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Page: 1/7

Committee on Safeguards

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**NOTIFICATION UNDER ARTICLE 12.1 (B) OF THE AGREEMENT ON SAFEGUARDS
ON FINDING A SERIOUS INJURY OR THREAT THEREOF
CAUSED BY INCREASED IMPORTS**

**NOTIFICATION PURSUANT TO ARTICLE 12.1 (C)
OF THE AGREEMENT ON SAFEGUARDS**

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

TÜRKİYE

Ethyl Acetate

The following communication, dated and received on 27 May 2025, is being circulated at the request of the delegation of Türkiye.

Concerning imports of ethyl acetate, Türkiye had notified the initiation of a safeguard investigation with the WTO Document [G/SG/N/6/TUR/32](#), dated 8 April 2024.

Türkiye hereby provides notification to the Committee on Safeguards of findings of serious injury or threat thereof caused by increased imports and notification of a proposed definitive safeguard measure. The public version of the investigation report (in Turkish) together with references and sources can be found at the following internet address (<https://www.resmigazete.gov.tr/eskiler/2025/05/20250523-11.htm>)

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

I. EVIDENCE OF SERIOUS INJURY OR THREAT THEREOF CAUSED BY INCREASED IMPORTS

A. EVIDENCE OF SERIOUS INJURY

In order to make a determination of serious injury or threat thereof to the domestic producers of the products concerned, evaluation of all relevant factors of an objective and quantifiable nature having a bearing on the situation of the domestic industry was undertaken for the investigation period January 2021-June 2024. Figures on economic indicators of the domestic producers are based on the data submitted by applicant domestic producer and official import statistics. The data, which were submitted by the applicant company and utilized in this analysis, represent total domestic production of the product involved throughout the period of investigation.

General economic indicators related to the products under investigation are presented with indexed values in the tables below.

(i) Consumption

Consumption	Unit	2021	2022	2023	2023 (1-6)	2024 (1-6)
	Index	100	98	94	100	96

Consumption data was calculated by consolidation of the domestic sales data of the applicant company and import data.

Consumption index which was 100 in 2021, slightly decreased to 98 in 2022 and recorded as 94 in 2023. Periodic consumption index showed a slight decline. Index, which was 100 in the first six months of 2023, decreased to 96 in the same period of 2024.

(ii) Production

Production	Unit	2021	2022	2023	2023 (1-6)	2024 (1-6)
	Index	100	77	39	100	214

Production index which was 100 in 2021, decreased to 77 in 2020 and to 39 in 2023. Periodic production index showed an increase. Index, which was 100 in the first six months of 2023, increase to 214 in the same period of 2024.

(iii) Domestic Sales

Domestic Sales	Unit	2021	2022	2023	2023 (1-6)	2024 (1-6)
	Index	100	59	40	100	233

Domestic sales index which was 100 in 2021, decreased to 59 in 2022 and to 40 in 2023. Periodic domestic sales index showed an increase. Index, which was 100 in the first six months of 2023, increase to 233 in the same period of 2024.

(iv) Foreign Sales

Foreign Sales	Unit	2021	2022	2023	2023 (1-6)	2024 (1-6)
	Index	100	128	9	100	4.806

Foreign sales fluctuated during the investigation period. Accordingly, the index which was 100 in 2021, increased to 128 in 2022 and, sharply decreased to 9 in 2023. Periodic foreign sales index showed an increase.

(v) Capacity and Capacity Utilization Rate (CUR)

Years		2021	2022	2023	2023 (1-6)	2024 (1-6)
Capacity	Index	100	100	100	100	100
CUR		100	77	39	100	214

While production capacity for the product concerned did not change during the investigation period, CUR index which was 100 in 2021, dramatically decreased to 77 in 2022, and to 39 in 2023. Periodic CUR index showed an increase. Index, which was 100 in the first six months of 2023, increase to 214 in the same period of 2024.

