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Gizem SAHIN

PR Specialist

[gizem.sahin@immib.org.tr](mailto:gizem.sahin@immib.org.tr)

+90 549 784 36 29

**THE US PROTECTIVE WALLS RISING HIGHER**

**Chairman of the Turkish Steel Exporters’ Association Comments on the Issue:**

In recent years, the US has taken a myriad of protective steps towards preventing the import of steel products. The World Trade Organization data shows that the US issued a total of 43 decisions to impose anti-dumping and countervailing duties from the beginning of 2013 until the end of 2015. In the first half of 2016, the US conducted 41 anti-dumping and 20 countervailing duty cases. Although we previously took every opportunity on various platforms to explain the severity of the situation for Turkey, the need to raise the issue once again has emerged. As is known, trade cases were only launched against our standard pipes and light–walled rectangular pipe and tube until 2013, while a total of 11 anti-dumping and countervailing duty investigations have been initiated against our OCTG, rebar, welded line pipe, steel nails, heavy walled rectangular welded pipes and tubes, hot-rolled steel flat products, and cut-to-length plate products since 2013.

It is totally understandable that the US lodges trade cases to protect its market and industry against dumped and subsidized imports. However, the Turkish steel industry is composed of private companies that are in no way subsidized by the government. Claims that our industry engages in dumped sales, or, in other words, sales at a loss although it uses imported input in production and exports on low profit margins are never compatible with the commercial facts.

In an OCTG-related countervailing duty investigation against Turkey in 2013, the US made a wrong decision by claiming that a publicly-held private steel company from Turkey was a “public body”. However, Canada launched a trade case against the same product later on and decided that there was no evidence proving the said company had any express public connection. The US not only imposes duties without a good cause but also makes amendments in its trade case legislation in favor of domestic producers-. To this end, the US trade case authorities decided on unsatisfactory grounds that Turkish steel companies failed to cooperate and started to arbitrarily charge high margins on our companies in the light of “facts Available”. The final decisions of almost all trade cases are taken to the relevant US court (“Court of International Trade”) on grounds of unlawfulness, and our companies are obliged to seek their rights before this court.

Another example for unfair practices by the US is the rebar case lodged in September. As a result of the trade case in 2013, Turkish steel companies were charged a zero dumping margin and a very small subsidy margin. Despite this, the very same authorities failed to resist the pressure from domestic producers and launched a new case concerning the same product.

During the administrative review phases of trade cases against the Turkish steel industry, the margins charged against our companies in the final decision are set to zero. The fact that the margins charged against our industry without a good cause are ultimately set to zero is the most express proof that the previously mentioned trade cases are lodged under the political pressure exerted by domestic producers and such cases aim to provide domestic producers with an advantage, although short-term, in import and competition.

The Turkish steel industry is justified as a result of trade cases, yet the very long trade case process hampers the trade relations between the two countries. Employing the trade remedy system in a way to prevent fair competition means undermining the WTO rules. We think this attitude by the US sets a bad example for other countries and jeopardizes global free trade. We have our concerns that such attitude by the US will become harsher in upcoming years in line with the press stories that the domestic steel industry will be provided with advantages in a myriad of areas by the government.

**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 tenth largest exporter and ninth largest producer in the world in 2015. 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 fifth largest contributor to the Turkish economy.

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