**FOR IMMEDIATE RELEASE**

**March 7, 2017**

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**THE U.S. ANNOUNCES PRELIMINARY DETERMINATION IN REBAR COUNTERVAILING DUTY AND ANTI-DUMPING INVESTIGATIONS**

**Namık Ekinci: “We will continue to defend the reputation of Turkish steel”**

**The U.S. Department of Commerce (DoC) announced its preliminary decision in the Turkish rebar countervailing duty and anti-dumping investigations, which were filed upon complaint of domestic mills. According to the preliminary decision of countervailing duty investigation, the Turkish producer involved in the case is now subject to a preliminary margin of 3.47 percent. Meanwhile, the preliminary decision of the anti-dumping investigation imposed varying duties on the Turkish companies involved in the case. Criticizing the decisions as unfair, biased and political, Namık Ekinci, Chairman of the Steel Exporters’ Association declared that, if their defense before the DoC failed to get a fair outcome, they would take strong action and seek justice by taking their case to the Court of International Trade and the World Trade Organization.**

As a result of the pressure by domestic mills, on October 18, 2016, the U.S. Department of Commerce launched an anti-dumping investigation against rebar imports from Japan, Taiwan and Turkey, as well as a countervailing duty investigation focused solely on Turkey . Following a four-month process of inquiry, the DoC has reached a preliminary decision on the countervailing duty investigation, which it announced on February 22, 2017. Accordingly, the only Turkish company under investigation is now subject to a preliminary duty of 3.47 percent. In addition, the U.S. Department of Commerce announced its preliminary decision on the anti-dumping investigation, assigning a margin of 5.29 to 7.07 percent for Turkish companies, 3.48 to 29.47 percent for Taiwanese companies, and 209.46 for Japanese companies. The final decisions in the countervailing duty and anti-dumping investigations are expected to come in May and June, respectively.

Commenting on the preliminary determination of countervailing duty investigation, **Namık Ekinci, Chairman of the Steel Exporters’ Association** said, “The U.S. Department of Commerce based its preliminary decision on the claims that the Turkish company is purchasing natural gas at a price below the world market prices, and that the natural gas market in Turkey is a distorted market which does not fulfill the conditions of a free market. However, the prices used as a benchmark are calculated with an oversimplified measurement method. In addition, the intense pressure by domestic rebar mills forced the DoC to prosecute the case and announce its preliminary decision in a very limited amount of time. As such, it is very likely that the DoC’s calculations to determine the margin are inaccurate. The DoC’s request from parties to provide additional information on natural gas benchmarks is the most concrete proof of this fact. We are confident that the company will prove that it paid unsubsidized, market prices for the natural gas. Accordingly, together with the company, we will continue to defend the reputation of our industry. The company in question also underwent another countervailing duty case in 2013, which imposed no duty in its final decision. We are certain that the final decision of this investigation will also come to the same conclusion and impose no duties.”

**Ekinci: “The U.S.’ preliminary anti-dumping decision is unfair, biased, and political”**

“Looking at the memo attached to the anti-dumping decision, it is apparent that the U.S. Department of Commerce refused the criteria Turkish producers set forth to be taken into account in the calculations unjustifiably or with lame excuses, while complying with the demands of the petitioners,” **Ekinci said.** “At the same time, many of our sales that show a negative dumping were left out of the calculation as DoC recently began to use in its calculations the Cohen’s D test, which overlooks the impact of changes in raw material prices. This, in turn, has led to significant margins. As proven in previous investigations, Turkish companies do not engage in dumping, and the U.S. mills are not injured by our exports. Lately, calculations and investigations have undergone a series of changes for assigning margins, which, under the guise of protecting the domestic industry, actually aim to drive up the already-high profit margins of domestic producers. Unfortunately, this preliminary decision is an output of such motive. We frequently suffer the effects of such unfair practices as the investigation processes are overly politicized. If our defense before the U.S. Department of Commerce fails to get a fair outcome, we will take strong action and seek justice by taking our case to the Court of International Trade and the World Trade Organization. We will ensure that these unfair, biased, and political decisions are repealed.”

**About the Steel Exporter’s Association (CIB)**

The Steel Exporter’s Association is a business association of nearly 1000 producer and exporter companies in the Turkish steel industry, the ninth largest exporter and eight largest producer in the world in 2016. Turkish steel exporters’ trade with 200 countries around the world. The Association paves the way for Turkish steel exporters/producers, with its main objective of improving the potential of the Turkish steel sector to attain globally sustainable competitive strength based on free and fair trade.

Today all steel companies in Turkey are privately held, and Turkish steelmakers continue to pursue technological developments to enhance the long-term viability of the industry in the global marketplace. The steel industry has become one of the most developed sectors in Turkey and today counts as the fourth largest contributor to the Turkish economy.

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