the weighted average normal value and then dividing the difference by the weighted average export price.

¹⁹ Footnote 4 to Article 2.2.1 of WTO ADA states that the extended period of time should normally be one year but shall in no case be less than six months.

²⁰ Footnote 5 to Article 2.2.1 of WTO ADA states that sales below costs are made in substantial quantities when the volume of sales at a loss represents 20% or more of the total volume sold x x x.

²¹ Footnote 2 to Article 2.2 of WTO ADA states that domestic sales in the exporting country are normally considered a sufficient quantity for the determination of normal value if such sales constitute 5 per cent or more of the sales to the importing country.

²² Philippine practice based on RA No. 8752 consistent with the WTO ADA

²³ "In accordance with the provisions governing fair comparison, the existence of a dumping margin during the period of investigation shall be established by the comparison of: 1. a weighted average normal value with a weighted average of all comparable export transactions; or 2. x x x"

It was found that Turun has a positive margin of dumping of 9.37% during the POI for dumping determination (Table 5.5).

Table 5.5. Weighted Average Dumping Margin: Turun

Exporter / Product Type	Weighted Average Normal Value (NV) (USD/MT)	Weighted Average Export Price (EP) (USD/MT)	Dumping Margin	
			In Absolute Terms: NV-EP (USD/MT)	As a Percentage of EP (%)
(a)	(b)	(c)	(d) = (b)-(c)	(e) = (d)/(c) x 100
<u>Turun</u>				
➤ 31-34% wet gluten wheat flour (hard flour)	■	■	■	9.37

5.4 Conclusion

In view of the foregoing and in accordance with RA No. 8752, the Commission finds that, notwithstanding the imposition of anti-dumping duty, there is sufficient evidence to conclude that dumping of wheat flour imported from the Republic of Türkiye occurred during the POI.

6. DETERMINATION OF LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING

Section 19(b) of the IRRs of RA No. 8752 provides that the duration of the definitive anti-dumping duty shall not exceed five years from the date of its imposition unless the Commission has determined that the termination of the anti-dumping duty will likely lead to the continuation or recurrence of dumping and injury. Such a likelihood may be indicated, for example, by evidence of continued dumping and injury or evidence that the removal of injury is partly or solely due to the existence of the duty or evidence that the circumstances of the foreign exporters, or market conditions, are such that these would indicate the likelihood of further injurious dumping.

In assessing the likelihood of whether the termination of the anti-dumping duty of wheat flour imported from Türkiye will likely lead to the continuation or recurrence of dumping, the Commission evaluated the following factors:

6.1 Existence of Dumping During the POI

The Commission has established that dumping continued to exist as evidenced by the dumping margin of 9.37% found for the wheat flour exported by Turun to the Philippines during the POI for dumping determination.

During said POI, sales of Turkish wheat flour at dumped prices (including exports of Tekirdag and Bastak who did not participate in the investigation) amounted to 4,301.50 MT (Table 5.1), which accounted for 9% of total Philippine wheat flour imports (Table 6.1) and is above the 3% negligibility threshold²⁴.

Table 6.1. Volume of Dumped Imports: February 2022-January 2023

Imports (in MT)					Share of Dumped Imports to Total Philippine Imports
From Türkiye			From Other Countries	Total	
Dumped	Non-Dumped	Total			
4,301.50	0	4,301.50	43,893.50	48,195.00	8.93%

Source of basic data: BOC-EIEDs

6.2 Status of Türkiye as Wheat Flour Exporter in the World Market

Türkiye is a country with fertile land and climate diversity. In this way, Türkiye is one of the most important countries in wheat cultivation in the world. In addition, wheat cultivation in Türkiye is supported by the Ministry of Agriculture and Forestry²⁵.

²⁴ Section 9 (b) of the IRRs of RA No. 8752, consistent with Article 5.8 of the WTO ADA, reads: "The volume of the allegedly dumped products from a particular country shall normally be regarded as negligible if it accounts for less than three percent (3%) of the total imports of said product in the Philippines unless countries which individually account for less than three percent (3%) of the total imports of the said product in the Philippines collectively account for more than seven percent (7%) of the total imports of that product.

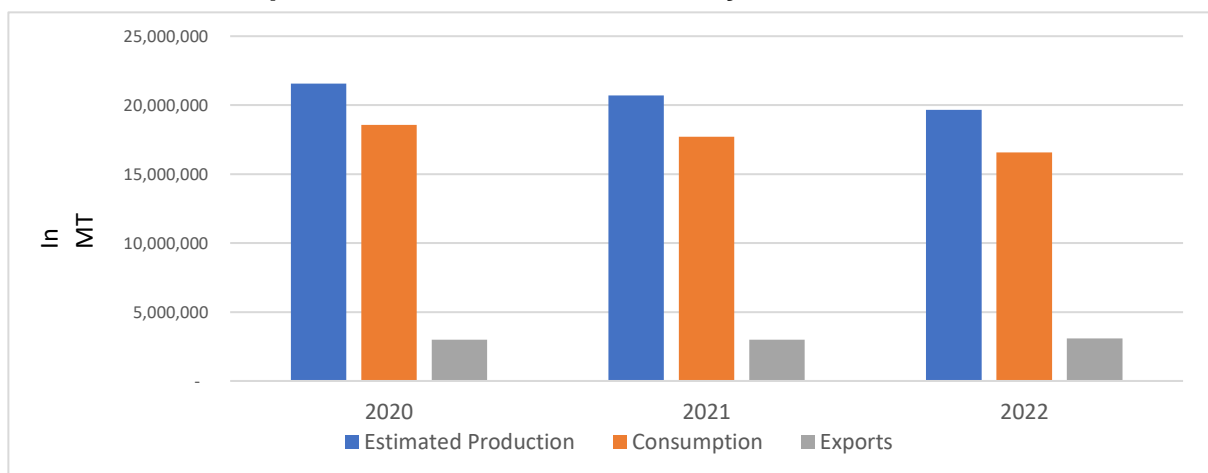
²⁵ Turkish Goods, *Inside the Wheat Cultivation and Export in Turkey*, <https://www.turkishgoods.com/post/blog/inside-the-wheat-cultivation-and-export-in-turkey> (accessed 25 July 2023)

There are 710 wheat flour production facilities, which are operating in almost every province in Türkiye, with a combined total production capacity of around 20 million MT. The province of Konya has the greatest number of wheat flour factories among Türkiye’s provinces. Given its high production capacity, it is not surprising that Türkiye is one of the major exporters of wheat flour in the world. The fact that millions of metric tons of wheat flour are exported annually reflects the global importance of Türkiye 's output. Flour milling facilities have a reported total utilization rate of 45% indicating excess production capacity²⁶. In 2022, wheat production totaled 19.75 million MT.²⁷

The following have been identified as contributory factors to Türkiye’s success story in the global wheat flour market: self-sufficiency in wheat; investments in milling and modernization; geographical location; logistics advantages; Turkish Grain Board and Inward Processing Regime (IPR) policy; value of the by-products; advancements in the seed industry; tailor-made production for non-traditional products; state research and development support programs; activities of the Turkish Flour Industrialists and Turkish Flour Yeast and Ingredients Promotion Group; and strong demand for baked products.²⁸

Figure 4 compares available annual data on Türkiye’s production of wheat flour and its exports for the period 2020 to 2022. It is estimated that Türkiye’s production of wheat flour ranged from 19 million MT (lowest in 2022) to 21 million MT (highest in 2020), while exports were at 3 million MT during the same period. Assuming that the difference in production and exports is domestic consumption (estimated to amount to at least 16 million MT), the data confirms that domestic consumption of wheat flour in Türkiye is normally less than production, indicating greater potential to export the excess supply.

