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Committee on Safeguards

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**NOTIFICATION UNDER ARTICLES 7.2 AND 12.1(C) OF THE AGREEMENT  
ON SAFEGUARDS ON TAKING A DECISION TO APPLY A SAFEGUARD  
MEASURE (EXTENSION OF THE EXISTING MEASURE)**

**NOTIFICATION PURSUANT TO ARTICLE 9, FOOTNOTE 2  
OF THE AGREEMENT ON SAFEGUARDS**

TÜRKIYE

*Yarns Made of Nylon or Other Polyamides*

The following communication, dated and received on 24 October 2022, is being circulated at the request of the delegation of Türkiye.

We enclose a notification pursuant to Article 7.2, 12.1(c) and Article 9, footnote 2 of the Agreement on Safeguards, on taking a decision to extend a safeguard measure that is being applied against imports of yarns made of nylon or other polyamides and non-application of the safeguard measure to developing countries. The initial safeguard measure was notified with the document G/SG/N/8/TUR/17, G/SG/N/10/TUR/17 and G/SG/N/11/TUR/24, dated 23 October 2019. The initiation of a review pursuant to Article 7.2 regarding the extension of a safeguard measure was also notified with the document G/SG/N/6/TUR/25/Suppl.1 and G/SG/N/14/TUR/12, dated 4 February 2022.

Consistent with Article 12.3 of the Agreement on Safeguards, Türkiye is ready to hold consultations with those Members having a substantial interest as exporters of the product concerned.

**1 NOTIFICATION UNDER ARTICLES 7.2 AND 12.1(C) OF THE AGREEMENT ON  
SAFEGUARDS UPON TAKING A DECISION TO EXTEND A SAFEGUARD MEASURE**

**1.1 Evidence that the safeguard measure continues to be necessary to prevent or remedy  
serious injury or threat thereof caused by increased imports**

The investigation has been conducted by the Turkish Investigating Authority. In order to review the situation of the domestic industry after introduction of the safeguard measure, an evaluation of all relevant factors of an objective and quantifiable nature was undertaken for the period under consideration (PUC), January 2017-December 2021. The data, which were submitted by the applicant companies and used in this analysis, represent major proportion of the total domestic production of the product involved according to the 2021 figures.

(i) *Consumption*

Unit	2017	2018	2019	2020	2021
Consumption (Indexed)	100	94	110	98	126

Consumption index of the product tends to increase except for 2018 and 2020. It is noteworthy that there was a 29% increase in 2021 compared to 2020.

*(ii) Production*

<b>Unit</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Production (Indexed)	100	99	108	108	139

The production index increased by 9% in 2019 and by 28% in 2021. 2021 production figures are the result of the investments by domestic industry as a part of their adjustment plan.

*(iii) Domestic Sales*

<b>Unit</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Domestic Sales (Indexed)	100	96	93	111	137

While the domestic sales of domestic producers were on a downward trend until 2019 in the PUC, an increase of 19% was observed in 2020 and 24% in 2021.

*(iv) Capacity and Capacity Utilization*

<b>Unit</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Capacity (Indexed)	100	101	101	119	131
CUR(%) (Indexed)	100	111	126	96	72

While the capacity of domestic manufacturers did not change until 2020, the capacity increased by 18% in 2020 and 10% in 2021. However, while the capacity utilization rate increased until 2019, it started to decline after this date due to the investments made.

*(v) Employment*

<b>Number of Workers</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Employment (Indexed)	100	122	130	148	157

Employment index reached 157 in 2021 by following a continuous increase during the PUC.

*(vi) Productivity*

<b>Unit per Worker</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Productivity (Indexed)	100	81	83	73	88

Index of labor productivity, decreased in 2018 and 2020, but increased in 2019 and 2021.

*(vii) Stocks*

<b>Unit</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Stocks (Indexed)	100	126	221	246	261

While the stocks of domestic producers increased significantly (76%) in 2019, there was an increase of 11% in 2020 and 6% in 2021.

*(viii) Profitability*

<b>Net Profit/Total Sales</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Profitability (Indexed)	100	110	86	154	204

While the data of domestic producers showed that profitability decreased in 2019 compared to previous years, it increased again in 2020 and 2021.

*(ix) Conclusion*

During the PUC, while a significant deterioration was observed in domestic production data until 2019, some recovery was observed in the data from 2020 following the entry into force of the safeguard measure.

It has been observed that production has increased since 2019 and reached the highest level in 2021 with the increase in capacity. While domestic sales decreased until 2019, they increased as of 2020. It is understood that the amount of stocks, which increased significantly in 2019, continues to increase at reasonable levels after 2020. It has been observed that employment has increased in parallel with the increase in capacity, while productivity has been fluctuating. While a decreasing profitability was observed in 2019 compared to previous years, it increased with the effect of the safeguard measure.

