



**REPUBLIC OF TURKEY
MINISTRY OF TRADE
DIRECTORATE GENERAL FOR EXPORTS**

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**VIEWS OF TURKEY ON THE INTENDED PRELIMINARY DECISION OF A
TRANSITION REVIEW REGARDING THE EXTENSION OF THE SAFEGUARD
MEASURES AGAINST IMPORTS OF CERTAIN STEEL PRODUCTS**

This document includes the views of the Government of Turkey (GOT) in accordance with Articles 3.1 and 7.2 of World Trade Organization (WTO) Agreement on Safeguards (hereinafter referred to as “AoS”) regarding the review on the extension of safeguard measures against imports of “certain steel products” by the Trade Remedies Investigations Directorate (TRID) of United Kingdom (the UK).

1. General Remarks

TRID, *ex officio* initiated a transition review on the extension of safeguard measures on 1 October 2020. Pursuant to Article 7.2 of AoS, the UK notified the WTO with its notification dated 8 October 2020.

On 19 May 2021, the TRID published a Statement of Intended Preliminary Decision (Statement) and notified the WTO on 21 May 2021 regarding this statement. In the light of AoS, Turkey would like to express its views on the review.

a. Conformity of the Application of the Measures after 31 December 2020

Since February 2, 2019, the United Kingdom is imposing safeguard measures against imports of steel products as a member country of the European Union.

On the other hand, the UK notified the WTO on the continuation of the measures even after December 31, 2020. However, the UK, while singled out certain categories that has not domestic production, for the rest did not carry out a separate examination whether the criteria to impose safeguard measures are met.

Turkey believes that the continuation of the measures after Brexit is a violation of the provisions of GATT 1994, Agreement on Safeguards and relevant WTO jurisprudence due to the lack of following prerequisites of a safeguard measure:

- Examination of the increase in imports caused by unforeseen developments,
- Examination of the serious injury or threat of injury,
- Examination of the causal link,
- Procedural obligations,
- Notification obligations.

With this regard, Turkey strongly believes that the steel safeguard measures should have been terminated after December 31, 2020.

We see that the UK tries to cover its unlawful application of the measures with this transition review by examining abovementioned criteria. However, even with this review, the UK itself concludes that these criteria are not met for certain product categories. For instance, the UK recommends revocation of the measures for the categories 6, 12, 14, 16, 17 and 27 due to lack of absolute or relative increase whatsoever in these categories between 2013 and 2017. Similarly, the UK confirmed that categories 4B, 19 and 28 were not produced in the UK. Further, TRID concluded that imports of category 25A do not cause serious injury to the domestic producers.

With this regard, it is clear that requirements of a safeguard measure did not exist for the UK even before the transition review and these measures have therefore violated AoS and were unlawfully imposed since 1 January 2021.

Within this context, Turkey requests the UK to act in line with its obligations stated in GATT 1994 and AoS and terminate these measures without further violation.

b. Comments on Product Scope

In its Statement, TRID mentions as safeguard “measures” in the title and several sections in the text. Similarly, increase in imports is examined individually for each product category as they were separate measures. We also consider that this review consists of separate safeguard measures. On the other hand, TRID states that “*We have chosen to conduct an analysis at the global product level, in order to show the overall situation of the industry for the like goods and directly competitive goods. We have also conducted analysis at the individual product categories in order to demonstrate whether there is a likelihood of serious injury for the individual product categories.*”¹ Furthermore, certain assessments such as unforeseen developments are made only for global level.

With this regard, Turkey requests the UK to clarify its perspective on whether there is only one product as steel or there are separate products and separate measures in the context of this proceeding.

2. Remarks on Volume of Imports

According to Article 2.1 of the AoS, “*A Member may apply a safeguard measure to a product only if that Member has determined, pursuant to the provisions set out below, that such product is being imported into its territory in such increased quantities, absolute or relative to domestic production, and under such conditions as to cause or threaten to cause serious injury to the domestic industry that produces like or directly competitive products.*”

Furthermore, in Argentina – Footwear (EC) case, the Appellate Body stated that “... And this language in both Article 2.1 of the Agreement on Safeguards and Article XIX:1(a) of the GATT 1994, we believe, requires that the increase in imports must have been recent enough, sudden enough, sharp enough, and significant enough, both quantitatively and qualitatively, to cause or threaten to cause 'serious injury'.”²

The safeguard measures are emergency actions put in place against the recent, sudden, sharp and significant increase in imports causing serious injury to the domestic industry. In other words, this kind of measures aim to block the import surge, in order to allow the domestic industry to keep up with the competition from imports.