Figure 4. Estimated Production^a, Estimated Domestic Consumption^b and Exports^c of Wheat Flour of Türkiye, In MT: 2020 to 2022



Sources: ^{a/} Türkiye’s annual production of wheat flour was estimated using data from Turkstat on Türkiye’s annual production and imports of wheat (raw material of wheat flour); this annual wheat supply was multiplied by the flour milling industry’s average wheat recovery rate of 75%; ^{b/} Difference of production and exports; ^{c/} www.trademap.org

²⁶ Ibid.

²⁷ AG Flow (August 2022), *Turkey’s Flour Export Breaks the Record of All Time in January – June*, <https://www.agflow.com/agricultural-markets-news/turkeys-flour-export-breaks-the-record-of-all-time/> (accessed 29 July 2023).

²⁸ Food and Agriculture Organization (FAO), (2022). *GIEWS Country Brief: Turkey*. Retrieved on 29 July 2023 from: https://www.fao.org/giews/countrybrief/country/TUR/pdf_archive/TUR_Archive.pdf

6.3 Status of the Philippines as Export Market for Wheat Flour from Türkiye

Before the imposition of anti-dumping duties in 2015, the Philippines ranked as the 3rd largest buyer of wheat flour from Türkiye during the period 2012 to 2014. Upon imposition of said duties, the Philippines' rank expectedly slipped: from 4th in 2015-2016, to 6th and 9th in 2017 and 2018, respectively, and further to 19th (in 2019), 23rd (2020), 26th (2021), and 36th (2022). In the last five years (2018-2022), the Philippines was in 22nd place. Still, the Philippines remained a country market for Turkish wheat flour.

Table 6.2. Türkiye's Export Markets for Its Wheat Flour: 2018-2022

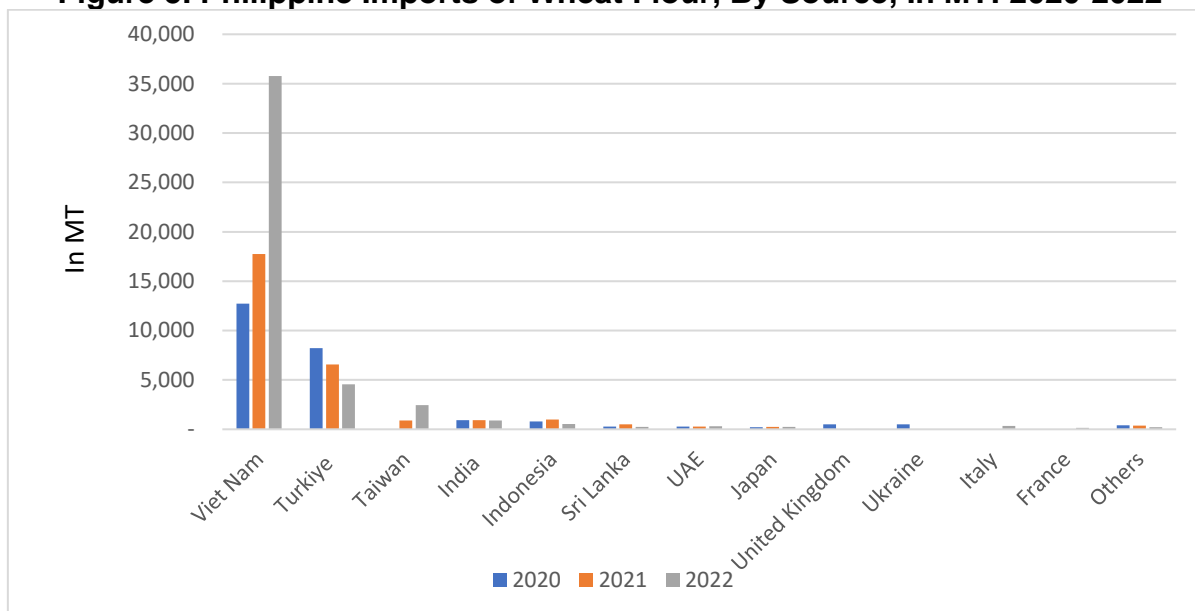
Rank	Country of Destination	Volume of Exports (In MT)						% Share
		2018	2019	2020	2021	2022	Total	
1	Iraq	1,616,111	1,362,159	1,344,541	1,283,981	1,255,877	6,862,669	43.86
2	Yemen	186,057	461,597	293,675	317,775	324,468	1,583,572	10.12
3	Syrian Arab Republic	353,887	336,546	199,895	288,436	337,330	1,516,094	9.69
4	Angola	223,819	175,031	163,664	142,848	76,667	782,029	5.00
5	Venezuela	27,331	91,307	156,290	110,226	168,638	553,792	3.54
6	Somalia	86,728	95,415	112,946	82,233	125,109	502,431	3.21
7	Benin	83,475	88,834	119,228	82,351	48,431	422,319	2.70
8	Djibouti	33,442	34,177	44,747	177,030	53,638	343,034	2.19
9	Ghana	50,720	54,453	64,771	69,521	46,251	285,716	1.83
10	Madagascar	98,594	74,171	51,752	10,900	13,147	248,564	1.59
11	Israel	41,946	77,085	39,774	18,382	26,015	203,202	1.30
12	Palestine, State of	32,658	985	44,785	54,481	59,611	192,520	1.23
13	Sierra Leone	31,360	21,251	23,262	52,433	49,567	177,873	1.14
14	Kenya	13,772	32,708	35,279	42,624	40,248	164,631	1.05
15	Cuba	30,000	40,000	-	40,000	41,123	151,123	0.97
16	Sri Lanka	-	1,460	6,815	-	135,855	144,130	0.92
17	Haiti	35,729	41,358	39,175	151	-	116,413	0.74
18	Equatorial Guinea	16,932	23,731	22,613	23,282	18,350	104,908	0.67
19	Eritrea	5,250	16,200	-	35,350	43,274	100,074	0.64
20	Indonesia	24,506	37,325	21,780	25	11,340	94,976	0.61
21	Libya, State of	14,729	14,989	14,281	17,060	25,961	87,020	0.56
22	Philippines	44,608	19,927	10,293	5,328	3,697	83,853	0.54
23	Afghanistan	5	5	25	43,798	23,557	67,390	0.43
24	Tanzania	12,385	9,086	17,383	17,107	8,491	64,452	0.41
25	Lebanon	19,742	13,955	13,579	530	15,155	62,961	0.40
Sub-Total		3,083,786	3,123,755	2,840,553	2,915,852	2,951,800	14,915,745	95.34
Total		3,308,651	3,261,265	2,990,411	2,999,702	3,085,189	15,645,218	100.00

Source: www.trademap.org

6.4 Status of Türkiye as Source of Wheat Flour for the Philippines

Türkiye was the top supplier of wheat flour to the Philippines from 2014 to 2019.²⁹ However, due to the continued imposition of anti-dumping duties on subject article, Viet Nam has emerged as the Philippines's top supplier of wheat flour from 2020 to 2022.