(vi) Stocks

Stock	Unit	2021	2022	2023	2023 (1-6)	2024 (1-6)
	Index	100	251	3.041	100	81

Stock index which was 100 in 2021, increased until 2023. Periodic stock index showed a decrease. Index, which was 100 in the first six months of 2023, decreased to 81 in the same period of 2024.

(vii) Employment

Employment	Unit Index	2021	2022	2023	2023 (1-6)	2024 (1-6)
		100	116	100	100	88

Employment index fluctuated during investigation period. In this respect, index which was 100 in 2021, increased to 116 in 2022 and decreased to 100 in 2023. Periodic employment index showed a decrease. Index, which was 100 in the first six months of 2023, decreased to 88 in the same period of 2024.

(viii) Labour Productivity

Productivity	Unit Index	2021	2022	2023	2023 (1-6)	2024 (1-6)
		100	66	39	100	242

Productivity index which was 100 in 2021, decreased to 66 in 2022 and to 39 in 2023. Periodic productivity index showed an increase. Index, which was 100 in the first six months of 2023, decreased to 242 in the same period of 2024.

(ix) Profitability

Profitability	Unit Index	2021	2022	2023	2023 (1-6)	2024 (1-6)
		100	53	-49	-100	2

Profitability index, which was 100 in 2021, decreased to 53 in 2022 and index was -49 in 2023 when the loss was made. Periodic profitability index improved slightly. Index, which was -100 in the first six months of 2023, recorded as 2 in the same period of 2024.

(x) Conclusion

In conclusion, overall picture indicates a situation of serious injury for the domestic industry during the investigation period. Significant deteriorations occurred in indicators such as production, domestic sales, capacity utilization rate and profitability between 2021 and 2023. In addition, profitability ratios, which were previously positive, have decreased and turned into negative levels in 2023.

On the other hand, comparing 2023 (1-6) and 2024 (1-6) periods, some improvement was recorded in the economic indicators of the domestic industry such as production, sales, capacity utilization rate and profitability -in relation to developments in the Red Sea. However, it is evaluated that this improvement is conjunctural and does not reflect the general trend of the investigation.

Overall, it has been concluded that there is an absolute and relative increase in imports and that domestic producers have suffered from serious injury due to the increase in imports of the products concerned as a result of the concurrent evaluation of the course of imports for the goods under economic indicators of domestic producers and market conditions for domestic industry.

B. CAUSATION ANALYSIS**1 - Analysis of Causation Factors****(a) Effect of Increased Imports**

Imports of the product concerned showed an increasing course from 2021 to 2023, Amount of imports increased by 27 per cent in 2022, and 6 per cent in 2023 compared to the same period of the previous year and reached to 51,6 thousand tons. In addition, the amount of imports increased by 35 per cent in 2023 compared to 2021.

Likewise, the imports relative to production increased significantly in the period of investigation. In this respect, the index of relative imports which was 100 in 2021, increased to the highest level

during the investigation period with 350. Similarly the market share of imports which was 100 in 2019, increased to the highest level during the investigation period with 143 points in 2023.

Therefore, it is concluded that the increase in imports both in absolute and relative terms and the deterioration in economic indicators of the domestic industry followed a similar pattern throughout the period analyzed.

On the other hand, the unit prices of imported and domestic products are compared with a view to assess the conditions of competition in the domestic market.

Unit Price Comparison (USD/ton)	2021	2022	2023	2023 (1-6)	2024 (1-6)
Unit Domestic Ex-Works Sales Price of the Domestic Product	X	X	X	X	X
Constructed Unit Price of the Domestic Product (Unit Commercial Cost + 10% Profit Margin)	X	X	X	X	X
Weighted Average Cost of the Imported Product	X	X	X	X	X
Price Undercutting	X	- X	X	- X	X
Price Suppression	X	X	X	X	X
Price Depression (Real Price of the Domestic Product)	X	X	X	X	X

The investigation authority found out that the price of imported products undercut the price of domestic products in the year of 2021, 2023 and period of 2024 (1-6).