¹ Paragraph 86 of the Statement

² Appellate Body Report, Argentina – Footwear (EC), para. 131

In its Statement, the TRID examines the import volumes for each product category for the period of 2013-2017 which was the investigation period of the original investigation of the EU. Based on this analysis, TRID concludes that there is increase in imports for 12 categories³.

The Government of Turkey considers that this approach is problematic. We do not see how an authority concludes whether there is a recent increase in imports without examining the most recent period. Moreover, if examination of the same period with the original investigation would be sufficient, why an authority examines the imports for the same period for the second time during the review.

Furthermore, under the likelihood of recurrence of importation of goods in increased quantities analysis TRID examines the import volumes between 2013 and second quarter of 2020⁴. TRID makes a combined analysis and individual analysis for 12 categories. However, we see that some of these categories such as 7, 25A and 25B are the categories that TRID revoked the measures due to the reasons other than development in imports. In this vein, products that are not subject to measures should not be a part of the combined import analysis. Therefore, we believe that TRID failed to distinguish the imports that allegedly caused serious injury.

Moreover, individual analysis shows that imports of the most of the categories showed a significant decline in absolute terms in 2019 and first half of 2020. For instance, imports of category 1 decreased by 39% in Q2/2020 compared to 2013. Similarly, imports of category 2 reached historically lowest point in 2019 and continued to decrease in 2020. Similar trend exists for categories 7, 15 and 26⁵. Therefore, actual import volumes show a declining trend and does not indicate any likelihood of an increase in imports.

Despite clear decline in certain categories, TRID concluded for product categories 1, 2, 4, 5, 7, 13, 15, 19, 20, 21, 25A, 25B and 26 that there is likely to be a recurrence of increased imports. To support its argument, in several paragraphs of the statement, TRID mentions that there is strong import connection with Turkish steelmakers and underlined the attractiveness of

³ Paragraph 50 of the Statement

⁴ Annex E of the Statement

⁵ Table 54 of the Statement

the UK market for Turkish imports for category 1. However, we do not see any examination of the authority regarding the usage of the quotas by Turkey. Therefore, this argument has no merit and is not based on any evidence. Examining the current quota usage rate simply proves otherwise. For the period between 1 January 2021 and 30 June 2021, a quota of 47.466 tonnes is allocated for imports of category 1 from Turkey. As of 24 May 2021 (which corresponds the 79% of the period), unused quota amount is 41.977 tonnes which shows that Turkey only used 12% of its quota. Therefore, there is no indication that shows any attractiveness of the UK market for Turkish imports for category 1.

Similarly for category 13, which is one of the other categories that Turkey has a country specific quota, Turkey almost never exported any products to the UK in 2021 although a quota of 32.775 tonnes is allocated for Turkey. Turkey's quota exhaustion rate for this category is 0,1% as of 24 May 2021.

By examining the quota usage rates for Turkey and globally, we see that usage rates of quotas did not exceed its traditional levels for almost all of the categories. Therefore, we believe that TRID by overlooking the current data at its disposal (i.e. quota utilization rates) failed to demonstrate its conclusion that increase in imports is likely to occur if the measures are revoked.

Lastly, we regret to see that TRID made unsupported and incorrect statements regarding Turkish steel industry. TRID states that "*Turkish steel producers are continuing to increase their production capacity fuelled by subsidies offered by the Turkish government*⁶" by referring a website which constitute data regarding Turkish steel production. We do not see any data or even claim regarding subsidies. At this point, we would like to ask how the TRID concluded that Turkish government offered subsidies to steel producers. TRID should explain what is the supporting evidence for this claim. An investigating authority should make its conclusions on the basis of facts and available data not baseless claims. We would like to remind that recently the European Commission initiated a countervailing duty investigation against Turkish hot rolled flat products and terminated without taking any measure. Therefore, the Government of Turkey strongly objects TRID's allegation and requests a correction on this issue.