Figure 5. Philippine Imports of Wheat Flour, By Source, In MT: 2020-2022



Source of basic data: BOC-EIEDs

6.5 Conclusion

The Commission finds the following:

- Notwithstanding the imposition of anti-dumping duties, dumping of wheat flour imported from the Republic of Türkiye occurred during the POI.
- There is significant excess production capacity of wheat flour in Türkiye, indicating strong ability to ramp up its production and increase its exports to the world market.
- The existence of large excess capacities for wheat flour production in Türkiye means that despite the existence of alternative markets, if the anti-dumping duties were removed, increased demand from the Philippines may be met with increased production rather than diversion from these alternative markets. Although the Philippines is a considerable distance from Türkiye, the increased transportation costs did not preclude Turkish producers from dumping wheat flour into the Philippines in 2015. Likewise, although the Philippines is far away from Türkiye, Turkish wheat flour continued to be exported to the Philippines at dumped prices during the POI.

²⁹ TC Final Report for the First Expiry Review of the Anti-Dumping Duties Imposed Against Importations of Wheat Flour from the Republic of Turkey dated 09 September 2020

- d. Although the Philippines was not a top country of destination for Turkish wheat flour in 2020 to 2022, the drop in Turkish wheat flour exports may be attributed to the imposition of anti-dumping duties. Before the imposition of said duties, the Philippines ranked as the 3rd top country destination of Turkish wheat flour. The imposition of anti-dumping duties saw this gradually slip from 4th in 2016, the first year that anti-dumping duties were imposed, to 23rd in 2020, the year of the first expiry review. Even with the imposition of anti-dumping duties during the POI, Turkish wheat flour continued to enter the Philippines at prices below their normal value. The expiration of the anti-dumping duties would enable Turkish firms which had exited the market due to an inability to compete at their normal prices to regain their foothold in the Philippines and regain market share to the detriment of fairly priced exporters and local producers. Thus, there exists a threat of injury to the domestic industry.
- e. While the Philippines' significance as an export market for Turkish wheat flour has lessened through the years due to the anti-dumping duties that are imposed, the Philippines will remain a highly attractive market. There is a well-established trading relationship between the Philippines and Türkiye. Moreover, there is increasing domestic demand for wheat flour end-products, such as bread and pastries, which means that competitively priced wheat flour from Türkiye will remain a strong option.
- f. In similar vein, while Viet Nam has emerged as the top supplier of wheat flour to the Philippines in the last three years, this circumstance can easily change when market access conditions become more favorable for more Turkish exporters to enter the Philippine market and considering Türkiye's high competitiveness in wheat flour exports as a global powerhouse for many years now.

In view of the foregoing and in accordance with RA No. 8752, the Commission finds that termination of the anti-dumping duties will likely lead to the continuation or recurrence of dumping of wheat flour imported from the Republic of Türkiye.



REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

IN THE MATTER OF THE ANTI-DUMPING PROTEST AGAINST IMPORTATIONS OF WHEAT FLOUR (AHTN 2017/2022 SUBHEADING NOS. 1101.00.11 AND 1101.00.19) FROM THE REPUBLIC OF TÜRKIYE

**FOR: ANTI-DUMPING DUTY
TCI(AD)No.AD-2019-ER-WheatFlourTR**

PHILIPPINE ASSOCIATION OF FLOUR MILLERS, INC. (PAFMIL),

Protestant.

NOTICE OF THE IMPENDING EXPIRY OF DEFINITIVE ANTI-DUMPING DUTY

As provided for in Section 19 (b) of the Implementing Rules and Regulations of Republic Act (RA) No. 8752 (*Anti-Dumping Act of 1999*), as adopted by Section 711 of RA No. 10863 (*Customs Modernization and Tariff Act*), the Commission hereby gives notice of the impending expiry of the effectivity of the anti-dumping duty imposed on imports of wheat flour (AHTN 2017/2022 Subheading Nos. 1101.00.11 and 1101.00.19) from the Republic of Türkiye.

The anti-dumping duty, which is imposed for a period of three (3) years, took effect on 28 October 2020¹ and is set to expire on 27 October 2023.

Concerned parties may file a written request for an expiry review before the Secretary of Agriculture at any time from the date of the publication of this notice but no later than six (6) months prior to the termination date. The request must contain sufficient evidence that the expiry of the definitive anti-dumping duty would likely result in a continuation or recurrence of dumping and injury.

For inquiries, please contact Acting Director III Ma. Lourdes M. Saluta of the Research, Investigation and International Trade Analysis Service (RIITAS) at Telephone No. 8926-7476 or at email addresses TC.Assist@mail.tariffcommission.gov.ph and Records@tariffcommission.gov.ph.

Issued this 2nd day of December 2022, at Quezon City, Metro Manila.



Digitally signed
MariLou P. Mendoza
MARILOU P. MENDOZA
Chairperson

¹ Date of Customs Memorandum Order No. 27-2020 issued by the Bureau of Customs to implement the Department of Agriculture's Order No. 10-2020 dated 18 September 2020



REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

IN THE MATTER OF THE ANTI-DUMPING PROTEST AGAINST IMPORTATIONS OF WHEAT FLOUR (AHTN 2017/2022 SUBHEADING NOS. 1101.00.11 AND 1101.00.19) FROM THE REPUBLIC OF TÜRKIYE

**FOR: ANTI-DUMPING DUTY
TCI (AD) No. AD-2019-ER-WheatFlourTR**

PHILIPPINE ASSOCIATION OF FLOUR MILLERS, INC. (PAFAMIL),

Protestant.

NOTICE OF THE IMPENDING EXPIRY OF DEFINITIVE ANTI-DUMPING DUTY

As provided for in Section 19 (b) of the Implementing Rules and Regulations of Republic Act (RA) No. 8752 (*Anti-Dumping Act of 1999*), as adopted by Section 711 of RA No. 10863 (*Customs Modernization and Tariff Act*), the Commission hereby gives notice of the impending expiry of the effectivity of the anti-dumping duty imposed on imports of wheat flour (AHTN 2017/2022 Subheading Nos. 1101.00.11 and 1101.00.19) from the Republic of Türkiye.