On the other hand, the constructed unit price of the domestic product is calculated by adding a reasonable profit rate to commercial costs of applicant companies. According to these figures, compared to the constructed unit price of the domestic product with unit prices of weighted average cost of the imported product, imported products create a price suppression on the domestic prices of the applicant company during the investigation period.

For the foregoing reasons, it is concluded that there is a correlation between the increase in imports and the serious injury that the domestic industry is exposed to.

(b) Coinciding Trends

It is understood that there is parallelism between the all-relevant factors of an objective and quantifiable nature having a bearing on the situation of the domestic industry such as the decline in production, domestic sales, productivity, capacity utilization rate, profitability and the recent increase in the imports of the product concerned in absolute and relative terms and the increase in the market share of the imports.

In the light of these evaluations, it is concluded that the surge in the imports of the concerned product and the serious injury on its domestic producers are simultaneous.

(c) Other Factors

It is concluded that the injury suffered by the domestic production due to the sudden and sharp increase in imports is not caused by other factors. Evaluations of these possible factors are presented below.

Decrease in consumption: Türkiye's total consumption has been slightly decreased during investigation period, but the other indicators such as decline in production, domestic sales, productivity, capacity utilization rate decreased sharply.

Excessive production capacity surpassing domestic demand: During the investigation period, production capacity is stable.

Development of alternative products/failure to keep up with emerging technologies: The domestic production sector is capable of producing the subject products. There have been no alternative products or technologies introduced during this period.

Increase in financial expenses, depreciation expenses, or other expenses: The share of financial, depreciation, and operating expenses in the total commercial cost has remained at the same level throughout the investigation period.

Effects of earthquake: Level of imports increased regularly throughout the investigation period. In addition, the sole domestic producer of the product concerned located in Antalya which was not hit by earthquake.

2 – Conclusion on Causation

It is concluded that there is a recent, sudden, sharp and significant increase in imports, both in absolute terms and relative to domestic production. In the same time frame with the increase in imports, in absolute terms or relative to the domestic production, significant deteriorations occurred in indicators such as production, domestic sales, productivity and profitability. Capacity utilization level has decreased significantly in parallel with the deterioration in other economic indicators of domestic producers.

Having concluded that there is a correlation between the increase in imports and the serious injury that the domestic industry is facing; having examined the effects of other known factors and having determined that no injurious effects resulted from these; the investigating authority reached to the conclusion that there is a causal link between increased imports and serious injury that the domestic industry is exposed to.

II. INFORMATION ON WHETHER THERE IS AN ABSOLUTE INCREASE IN IMPORTS OR AN INCREASE IN IMPORTS RELATIVE TO DOMESTIC PRODUCTION

1. Unforeseen Developments

Turkish investigation authority examined the unforeseen developments which have caused sharp and significant increase in imports.

During the investigation period, as a result of the capacity increases that have occurred especially in China, England, Mexico and Saudi Arabia since 2021, the exports in question have been directed to Türkiye, especially from countries in nearby geographies, and this has caused an unexpected increase in imports.

In 2020, with a regulation made in China, the 10% tax refund applied to ethyl acetate export was increased to 13%. This situation has increased the competitiveness of Chinese-origin products in export markets. Considering that price is more decisive in the demand for ethyl acetate, it is evaluated that this regulation has a significant effect on the increase in ethyl acetate imports.