## 1.2 Information on imports in absolute term and relative to domestic production

An analysis of the imports into Türkiye of the product concerned both in absolute and relative terms are given below.

### (i) General View of Imports

IMPORTS	Quantity (Kg)	Value (\$)	Unit Price (\$/Kg)	Change %		
				Quantity (Ton)	Value (\$)	Unit Price (\$/Kg)
2017	32,513,778	117,739,442	3.62	-	-	-
2018	33,173,544	131,691,978	3.97	2%	12%	10%
2019	39,533,324	144,169,953	3.65	19%	9%	-8%
2020	32,570,381	107,956,720	3.31	-18%	-25%	-9%
2021	39,812,636	166,292,176	4.18	22%	54%	26%
2021(8)	26,296,574	105,532,548	4.01	-	-	-
2022(8)	33,795,081	156,138,375	4.62	29%	48%	15%

During the PUC, import data shows increasing trend in both quantity and value from 2017 to 2019. Although there was a serious decrease in both quantity and value in 2020, with the effect of the safeguard measure that entry into force in November 2019 and then the Covid-19 effect, imports increased significantly in 2021. Imports amounted to 33.8 thousand tons in the January-August period of 2022, and continued to increase by 29% in quantity and 48% in value compared to the same period of the previous year.

### (ii) Imports Relative to Domestic Production

Imports/Production	2017	2018	2019	2020	2021
Index	100	103	113	93	88

During the PUC, it is understood that while the imports relative to domestic production was on an increasing trend until 2020, it tended to decrease afterwards.

## 1.3 Precise description of the product involved

The product involved is classified under Customs Code 5402.31, 5402.32.00.00.00, 5402.45, 5402.51 and 5402.61 in Turkish Customs Tariff Schedule of 2022.

## 1.4 Description of any part of the imported product that will no longer be subject to the measure in the extension

Not applicable.

## 1.5 Precise description of the proposed measure

The safeguard measure is proposed to be extended for 3 years until 20 November 2025 (20 November 2025 is included) in the form of fixed duty which will be implemented as shown in the table below.

Turkish Customs Tariff Code	Description of The Product	1 <sup>st</sup> Period	2 <sup>nd</sup> Period	3 <sup>rd</sup> Period
		(21.11.2022- 20.11.2023)	(21.11.2023- 20.11.2024)	(21.11.2024- 20.11.2025)
5402.31	Of nylon or other polyamides, measuring per single yarn not more than 50 tex	0.27 USD/Kg	0.26 USD/Kg	0.25 USD/Kg
5402.32.00.00.00	Of nylon or other polyamides, measuring per single yarn more than 50 tex			
5402.51	Of nylon or other polyamides			
5402.61	Of nylon or other polyamides			
5402.45	Other, of nylon or other polyamides	0.07 USD/Kg	0.06 USD/Kg	0.05 USD/Kg

### 1.6 Proposed date of introduction of the measure

The measure will enter into force in 21 November 2022 with the publication of the related Presidential Decree in the Official Gazette.

The related Presidential Decree and the Communiqué are published in the Official Gazette in 19 October 2022.

### 1.7 Expected duration of the measure

The expected duration of the proposed measure is three years.

### 1.8 Proposed date for the review

Not applicable.

### 1.9 Expected timetable for progressive liberalization of the measure

The measure is proposed to be liberalized annually as stated in the Section 1.5.

### 1.10 If the notification relates only to a finding of serious injury or threat thereof, and does not relate to a decision to apply or extend a safeguard measure:

Not applicable.

### 1.11 Information relating to the extension of a safeguard measure

(i) *Evidence that the safeguard measure continues to be necessary to prevent or remedy serious injury or threat thereof:*

Imports of nylon yarns from all countries during the investigation period followed an increasing trend from 2017 to 2019. There was a serious decrease in both quantity and value in 2020, with the effect of the safeguard measure that came into effect in November 2019 and then the Covid-19 effect. However, imports increased significantly in 2021. Imports amounted to 33.8 thousand tons in the January-August period of 2022, and continued to increase by 29% in quantity and 48% in value compared to the same period of the previous year.

While a significant deterioration was observed in domestic production data until 2019 during the investigation period, some recovery was observed in the data from 2020 following the entry into force of the safeguard measure. It has been observed that production has increased since 2019 and reached the highest level in 2021 with the increase in capacity.