⁶ Paragraph 58 of the Statement

3. Remarks on Lack of Unforeseen Developments

According to Article XIX:1(a) of the GATT 1994, which is related to the Emergency Action on Imports of Particular Products, “*if, as a result of unforeseen developments and of the effect of the obligations incurred by a contracting party under this Agreement, including tariff concessions, any product is being imported into the territory of that contracting party in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers in that territory of like or directly competitive products, the contracting party shall be free, in respect of such product, and to the extent and for such time as may be necessary to prevent or remedy such injury, to suspend the obligation in whole or in part or to withdraw or modify the concession.*” In relation with this Article, the Appellate Body in US Steel case uses the term “unforeseen developments” as shorthand to describe the abovementioned prerequisites⁷. Taking this Article and the Appellate Body’s interpretation into account, it can be concluded that in order to apply a safeguard measure as an emergency action, an investigating authority must demonstrate, through a reasoned and adequate explanation, that “unforeseen developments” resulted in increased imports of each of the relevant products.

At this point, an important question is about *the time* in which a development should be/should have been foreseen. Regarding this issue, the Appellate Body in Korea – Dairy case concluded that emergency actions are to be invoked only in situations when, as a result of obligations incurred under the GATT 1994, an importing Member finds itself confronted with developments it had not ‘foreseen’ or ‘expected’ *when it incurred that obligation*⁸.

We regret to see that the UK is still using the unlawful and unsupported arguments such as excess steel capacity, US 232 measures and trade remedy measures taken by other countries used by the European Commission regarding the unforeseen developments.

First, the statement does not offer any explanation on why the TRID did not foresee the global overcapacity in steel. The GOT is of the view that global overcapacity in steel was expected and foreseen development. OECD Steel Committee was established in 1978, significant overcapacity in the global steel sector continued to exist in the 1980s and steel capacity levels continued to fluctuate throughout the 1980s. In other words, the global

⁷ See footnote 167 of Appellate Body Report on US Steel Products.

⁸ See Appellate Body Report in Korea – Dairy, para. 86.

overcapacity in steel is not a new phenomenon and cannot justify the extension of such a safeguard which is in force since 2018.

Second, Section 232 existed in US law long before pertinent safeguard measures. Therefore, TRID failed to demonstrate how using an existent law can be considered as unforeseen. Moreover, there is no examination in the statement that shows an analysis on substitutability between the US market and the UK market or any other conclusion which offers that US imports will be diverted to the UK. Therefore, we believe that TRID failed to demonstrate its conclusion.

Third, trade defense measures are used by the countries in the context of WTO agreements when the conditions are met. With this regard, trade defense measures cannot be considered as an unforeseen development.

Furthermore, the Appellate Body in US-Steel Products noted that “*the increased imports must be an ‘effect, or outcome’ of the ‘unforeseen developments’*. Put differently, the ‘unforeseen developments’ must ‘result’ in increased imports of the product that is subject to a safeguard measure”.⁹ In other words, the existence of unforeseen developments is not enough to apply a safeguard measure; it should result in a recent, sudden, sharp and significant increase in imports.

However, there is no examination or explanation on showing the logical connection on how these developments caused an increase in imports. TRID fails to make any assessment on the allegedly import increasing effects of these unforeseen developments. Contrarily, TRID states that “*If the UK did not maintain its current safeguard measures, it would be one of the only major steel markets in the world without protection from the possible recurrence of an unforeseen increase in imports*.”¹⁰ With these words, TRID itself admits that there is no actual increase in imports but there is a possibility of increase in imports due to the alleged unforeseen developments.

In this context, Turkey believes that TRID failed to demonstrate the unforeseen developments and how these developments resulted in increased imports.

⁹ Appellate Body Report, US – Steel Products, para. 315.

¹⁰ Paragraph 80 of the Statement

4. Remarks on Injury Allegations

According to the provision of Article 4.2(a) of AoS, *“the competent authorities shall evaluate all relevant factors of an objective and quantifiable nature having a bearing on the situation of that industry, in particular, the rate and amount of the increase in imports of the product concerned in absolute and relative terms, the share of the domestic market taken by increased imports, changes in the level of sales, production, productivity, capacity utilization, profits and losses, and employment.”*

First of all, we realized that TRID highlighted the serious injury which existed during the original investigation and stated that serious injury may recur if the measures are terminated. However, we would like to remind that these measures took into place by the European Commission based on the threat of serious injury not an actual serious injury. Therefore, we see a problematic approach of the UK to construct its likelihood of recurrence analysis on top of a “serious injury finding”, which was in fact not found by the investigating authority in the original investigation (i.e. European Commission).