(<https://www.china-briefing.com/news/export-tax-rebates-in-china-recent-changes-and-risk-management/>
http://szs.mof.gov.cn/zhengcefabu/202003/t20200317_3484123.htm)

Moreover, due to the additional customs duty applied by the US on ethyl acetate imports from China since 2018 under Section 301, China's ethyl acetate exports have been directed to countries with lower tax rates. (Turkey's current customs duty rate is 5.5%)

(<https://ustr.gov/sites/default/files/enforcement/301Investigations/83%20FR%2047974.pdf>
https://ustr.gov/sites/default/files/enforcement/301Investigations/84_FR_20459.pdf)

2. Increase in Imports

Based on the information from official sources, the course of absolute and relative imports for the product subject to the investigation is given below. 2021-2024 (1-6) periodic import data were used.

Total imports of the products concerned are indicated at the table below.

Years	Quantity (tons)	Value (thousand \$)	U.P. (\$/tons)	Change %		
				Quantity	Value	U.P.
2021	38.216	53.072	1.389	-	-	-
2022	48.643	68.801	1.414	27%	30%	2%
2023	51.605	57.476	1.114	6%	-16%	-21%
2023 (1-6)	30.020	34.477	1.148	-	-	-
2024 (1-6)	23.595	25.463	1.079	-21%	-26%	-6%

The amount of imports of the product concerned, which was 38,2 thousand tonnes in 2021, increased by %27 in 2022 to 48,6 thousand tonnes, by %6 in 2023. Periodic import showed a decrease. Import, which was 30 thousand tons in the first six months of 2023, decrease to 23,5 thousand tons in the same period of 2024. In addition, the amount of imports increased by %35 in 2023 compared to 2021.

In recent period of investigation, there has been decrease in imports of the product. It is assessed that this decrease in imports is due to the decrease in imports from Far Eastern countries which is caused by security problems in the Red Sea route.

On value basis, import value showed a consistent increase throughout the investigation period except for 2023. The import value, which was 53 million \$ in 2021, increased by %30 to 68,8 million \$ in 2020, decreased by %16 to 57,4 million \$ in 2021. Periodically, the import value which was 34,4 million \$ in 2023 (1-6) decreased by %26 to 25,5 in 2024 (1-6).

Referring to the ratio of imports to domestic production, the data on relative imports takes place in the table below in the form of indexed values.

Imports/Domestic Production	Unit	2021	2022	2023	2023 (1-6)	2024 (1-6)
	Index	100	165	350	100	37

Relative imports showed an increase throughout the investigation period. The index, which was at 100 in 2021, increased to 165 in 2022, 350 in 2023.

It is concluded that there is a recent, sudden, sharp and significant increase in imports, both in absolute terms and relative to domestic production, on the basis of the analyses of imports of subject to investigation for the period of 2021-2023. Due to developments in the Red Sea, imports have decreased periodically in quantity and relative terms. However, the situation is considered to be temporary and don't reflect the general trend of investigation.

III. PRECISE DESCRIPTION OF THE PRODUCT INVOLVED

Products subject to definitive safeguard measure are ethyl acetate, currently classified in the Turkish Customs Tariff Schedule under the customs tariff codes of 2915.31.00.00.00.

IV. DESCRIPTION OF THE PROPOSED MEASURE AND TARIFF QUOTA

The proposed definitive safeguard measure is in the form of tariff quotas. The portion of imports exceeding the tariff quota levels will be subject to additional financial duty. The proposed definitive tariff quotas and additional financial duty are listed in Annex. The quota quantity listed in Annex shall be defined for each year.

The developing countries which are excluded from the definitive safeguard measure as they export in quantities less than 3 per cent of imports to Türkiye are listed below under Article 9.1 of the Agreement on Safeguards.