The anti-dumping duty, which is imposed for a period of three (3) years, took effect on 28 October 2020¹ and is set to expire on 27 October 2023.

Concerned parties may file a written request for an expiry review before the Secretary of Agriculture at any time from the date of the publication of this notice but no later than six (6) months prior to the termination date. The request must contain sufficient evidence that the expiry of the definitive anti-dumping duty would likely result in a continuation or recurrence of dumping and injury.

For inquiries, please contact Acting Director III Ma. Lourdes M. Saluta of the Research, Investigation and International Trade Analysis Service (RIITAS) at Telephone No. 8926-7476 or at email addresses TC.Assist@mail.tariffcommission.gov.ph and Records@tariffcommission.gov.ph.

Issued this 2nd day of December 2022, at Quezon City, Metro Manila.



Digitally signed
MariLou P. Mendoza
MARILOU P. MENDOZA
Chairperson

¹ Date of Customs Memorandum Order No. 27-2020 issued by the Bureau of Customs to implement the Department of Agriculture's Order No. 10-2020 dated 18 September 2020

Trade Remedy Cases

Impending Expiry of Anti-Dumping Duty on Importations of Wheat Flour from the Republic of Türkiye

Please see the following Notices / References:

- [Notice of the Impending Expiry of Definitive Anti-Dumping Duty](#) issued on 02 December 2022



REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

**IN THE MATTER OF THE CONDUCT
OF AN EXPIRY REVIEW OF THE ANTI-
DUMPING DUTY IMPOSED AGAINST
IMPORTATIONS OF WHEAT FLOUR
FROM THE REPUBLIC OF TURKIYE**

(AHTN 2022/2017 Subheading
Nos. 1101.00.11 and 1101.00.19)

**FOR: ANTI-DUMPING MEASURE
TCI (AD) No. AD-2023-ER2-
WheatFlourTR**

Philippine Association of Flour
Millers Inc. (PAFMIL)

Petitioner.

X-----X

**NOTICE OF INITIATION OF EXPIRY REVIEW AND CONDUCT
OF PRELIMINARY CONFERENCE**

Pursuant to Section 711 of Republic Act (RA) No. 10863 (*Customs Modernization and Tariff Act*), which adopted the provisions of RA No. 8752 (*Anti-Dumping Act of 1999*), notice is hereby given that the Tariff Commission (TC) has initiated on 20 March 2023 its second Expiry Review on the Anti-Dumping Duty imposed against importations of Wheat Flour (AHTN 2022/2017 Subheading Nos. 1101.00.11 and 1101.00.19) from the Republic of Türkiye, following the recommendation and endorsement of the Department of Agriculture (DA) on the request of the Philippine Association of Flour Millers, Inc. (PAFMIL) for the TC to initiate the same.

All interested parties, including parties on record in the first Expiry Review Investigation on the anti-dumping duty imposed against importations of wheat flour from the Republic of Türkiye (*Investigation No. AD-2019-ER-WheatFlourTR*), are required to appear at the Preliminary Conference which will be held on **28 March 2023 at 10 a.m.** (via Video Conferencing through the Microsoft Teams platform).

Matters for discussion include the timelines, nature of the investigation, appearance of counsels and parties, schedules of public hearing and other activities, number of witnesses, modes of service/notices, notification/s, accessibility of documents and public file, confidentiality of information, submission of position paper/s and memoranda, submission of comments on the Commission's Staff Report, conduct of on-site investigation and or data verification, submission of comments on the Essential Facts, and such other matters/activities as may aid in the prompt disposition of the case (e.g., voluntary price undertaking at any stage of the proceedings).

Interested parties are required to register their participation to the Preliminary Conference until 27 March 2023 (*end of business hours*), using the registration link posted on the Commission's website <http://tariffcommission.gov.ph/> or by scanning the QR code herein provided.

For inquiries, Ms. Ma. Lourdes M. Saluta, Acting Director III, Head of the Task Force for this case, may be reached at Telephone Number 8936-3319 or at TC.Assist@mail.tariffcommission.gov.ph.



Issued this 20th day of March 2023, at Quezon City, Metro Manila.



MARILOU P. MENDOZA
Chairperson

WORLD



REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

IN THE MATTER OF THE CONDUCT OF AN EXPIRY REVIEW OF THE ANTI-DUMPING DUTY IMPOSED AGAINST IMPORTATIONS OF WHEAT FLOUR FROM THE REPUBLIC OF TÜRKIYE

(AHTN 2022/2017 Subheading Nos. 1101.00.11 and 1101.00.19)

**FOR: ANTI-DUMPING MEASURE
TCI (AD) No. AD-2023-ER2-WheatFlourTR**

Philippine Association of Flour Millers Inc. (PAFMIL)
Petitioner.


NOTICE OF INITIATION OF EXPIRY REVIEW AND CONDUCT OF PRELIMINARY CONFERENCE

Pursuant to Section 711 of Republic Act (RA) No. 10863 (Customs Modernization and Tariff Act), which adopted the provisions of RA No. 8752 (Anti-Dumping Act of 1999), notice is hereby given that the Tariff Commission (TC) has initiated on 20 March 2023 its second Expiry Review on the Anti-Dumping Duty imposed against importations of Wheat Flour (AHTN 2022/2017 Subheading Nos. 1101.00.11 and 1101.00.19) from the Republic of Türkiye, following the recommendation and endorsement of the Department of Agriculture (DA) on the request of the Philippine Association of Flour Millers, Inc. (PAFMIL) for the TC to initiate the same.

All interested parties, including parties on record in the first Expiry Review Investigation on the anti-dumping duty imposed against importations of wheat flour from the Republic of Türkiye (Investigation No. AD-2019-ER-WheatFlourTR), are required to appear at the Preliminary Conference which will be held on **28 March 2023 at 10 a.m.** (via Video Conferencing through the Microsoft Teams platform).

Matters for discussion include the timelines, nature of the investigation, appearance of counsels and parties, schedules of public hearing and other activities, number of witnesses, modes of service/notices, notification/s, accessibility of documents and public file, confidentiality of information, submission of position papers and memoranda, submission of comments on the Commission's Staff Report, conduct of on-site investigation and or data verification, submission of comments on the Essential Facts, and such other matters/activities as may aid in the prompt disposition of the case (e.g., voluntary price undertaking at any stage of the proceedings).


Interested parties are required to register their participation to the Preliminary Conference until 27 March 2023 (end of business hours), using the registration link posted on the Commission's website <http://tariffcommission.gov.ph/> or by scanning the QR code herein provided.




PCV Registration Form

For inquiries, Ms. Ma. Lourdes M. Saluta, Acting Director III, Head of the Task Force for this case, may be reached at Telephone Number 8936-3319 or at TC.Assist@mail.tariffcommission.gov.ph.

Issued this 20th day of March 2023, at Quezon City, Metro Manila.