On the other hand, in the statements, TRID made separate injury examinations for 11 product categories individually and in total. We would like to state that Turkey considers these are separate safeguard measures for each product category and should be examined accordingly.

For many product categories, economic parameters indicate that the domestic industry is in good condition before the COVID-19 pandemic or even despite of the pandemic. For instance, we see that capacity utilization increased for 6 categories (5, 13, 20, 21, 25B, 26) until pandemic and 4 of them (20, 21, 25B, 26) continued to increase even in 2020. Similarly, production and sales volume increased for the most categories during the MRP. Productivity increased for 9 categories (1, 2, 4, 5, 20, 21, 25A, 25B, 26) and reached historically highest point.

Especially, certain categories showed a significant increasing trend in most parameters. For instance, in category 21 capacity utilization increased by 12%, production increased by 22%, sales increased by 37% and market share increased by 10% in first quarter of 2020.

Similarly, for categories of 1, 4, 20 and 26 economic parameters reached their lowest point in 2016 when was 2 years before the measures, and showed a significant improvement since then.

On the other hand, we request the TRID to further explain the employment and wage data provided in Annex E. We see that figures and changes of number of employees and median wages are exactly the same for almost all categories. Considering these categories are characteristically very different from each other (flat/long/pipe) we do not believe these products are produced by the same companies. Therefore, we request further explanation and reserve our rights to further comment on this issue.

Furthermore, we see that all individual profitability data is provided as “redacted”. However, we believe that investigating authorities should provide sufficient data to the interested parties to enable them to defend themselves. Therefore, we are of the opinion that profitability data for individual categories should be provided at least in indexes.

Considering there was no serious injury during the original investigation and the domestic industry significantly improved its condition since 2018 for most of the categories, we believe that TRID failed to demonstrate the existence of any serious injury or threat of serious injury.

5. Causal Link and Other Known Factors

a. Causal Link

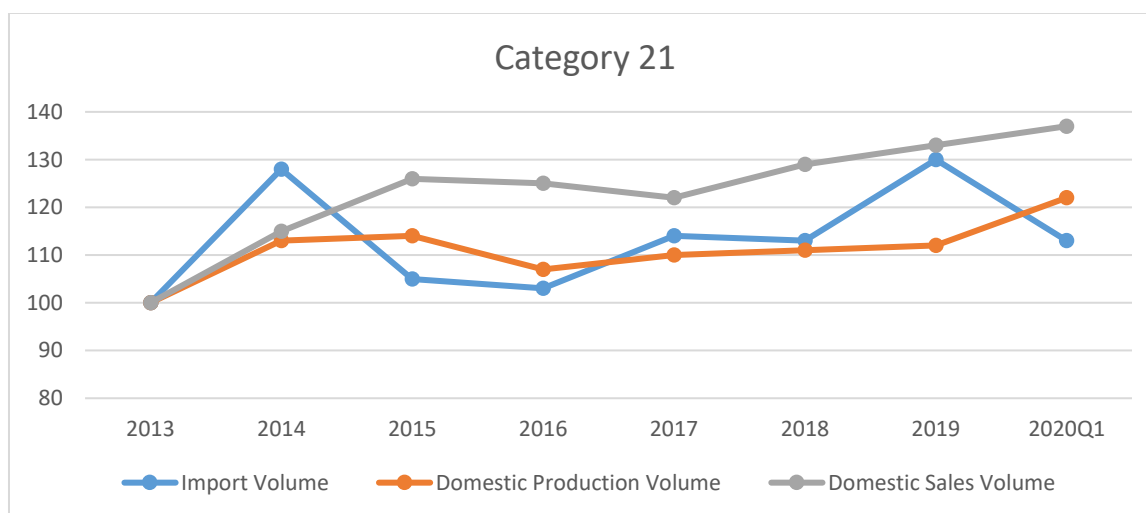
Article 4.2(b) of the AoS states that *“The determination referred to in subparagraph (a) shall not be made unless this investigation demonstrates, on the basis of objective evidence, the existence of the causal link between increased imports of the product concerned and serious injury or threat thereof...”*

The Panel in Korea – Dairy set forth the basic approach for determining causation: *“In performing its causal link assessment, it is our view that the national authority needs to analyse and determine whether developments in the industry, considered by the national authority to*

demonstrate serious injury, have been caused by the increased imports.”¹¹ With this regard, all economic indicators should be examined with the development of the imports.