After the safeguard measure came into effect, domestic producers increased their machinery renewal and technology investments to increase their intermediate goods production capacity in order to reduce costs. In order to increase competitiveness, they made R&D investments and initiated projects and collaborations to improve their marketing activities. In this context, it has been determined that there is evidence showing that domestic producers are adapting to market conditions.

On the other hand, considering the recent increase in amount of imports, the entry of much cheaper imported products into the domestic market, especially from China, and the efforts of domestic manufacturers to increase their competitiveness, it has been determined that current safeguard measure continue to be necessary to prevent or remedy serious harm, as investments activities need time to pay off.

As a result, it is considered that the necessary conditions within the scope of the Agreement have been met for the extension of the safeguard measure applied against the import of the product subject to investigation.

*(ii) Evidence that the industry concerned is adjusting:*

With the implementation of the safeguard measure, the domestic producers focused on their companies' R&D and business development activities, financial management projects, and marketing techniques improvements, aiming to meet the nylon yarn need by domestic manufacturers in these products.

In this context, studies were carried out by companies to increase their current production and to produce nylon yarn raw materials and intermediate goods during the period when the safeguard measure was in effect.

Energy saving measures aimed at increasing efficiency are among the priorities of the companies, and related investments have been started in the production facilities. At the first stage, it was taken into consideration that the compressors, which consume a lot of energy in production, should be replaced with machines equipped with new technology, thus it is aimed to save energy and make a great contribution to sustainable production. In addition, feasibility studies for solar energy systems were carried out in order to reduce energy costs.

Necessary arrangements were made for the establishment of the R&D center. In addition, it was aimed to increase marketing activities by opening warehouses in different countries.

As a result, in the period after the safeguard measure came into effect, domestic producers focused on cost reduction, made capacity increase investments in intermediate goods production, made machinery renewal and technology investments for productivity increase, made R&D investments and made plans for increasing competitiveness and manufacturing high added value products. It has been determined that they have started projects and collaborations for the development of marketing activities within the framework of new technologies. In this regard, it has been determined that there is evidence showing that domestic producers are adapting to market conditions.

*(iii) Reference to the WTO document that notified the initial application of the measure:*

The introduction of the definitive safeguard measure was notified with the document numbered G/SG/N/8/TUR/17, G/SG/N/10/TUR/17 and G/SG/N/11/TUR/24, dated 23 October 2019.

*(iv) Duration of the measure from initial application till the date at which it will be extended:*

The safeguard measure was initiated on 21 November 2019 and will be in force till 20 November 2022. Türkiye now intends to extend the safeguard measure until 20 November 2025.

*(v) Precise description of the measure in place prior to the date of extension:*

The measure in place prior to the date of extension is a specific duty, which was put into force on imports of yarns made of nylon or other polyamides by the Council of Ministers Decision published in the Official Gazette dated 21 October 2019, no. 1676. The levels of duty are demonstrated in the table below.

Turkish Customs Tariff Code	Description of The Product*	1 <sup>st</sup> Period	2 <sup>nd</sup> Period	3 <sup>rd</sup> Period
5402.31	Of nylon or other polyamides, measuring per single yarn not more than 50 tex	0.30 USD/Kg	0.29 USD/Kg	0.28 USD/Kg
5402.32.00.00.00	Of nylon or other polyamides, measuring per single yarn more than 50 tex			
5402.51	Of nylon or other polyamides			
5402.61	Of nylon or other polyamides	0.10 USD/Kg	0.09 USD/Kg	0.08 USD/Kg
5402.45	Other, of nylon or other polyamides			

\* Stated in accordance with Turkish Customs Tariff Schedule of 2022.

### 1.12 Information relating to exporting members

(i) The major exporting Members of the product concerned to Türkiye:

Countries	Quantity (tons)						
	2017	2018	2019	2020	2021	2021-8	2022-8
P.R.C.	7.260	5.535	10.540	12.358	18.648	12.428	22.016
Italy	3.735	2.829	3.889	4.193	6.012	4.095	2.641
Republic of Korea	1.357	1.974	2.579	2.317	3.267	2.065	1.911
Israel	3.111	1.718	2.372	1.884	1.557	889	1.555
Russian Federation	1.912	1.994	2.548	843	1.935	1.315	989
Spain	361	342	533	723	1.074	870	963
India	294	1.455	589	804	1.202	584	821
Slovenia	437	1.131	1.290	816	1.629	910	643
Chinese Taipei	5.180	8.237	10.155	4.674	1.327	1.070	562
Croatia	534	512	584	458	584	264	345
Other	8.333	7.447	4.454	3.500	2.577	1.808	1.349
<b>Total</b>	<b>32.514</b>	<b>33.174</b>	<b>39.533</b>	<b>32.570</b>	<b>39.813</b>	<b>26.297</b>	<b>33.795</b>