MARILOU P. MENDOZA
Chairperson



(MS-MAR 21, 2023)

Trade Remedy Cases

Expiry Review on the Definitive Anti-Dumping Duty Imposed Against Importations of Wheat Flour (AHTN 2022/2017 Subheading Nos. 1101.00.11 and 1101.0019) from the Republic of Türkiye [TCI (AD) No. AD-2023-ER2-WheatFlourTR]

Please see the following Notices / References:

- [Notice of Initiation of Expiry Review and Conduct of Preliminary Conference](#) issued on 20 March 2023
- Registration link:
<https://forms.office.com/r/GcvMPvDVxA>

List of Parties Notified for the Expiry Review and Preliminary Conference

DOMESTIC INDUSTRY AND/OR MEMBERS OF PAFMIL

1	Pilmico Foods Corporation	MR. REVELINO CARBONELL Email: revelino.carbonell@aboitiz.com
2	Wellington Investment and Manufacturing Corporation	MR. BENEDICTO ANTAZO Email: wfm_wimc@yahoo.com
3	San Miguel Mills Inc.	Email: sanmiguelmillsph@gmail.com
4	Morning Star Milling Corporation	MR. ALEXANDER S. LIM Email: aslim@msmc.com.ph
5	Monde Nissin Corporation	MS. BETTY ANG Email: mondefoodservice@mondenissin.com inquiry@mondenissin.com
6	Atlantic Grains, Inc.	Email: agi_hr2015@yahoo.com
7	Mabuhay Interflour Mill Inc.	MS. ANGEL UMALI Email: mabuhaycares@interflour.com
8	Agripacific Corporation	Email: careers.apc@agripacific-corp.com
9	Republic Biscuit Corporation	Email: feedback@rebisco.com.ph

CONSUMER GROUPS

1	Federation of Philippine Industries Inc.	MR. GEORGE S. CHUA Unit 701 Atlanta Centre Condominium #31 Annapolis St. Greenhills San Juan City Email: fpi.secretariat@gmail.com fpi@fpi.ph
	Philippine Chamber of Food Manufacturers Inc.	MS. RITA IMELDA G. PALABYAB Chairman and President Unit 1216 Cityland 10 Tower 2 6817 Ayala Avenue cor H.V dela Costa Street Salcedo Village, Makati City Email: foodchamber@gmail.com
	Consimers' Union of the Philippines	Email: consumerunion.philippines@gmail.com
	Nationwide Association of Customers, Inc.	90 Narra St. Marikina Heights, Concepcion Marikina City Email: naciphil@yahoo.com

	Philippine Chamber of Commerce and Industry	MR. GEORGE T. BARCELON President 3F Commerce and Industry Plaza 1030 Campus Ave., cor Park Ave. Mckinley Town center Fort Bonifacio Taguig City Philippines, 1634 Email: pcci@philippinechamber.com
	FILIPINO-CHINESE BAKERY ASSOCIATION, INC.	MR. ROYCE GERIK CHUA President FCBAI Building, 1967 Rizal Avenue, Sta. Cruz, Manila e-mail address: info@fcbai.org

EXPORTERS

1	Aciklar Un Fabrikasi Nakliye San. Ve Tic. Ltd. Sirketi	MR. SERDAR ACIKLARUN Email: serdar@aciklarun.com.tr
2	Akduy Gida Tarim Ins Nak San. Ve Tic. A.S.	THE MANAGER Email: akduyun@akduyun.com
3	Amasya Un Gida San. Tic. Ltd. Sti.	MR. MUSTAFA EMRE GUR Email: m.emregur@amasyaun.com.tr
4	Central Anatolian Cereals, Pulses, Oil Seeds and Products Exporters' Association	MR. NIHAT UYSALLI Email: info@oaib.org.tr
5	Doruk Marmara Un Sanayi Ciligi A.S.	MR. HASIP GENCER Email: abalachandra@dorukgroup.com.tr
6	Dost Gida Sanayi Ve Ticaret A.S.	THE MANAGER Email: fatihbidak@kavukcugrubu.com
7	Eksun Gida Tarim San. Ve Tic. A.S.	MR. VEDAT SALIH ONAL Email: vedat.onal@eksun.com.tr
8	Ektas Tarim Urunleri Endve Tic. A.S.	MR. BURCU TIRYAKI Email: burcu@ektas.com.tr
9	Erisler Gida San. Ve Tic. A.S.	MR. FATIH YASIN BAHCIVAN Email: fatih.bahcivan@erisflourmills.com
10	Gulbahar Flour Mills	MR. GUNHAN TURAN Email: exporter@gulbaharun.com.tr
11	Kale Mandecilik San. Ve Tic. A.S.	MR. SAVAS KALE Email: export@kaleflour.com
12	Karahan Degirmencilik Ltd. Sti.	MR. BATTAL BURAK TUNCAY Email: pazarlama@karahanun.com.tr
13	Ozdoyuran Dis Ticaret Ve Un Sanayi A.S.	MR. ZIYA OZDOYURAN Email: ziya.ozdoyuran@ozdfLOURMILLS.COM
14	Pak Petrol Urunleri Gida ve Ins. San. Ve Tic. Ltd. Sti.	MR. ILKAY DURGUN Email: info@bafrapakun.com
15	Tekinak Gida Sanayi Ve Tic. A.S.	MR. GULCAN OZLER Email: muhasebe@berrakmakarna.com.tr

16	Tekirdag Un San Ve Tic. Ltd. Sti.	MR. YENER KAYA Email: yener@tekirdagun.com
17	Turun Gida San Ve. Tic. A.S.	MR. HUSNU BESER Email: info@turunflourmills.com
18	UC-EL Degirmencilik San Ve Tic. Ltd. Sti.	MR. TARIK NALBANT Email: tariknalbant@ucelun.com.tr
19	Unay Gida Nak San Ve Tic Ltd Sti	THE MANAGER Email: info@ucelun.com.tr
20	Ulas Gida Un Tekstil Nakliye San. Ve Tic. A.S.	MR. AVSIN KASIKCI Email: avsin@kavukcugrubu.com
21	Ulusoy Un Sanayi Ve Tic. A.S.	MR. UMUT AYAN Email: umut.ayan@ulusoyun.com.tr
22	Yuksel Tezcan Gida San. Ve Tic	MR. YUKSEL TEZCAN Email: yuksel@tezcanun.com
23	Yorukogullari Gida San. Ve Tic. A.S.	MR. EVREN YORUK Email: evreny@yorukogullari.com.tr