Islamic Republic of Afghanistan, Republic of Angola, Argentine Republic, Republic of Albania, Republic of Azerbaijan, Belize, Republic of Benin, Republic of Belarus, Kingdom of Bhutan, Plurinational State of Bolivia, Bosnia And Herzegovina, Republic of Botswana, Burkina Faso, Republic of The Union of Myanmar, Republic of Burundi, Republic of Cabo Verde, People's Democratic Republic of Algeria, Republic of Djibouti, Cook Islands, Republic of Chad, Democratic Republic of Timor-Leste,

Dominican Republic, Commonwealth of Dominica, Republic of Ecuador, Republic of Equatorial Guinea, Republic of El Salvador, State of Eritrea, The Kingdom of Eswatini, Federal Democratic Republic of Ethiopia, Republic of Fiji, Republic of Côte D'Ivoire, Republic of The Philippines, State of Palestine, Gabonese Republic, The Republic of The Gambia, The Republic of Ghana, Republic of Guinea, Republic of Guinea-Bissau, Grenada, Republic of Guatemala, Republic of South Sudan, Republic of Haiti, Republic of Honduras, Republic of Iraq, Islamic Republic of Iran, Jamaica, Kingdom of Cambodia, Republic of Cameroon, Republic of Kazakhstan, Republic of Kenya, Kyrgyz Republic, Republic of Kiribati, Republic of Colombia, Union of The Comoros, Republic of The Congo, Democratic Republic of The Congo, Republic of Kosovo, Republic of Costa Rica, Democratic People's Republic of Korea, Republic of Cuba, Lao People's Democratic Republic, Kingdom of Lesotho, Republic of Liberia, State of Libya, Lebanese Republic, Republic of Madagascar, Republic of Malawi, Republic of Maldives, Republic of Mali, Republic of The Marshall Islands, Federated States of Micronesia, Mongolia, Republic of Moldova, Islamic Republic of Mauritania, Republic of Mauritius, Republic of Mozambique, Republic of Namibia, Federal Democratic Republic of Nepal, Republic of Niger, Federal Republic Of Nigeria, Republic of Nicaragua, Niue, Central African Republic, Republic of Uzbekistan, Islamic Republic of Pakistan, Republic of Palau, The Independent State of Papua New Guinea, Republic of Paraguay, Republic of Peru, Republic of Rwanda, Independent State of Samoa, Democratic Republic of Sao Tome And Principe, Republic of Senegal, The Republic of Sierra Leone, Solomon Islands, Federal Republic of Somalia, Democratic Socialist Republic of Sri Lanka, Saint Lucia, Saint Vincent And The Grenadines, Republic of The Sudan, Republic of Suriname, Republic of Tajikistan, United Republic of Tanzania, Togolese Republic, Kingdom of Tonga, Tuvalu, Turkmenistan, The Republic Of Uganda, Hashemite Kingdom Of Jordan, Republic of Vanuatu, Bolivarian Republic of Venezuela, Republic of Yemen, Republic of Zambia, Republic of Zimbabwe.

V. PROPOSED DATE OF INTRODUCTION OF THE MEASURE

The measure will enter into force on 22 June 2025. The related Presidential Decree was published in the Official Gazette on 23 May 2025.

VI. EXPECTED DURATION OF THE MEASURE

The expected duration of the proposed definitive measure is three years.

VII. PROPOSED DATE FOR THE REVIEW

Not applicable.

VIII. EXPECTED TIMETABLE FOR PROGRESSIVE LIBERALIZATION OF THE MEASURE

In order to induce adjustment, the proposed measure will be subject to liberalization on a regular basis following its imposition, thereby ensuring that there is a strong incentive for domestic producers to undertake progressively the necessary restructuring and adjustment programs. The proposed measure is to be progressively liberalized as indicated in the table of Annex.

IX. INFORMATION RELATING TO THE EXTENSION OF A SAFEGUARD MEASURE

Not applicable.

ANNEX - PRODUCTS SUBJECT TO DEFINITIVE SAFEGUARD MEASURE AND TARIFF QUOTA

Customs Tariff Statistics Code	Product Description	PROPOSED TARIFF QUOTA	PROPOSED MEASURE		
			(US \$/Ton)		
			1st Period	2nd Period	3rd Period
2915.31.00.00.00	Ethyl acetate	10.000 tons	110	104	99