Countries	Value (000 \$)						
	2017	2018	2019	2020	2021	2021-8	2022-8
P.R.C.	21.368	19.426	32.152	32.506	67.137	42.753	87.562
Italy	17.773	17.057	22.729	21.524	34.603	22.540	20.600
Republic of Korea	3.979	6.427	8.203	6.420	11.264	6.743	7.755
Israel	13.098	8.517	11.405	9.543	8.837	5.056	10.862
Russian Federation	5.073	6.001	7.412	1.956	5.752	3.782	3.287
Spain	1.451	1.775	3.257	3.601	6.310	4.990	7.159
India	911	4.721	2.021	1.843	3.914	1.875	3.331
Slovenia	2.258	5.772	6.122	3.913	8.916	4.903	4.361
Chinese Taipei	14.945	27.099	29.150	10.902	4.486	3.430	2.261
Croatia	2.980	3.094	3.410	2.622	3.410	1.750	2.662
Other	33.903	31.803	18.308	13.126	11.663	7.710	6.300
<b>Total</b>	<b>117.739</b>	<b>131.692</b>	<b>144.170</b>	<b>107.957</b>	<b>166.292</b>	<b>105.533</b>	<b>156.138</b>

The main exporter to Türkiye for the product concerned is China which had 65% share in total imports (in terms of tons) in 2022 first eight months.

(ii) The exporting Members to which the measure does not apply for any reason other than the application of Article 9.1:

Not applicable.

### 1.13 Members are encouraged to attach, in an electronic form, publicly available document(s) containing the relevant decision(s) made by the competent authority.

The official documents regarding the investigation and the final decision are available in the link below.

<https://ticaret.gov.tr/ithalat/ticaret-politikasi-savunma-araclari/korunma-onlemleri/yururlukteki-onlemler>

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**2 NOTIFICATION PURSUANT TO ARTICLE 9, FOOTNOTE 2 OF THE AGREEMENT ON SAFEGUARDS**  
**The measure**

It is proposed to impose safeguard measure as described in Section 1.5.

**2.2 The product subject to the measure**

The measure is applied to the product described in Section 1.3.

**2.3 Developing countries to which the measure is not applied under article 9.1 of the Agreement on Safeguards.**

The developing countries which are excluded from the measure as they export in quantities less than 3% of imports to Türkiye are listed below.

Afghanistan, Angola, Antigua and Barbuda, Argentina, Albania, Azerbaijan, Bangladesh, Barbados, Belarus, Belize, Benin, Bolivia (Plurinational State of), Bosnia and Herzegovina, Botswana, Brazil, Burkina Faso, Burundi, Bhutan, Algeria, Djibouti, Cook Islands, Chad, Democratic Republic of Congo, Dominican Republic, Dominica, Equator, Equatorial Guinea, El Salvador, Eritrea, Eswatini, Ethiopia, Morocco, Fiji, Côte d'Ivoire, Philippines, Palestine, French Polynesia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Grenada, Guatemala, Guyana, Republic of South Africa, South Sudan, Georgia, Haiti, Honduras, Iraq, Iran, Jamaica, Cambodia, Cameroon, Cape Verde, Montenegro, Kazakhstan, Kenya, Kyrgyzstan, Kiribati, Colombia, Comoros, Congo, Kosovo, Costa Rica, Democratic People's Republic of Korea, Cuba, Lao People's Democratic Republic, Lesotho, Liberia, Libya, Lebanon, Madagascar, Republic of North Macedonia, Malawi, Malaysia, Maldives, Mali, Marshall Islands, Mozambique, Mexico, Egypt, Micronesia (Federated States of), Mongolia, Republic of Moldova, Montserrat, Mauritania, Mauritius, Myanmar, Namibia, Nauru, Nepal, Niger, Nigeria, Nicaragua, Niue, Central African Republic, Uzbekistan, Pakistan, Palau, Panama, Papua New Guinea, Paraguay, Peru, Rwanda, Samoa, Sao Tome and Principe, Senegal, Seychelles, Serbia, Sierra Leone, Solomon Islands, Somalia, Sri Lanka, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Sudan, Suriname, Chile, Tajikistan, United Republic of Tanzania, Thailand, Timor-Leste, Togo, Tonga, Trinidad and Tobago, Tunisia, Tuvalu, Turkmenistan, Uganda, Ukraine, Oman, Uruguay, Jordan, Vanuatu, Venezuela (Bolivarian Republic of), Vietnam, Yemen, Zambia, Zimbabwe.

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