IMPORTERS

1	Arvin International Marketing, Inc.	MR. JOSEPH YAO Email/s: joseph.yao@arvinintl.com import@arvinintl.com
2	Behn Meyer Chemicals (Philippines), Inc.	MR. ANICETO V. ENDAYA Email: chitoendaya@behnmeier.com.ph
3	Dan Vil Commercial Corporation	MR. DANIEL B. VILLACORTA Email: deo.villacorta@dvc-ph.com
4	Dabao Silk Road Trading Co.	THE MANAGER Email: dabaosilkroadtrade@yahoo.com
5	Elusive Quality Trading	MR. ALEJANDRO M. SANTOS Email: fql.accreditation@gmail.com
6	Filipino-Chinese Bakery Association, Inc.	MR. PETER FUNG Email: info@fcbai.org
7	Great Crescent Flour Corporation	MR. VIRGILIO P. GARCIA Email: greatcrescentflour@yahoo.com
8	La-Ceara Trading Philippines Corporation	MS. SUSANA V. MENDOZA Email: suzette.mendoza@la-ceara.com.ph
9	Malabon Longlife Trading Corporation	MR. ERNESTO N. CHUA CO KIONG Email: malabonlonglife@yahoo.com
10	MCT Trading	MR. GENEROSO BACALANDO STA. JUANA JR. 152 Aglipay St., Barangay Old Zaniga, Mandaluyong City
11	Millstones International Corporation	THE MANAGER Sitio Toyang, Barangay Mascap Rodriguez, Rizal
12	Source Interpacific Food Corporation	MR. ERBEL QUI Email: erbelqui@sourceinterpacificcorp.com

13	Suncrest Foods Incorporated	THE MANAGER Email: sfi.liason@suncrest.com.ph
14	Primex Indofil Corporation	MR. RODELIO ANG Email: ytingbrokerage@yahoo.com
15	Purebake Philippines Incorporated	THE MANAGER Email: info@purebake.ph
16	Walter Bread	MR. WALTER S. CO Email: customer_care@sarimonde.com.ph

List of Attendees at the Preliminary Conference						
Seq.	Prefix	First Name	Last name	Party represented	Sector represented	Organization
PETITIONER						
Britanico Sarmiento & Ringler Law Offices - for Philippine Association of Flour Millers						
1	Atty.	Krystoffer Robin	Yap	Petitioner	Private Sector Counsel	Britanico Sarmiento & Ringler Law Offices - for Philippine Association of Flour Millers
2	Atty.	Rodolf	Britanico	Petitioner	Private Sector Counsel	Britanico Sarmiento & Ringler Law Offices - for Philippine Association of Flour Millers
3	Atty.	Maria Fricela	Kim	Petitioner	Private Sector Counsel	Britanico Sarmiento & Ringler Law Offices - for Philippine Association of Flour Millers
Philippine Association of Flour Millers, Inc. (PAFMIL)						
4	MR.	Ricardo	Pinca	Petitioner	Private Sector	Philippine Association of Flour Millers, Inc. (PAFMIL)
5	MR.	Mario	Banag	Petitioner	Private Sector	Philippine Association of Flour Millers, Inc. (PAFMIL)
Pilmico Foods Corporation						
6	Mr	Revelino III	Carbonell	Petitioner	Private Sector	Pilmico Foods Corporation
WELLINGTON INVESTMENT AND MANUFACTURING CORPORATION						
7	Mr	Benedicto	Antazo	Petitioner	Private Sector	WELLINGTON INVESTMENT AND MANUFACTURING CORPORATION
OPPOSITOR						
Ayserbak flour mills						
1	Mr.	Ozan	Orer	Oppositor	Private Sector	Ayserbak flour mills
Kale Madencilik San. Ve Tic. A.S.						
2	Mr.	Savas	Kale	Oppositor	Private Sector	Kale Madencilik San. Ve Tic. A.S.
Malabon longlife trading corp.						
3	Mr.	Ernesto	Chua co kiong	Oppositor	Private Sector	Malabon longlife trading corp.
Ulas Gida Un Tekstil Nakliye Ticaret ve Sanayi As						
4	Mr	Avsin	Kasikci	Oppositor	Private Sector	Ulas Gida Un Tekstil Nakliye Ticaret ve Sanayi As
The Ministry of Trade of Republic of Türkiye						
5	Mr.	Ümit Mert	Erkoyuncu	Oppositor	Government Sector	The Ministry of Trade of Republic of Türkiye

List of Attendees at the Preliminary Conference						
Seq.	Prefix	First Name	Last name	Party represented	Sector represented	Organization
OBSERVER						
Office of the Commercial Counsellor of the Turkish Embassy in Manila						
1	Mr.	Serhan	Ortaç	Observer	Foreign Embassy	Office of the Commercial Counsellor of the Turkish Embassy in Manila
2	Ms.	Shanaine Claire	Oteyza	Observer	Foreign Embassy	Office of the Commercial Counsellor of the Turkish Embassy in Manila
Central Anatolian Cereals Pulses Oil Seeds and Products Exporters' Union						
3	Mr.	Mustafa	Eken	Observer	Industry Association	Central Anatolian Cereals Pulses Oil Seeds and Products Exporters' Union
Department of Agriculture						
4	Ms.	Tisha Pia	Dela Rosa	Observer	Philippine Government - Executive Branch	Department of Agriculture
5	Mr.	Revin	Ochave	Observer	Media	BusinessWorld
6	Mr.	Alden	Monzon	Observer	Media	Philippine Daily Inquirer
7	Ms.	Cath	Talavera	Observer	Media	The Philippine Star
8	Mr	Neilster Jon	Asinas	Observer	Private Individual	
9	Ms.	Sherlene	de Torres	Observer	Private Individual	



REPUBLIC OF THE PHILIPPINES
TARIFF COMMISSION

**IN THE MATTER OF THE CONDUCT OF AN
EXPIRY REVIEW OF THE ANTI-DUMPING
DUTY IMPOSED AGAINST IMPORTATIONS
OF WHEAT FLOUR FROM THE REPUBLIC
OF TÜRKIYE**

**(AHTN 2022/2017 Subheading Nos.
1101.00.11 and 1101.00.19)**

**FOR: ANTI-DUMPING MEASURE
TCI (AD) No. AD-2023-ER2-WheatFlourTR**

**Philippine Association of Flour Millers, Inc.
(PAFMIL)**

Petitioner.

ORDER OF PRELIMINARY CONFERENCE

Pursuant to paragraph 2, Section 6 of Commission Order No. 2021-01 (*Revised Rules of Procedure for the Conduct of Formal Investigations Pursuant to Republic Act No. 8752*), the Tariff Commission (TC or Commission) hereby issues this Order covering matters that were taken up and agreed upon by the parties who were present during the Preliminary Conference held on 28 March 2023.

1. TIMELINES

ACTIVITY	DATE/DEADLINE
Conduct of Data Verification (Local and Foreign)	Starts April 2023
Request for Inclusion of Parties	19 April 2023
Submission of Initial Memoranda/Position Papers	21 April 2023
Issuance of the Commission's Staff Report (Non-Confidential)	09 June 2023 <i>(indicative)</i>
Submission of Comments on the Commission's Staff Report	19 June 2023 <i>(indicative)</i>
Submission of: (1) Affidavits of Witnesses (2) List of Proposed Additional Issues for the Public Hearing	19 June 2023 <i>(indicative)</i>
Conduct of Public Hearing/s	26 – 30 June 2023 <i>(indicative)</i>
Submission of Amended Memoranda/Final Memoranda/Position Papers	10 July 2023 <i>(indicative)</i>
Disclosure of Essential Facts to All Interested Parties	17 July 2023 <i>(indicative)</i>
Submission of Comments on the Essential Facts with Supporting Documents	24 July 2023 <i>(indicative)</i>
Submission of Final Report to the Department of Agriculture (DA) Secretary	August 2023 <i>(indicative)</i>

Timelines are indicative and may be subject to change due to circumstances beyond the Commission's control, which may include requests for extension of submission of required information or documents and requests for re-scheduling of data verification.

2. RULES OF PROCEDURE

Commission Order No. 2021-01 on the *Revised Rules of Procedure for the Conduct of Formal Investigations Pursuant to Republic Act No. 8752* provides the procedure that will govern the conduct of Formal Investigation on the second expiry review on the anti-dumping duty imposed against importations of wheat flour from the Republic of Türkiye.

3. NATURE OF INVESTIGATION

The investigation of the Commission is fact-finding and administrative in nature. It shall be conducted in a summary manner. However, the Commission may require interested parties to formally present evidence for purposes of determining and clarifying factual matters that are relevant in the conduct of the investigation.

During the course of the investigation, the Commission may issue and apply procedural directions to secure just and expeditious determination of matters in issue.

4. APPLICATION OF THE RULES OF COURT

The relevant provisions of the Rules of Court of the Philippines, whenever practicable and convenient, may be applied suppletory or by analogy in the implementation of Commission Order No. 2021-01. However, no dilatory tactics or unnecessary or unjustified delays shall be allowed and the technical rules of evidence shall not be applied.

5. APPEARANCE OF COUNSEL AND PARTIES

Parties may appear by themselves or through their authorized representative/s or counsel/s. Should parties be represented by counsel/s or authorized representative/s, the necessary authority and the contact details of the counsel/s or representative/s thereof must be submitted to the Commission as soon as practicable. Counsel/s or authorized representative/s of parties shall have authority to bind their clients in all matters of procedure.

The Commission shall post the list of counsels/representatives, and their respective contact details, of interested parties on the Commission's website for purposes of copy furnishing of submissions to other parties.

6. INCLUSION OF PARTIES

As a general rule, parties who did not participate during the preliminary investigation conducted by the Department of Agriculture (DA), TC original investigation, and the first expiry review, have no legal personality to participate in the formal investigation on the second expiry review, including the public hearings.

However, for valid reasons, an interested party may file a written request with the Commission to be included in the formal investigation within thirty (30) calendar days from commencement of the formal investigation. Once the request is approved by the Commission, the party shall be required to submit a fully accomplished Commission questionnaire and other relevant data and information that can be subjected to verification, within fifteen (15) working days from receipt of notice, as an indispensable requirement for inclusion of a party in the proceedings.

7. FORMAL REQUIREMENTS

The original copy of all written submissions shall be signed by the party or authorized representative/s and shall show the contact details of the same and must indicate the following case/docket number: ***TCI (AD) No. AD-2023-ER2-WheatFlourTR***. The signature of the party or its representative on any document filed with the Commission constitutes as a certification that the signatory has read and knows the content of the submission and that to the best of the signatory's knowledge, the information contained therein is based on a well-grounded fact and is warranted by existing law or it is not interposed for any improper purpose.

All written submissions, including supporting documents, shall be in hard copies [eight (8) copies of confidential version and two (2) copies of non-confidential version], clearly marked confidential or non-confidential with accompanying electronic copies in file format acceptable to the Commission. Copies of submissions not otherwise confidential shall be served to the other parties.

8. MODES OF SERVICE/NOTICE

Service of pleadings and notices may be made using personal service, registered mail, special courier, or electronic mail. The date of electronic mail shall be deemed to be the date of service. A notice to counsel representing a party is considered notice to the latter.

In case of voluminous pleadings or documents and/or numerous parties, the Commission may, upon proper motion of a party, waive the requirement of service, provided that a copy of such pleadings or documents together with its annexes is filed with the Commission and made available for examination and reproduction and the notice of such filing and availability is duly served on the parties by the party filing it.

9. SUBMISSION OF INITIAL MEMORANDA/POSITION PAPERS

The parties shall, within fifteen (15) working days from termination of the Preliminary Conference, submit to the Commission their respective memoranda/position papers and documentary evidence and information in support of their position/s. Copies of these submissions not otherwise confidential shall be served to the other parties.

10. RECOURSE TO OTHER DATA AND INFORMATION

The Commission may, in addition to the pertinent documents forwarded by the Secretary of Agriculture, and the information and/or submissions by the parties, request additional data and information from other sources, both domestic and foreign, to enable it to support its findings. Without the required submissions from the parties, the Commission shall base its findings on the best available information. If necessary, the Commission may seek the opinion of experts or other resource persons on an issue or subject matter relevant to the present case.

11. TREATMENT OF CONFIDENTIAL INFORMATION

Information which is confidential shall not be disclosed to the public without the express authority of the owner of the information.

Parties providing confidential information shall submit two (2) copies of non-confidential summaries thereof to be placed in a public file and made available to all interested parties upon the initiation of the investigation. These summaries must contain sufficient details to permit a reasonable understanding of the confidential information to enable other parties to respond to claims based on such information. In exceptional circumstances wherein summarization of confidential information is not possible, the party must state the reason/s why it cannot be provided.

A party claiming confidentiality is required to provide justifications why said information can be considered as such. Should there be an issue on the nature of the information, the Commission shall issue an appropriate Order stating the reasons for its finding/s.

Where any request for confidentiality is not warranted or the party is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, such information may be disregarded by the Commission, unless it can be demonstrated to the Commission's satisfaction from appropriate sources that the information is correct.

12. MAINTENANCE OF PUBLIC FILE

A public file shall be maintained by the Commission. Except for confidential information, it shall contain a copy of all submissions from interested parties and all relevant correspondences concerning the investigation including the list of counsels of parties and other interested parties. The Commission may, upon written request, make available for examination and reproduction to interested parties all relevant information in its custody that are not considered confidential.

13. CONDUCT OF INSPECTIONS/VERIFICATIONS

The Commission may, in the course of the proceedings, conduct on-site or online investigations, to include ocular inspections and visits, to verify information provided or to obtain further details.

Any interested party shall, when required, allow the Commission access to necessary information, or otherwise provide the necessary information, to enable the Commission to expedite the investigation. The Commission may also visit other domestic producers, importers, foreign exporters or producers who have not provided a submission to the investigation. Visits or inspections may be conducted by the Commission even without the presence of other interested parties, and may, at its option, issue *subpoena duces tecum* for the production of documents relevant in resolving the instant investigation.

Prior to the scheduled visit, parties shall be advised of the general nature of the information to be verified and the pertinent documents that may be required during the on-site investigation. However, the Commission is not precluded from conducting further verification and inquiry on other relevant information during the investigation.

Without the required information/inspection/verification, the Commission will base its findings on the best available information.

14. ISSUANCE OF STAFF REPORT AND COMMENTS THERETO

Prior to the scheduled public hearing, the Commission shall issue a public version of a Staff Report which shall cover, among others, the Commission's findings on price difference, dumping, volume of dumped imports, and other relevant data and information pertinent to the investigation duly verified.

All identified interested parties shall be provided a copy of the Staff Report and within five (5) working days from receipt thereof, submit their comments on the aspect of price difference as this matter will be binding and excluded for discussion in the public hearing. If no comment is submitted, then the factual findings on price difference of the Commission contained in the Staff Report will be binding to the party who did not submit its comment.

15. SUBMISSION OF AFFIDAVITS OF WITNESSES AND LIST OF ADDITIONAL ISSUES FOR THE PUBLIC HEARING

At least five (5) working days before the scheduled public hearing, parties are required to submit to the Commission affidavits of their witnesses which shall serve as the direct examination of the witness, copy the opposing parties. Non-submission of issues/affidavits of witnesses as prescribed above shall bar the presentation of the same during the public hearing.

Should a party desire to submit additional issues for the public hearing, other than the issue on price difference which is excluded in the coverage of the matters for discussion in the public hearing, the same shall be submitted at least five (5) working days before the scheduled hearing for consideration of the Commission.

16. CONDUCT OF PUBLIC HEARING

The Commission, after due notice, shall conduct a public hearing to give all interested parties who submitted themselves to the jurisdiction of the Commission the opportunity to be heard and to present evidence, including the opportunity to respond to the presentations of other parties and to submit their views, among others, on the question on whether the expiry of the definitive anti-dumping duty would be likely, or unlikely, to lead to the continuation or recurrence of dumping or material injury. The public hearing shall be conducted continuously for not more than five (5) working days unless otherwise determined or earlier terminated by the Commission.

All interested parties may appear at the public hearing and present, under oath, evidence relevant and material to the subject matter of the investigation.

The order of the hearing shall be as follows:

- a. Presentation of evidence by the petitioner or domestic industry;
- b. Clarificatory questions/examination by oppositor/s or other interested parties;
- c. Presentation of evidence by the oppositor/s or other interested parties; and
- d. Clarificatory questions/examination by the petitioner or domestic industry.

A party who did not submit a list of issues may be deemed to have no controversial/contestable matter to raise and hence, will be given less priority in the order of parties to ask clarificatory questions during the public hearing.

Failure to appear on the scheduled public hearings is considered a waiver to propound clarificatory questions to the witnesses who were presented on that day.

17. CONDUCT OF EXECUTIVE SESSION

In the course of the proceedings, the Commission may, upon its own determination, or motion of an interested party, conduct an executive session which, unless otherwise stated, shall be attended only by the following:

- a. The party who is to present confidential information or his duly authorized representative;
- b. Authorized officials and employees of the Commission; and
- c. Counsel/s or authorized representative/s of opposing party/ies.

Unless otherwise ordered by the Commission or by a competent court, or required under existing laws, all parties present in the executive session are strictly enjoined from disclosing or discussing any and all subject matters deliberated in the executive session.

The Commission shall implement measures to ensure that confidential information are protected from any unauthorized disclosures.

18. SUBMISSION OF AMENDED AND/OR FINAL MEMORANDA/POSITION PAPER

Parties who earlier submitted their respective memoranda/position papers may submit amended and/or final memoranda/position papers to the Commission within ten (10) calendar days from termination of the public hearing.

Copies of submissions not otherwise confidential shall be served to the other parties.

19. VOLUNTARY PRICE UNDERTAKING

At any stage of the formal investigation, price undertaking shall be entertained provided that it is consistent with Republic Act No. 8752 and its Implementing Rules and Regulations and shall not be prejudicial to public interest.

Whenever practicable, the Commission shall take the initiative to exhaust all available means to effect a fair and reasonable settlement of the case. The parties will be given all the opportunities to present their proposals and/or counter-proposals. The price undertaking agreed upon shall be in writing duly signed by the parties and/or their counsels and shall be subject to approval of the Secretary of Agriculture upon the recommendation of the Commission.

20. TERMINATION OF THE INVESTIGATION

The Commission shall terminate its investigation if:

- a. There is no domestic like product to the allegedly dumped product; or
- b. The provisionally estimated margin of dumping is less than two percent (2%) of the export price; or
- c. The volume of allegedly dumped products or injury is negligible. The volume of the allegedly dumped products from a particular country shall normally be regarded as negligible if it accounts for less than three percent (3%) of the total imports of said product in the Philippines unless countries which individually account for less than three percent (3%) of the total imports of the said product in the Philippines collectively account for more than seven percent (7%) of the total imports of that product; or
- d. Parties agreed to a voluntary price undertaking.

21. DISCLOSURE OF ESSENTIAL FACTS AND COMMENTS THERETO

The Commission shall, before a final determination is made, inform all the interested parties in writing of the Essential Facts which form the basis for the decision on whether the definitive anti-dumping duties imposed should be terminated or not.

All identified interested parties will be provided a copy of the Essential Facts and within an unextendible period of five (5) calendar days from receipt thereof submit their comments with supporting documents for consideration of the Commission.

SO ORDERED.

Issued at Quezon City, Metro Manila, 31 March 2023.

MariLou P. Mendoza
Digitally signed

MARILOU P. MENDOZA
Chairperson



Submissions Received: Summary List

List of Parties	Document Submitted	Date Received by TC
A. Domestic Producer		
PAFMIL (Petitioner)	TC Form 6-A	24 April 2023
	PAFMIL Initial Position Paper	15 May 2023
	Amended TC Form 6-A	29 May 2023
	Manifestation letter for the conduct of ocular inspection and data verification	29 May 2023
	Annexes (A-X) as Additional Attachments	29 May 2023
	Partial compliance (Additional data needed)	02 June 2023
	Partial compliance (Additional data needed)	04 June 2023
	Partial compliance (Additional data needed)	07 June 2023
	Partial compliance (Additional data needed)	24 June 2023
	Partial compliance (Additional data needed)	25 June 2023
	Partial compliance (Additional data needed)	10 July 2023
	Partial compliance (Additional data needed)	12 July 2023
Partial compliance (Additional data needed)	14 July 2023	
B. Exporters		
Yuksel Tezcan Gida Sanayi ve Ticaret A.S.	TC Form 6-B	20 April 2023
Ozdoyuran Dis Ticaret ve Un Sanayi A.S.	TC Form 6-B	02 May 2023
Turun Gida Sanayi ve Ticaret A.S.	TC Form 6-B	12 May 2023
	Additional Documents for Compliance	20 July 2023
Ulas Gida Un Tekstil Nakliye Sanayi ve Ticaret A.S. (Ulas)	TC Form 6-B	12 May 2023
Ulusoy Un Sanayi ve Ticaret A.S. (Ulusoy)	TC Form 6-B	23 May 2023
C. Importer		
Malabon Longlife Trading Corporation	TC Form 6-C	04 April 2023