TRID in several parts of injury assessment, states that it was able to identify decreases in economic parameters that coincided with an increase in imports. However, data provided in Annex E of the statement shows the otherwise.

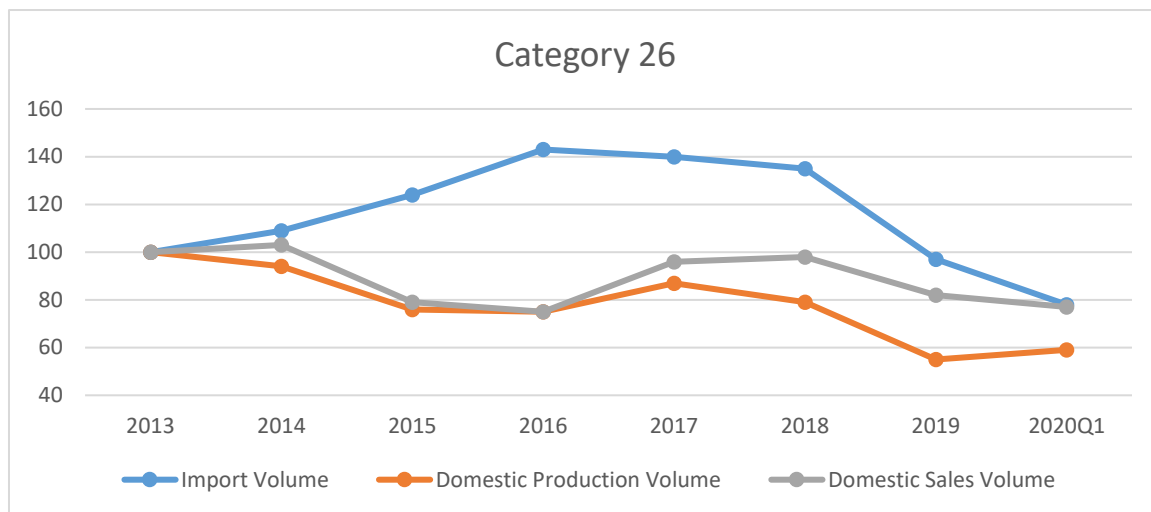
For instance, import development and change in production and sales volumes of domestic producers for category 21 are provided below:



As we see from the table, in 2019, import volume reached its highest point since 2013. However, neither production nor sales of the domestic producers showed any decline in the same period.

Same correlation also does not exist for category 26:

¹¹ Panel Report, Korea – Dairy, paras. 7.89-7.90



After it peaked in 2016, import volumes stayed stable until 2018 and drastically decreased after 2018. However, despite of the significant decline in imports after 2018, production and sales volumes of the domestic industry did not show any improvement even decreased.

On the other hand, TRID did not make any category-based causality analysis to demonstrate a link between imports volume of a category and economic parameters of the producers of that category. As it is stated above, Turkey considers these are separate safeguard measures for each product category and causal link should be examined for each category separately.

In this context, we do not agree TRID's conclusion on concurrence of decreases in economic parameters with the increase in imports. We believe that TRID failed to demonstrate a causal link between increase in imports and serious injury within the context of Article 4.2 of the AoS.

b. Other Known Factors

Article 4.2(b) of the AoS states that “...When factors other than increased imports are causing injury to the domestic industry at the same time, such injury shall not be attributed to increased imports.”

We see that there is no category based other factors analysis made by the investigating authority in the statement. TRID chose to keep the other factor analysis within the context of total steel products. However, we believe that other factors may have been affected the product categories in different ways and different extent considering the broad product scope and different characteristics between product categories.

For instance, considering competition levels of the European industry are different for each product category, UK's exit from the EU may have affected UK producers in different extent. As TRID also stated in its statement, *"UK producers will need to compete with other producers outside the EU customs union potentially negatively impacting the level of UK exports to the EU, UK producers will also face less competition from EU producers in the domestic market."*¹²

In any case, Turkey again would like to state that it considers these are separate safeguard measures for each product category and should be examined accordingly.

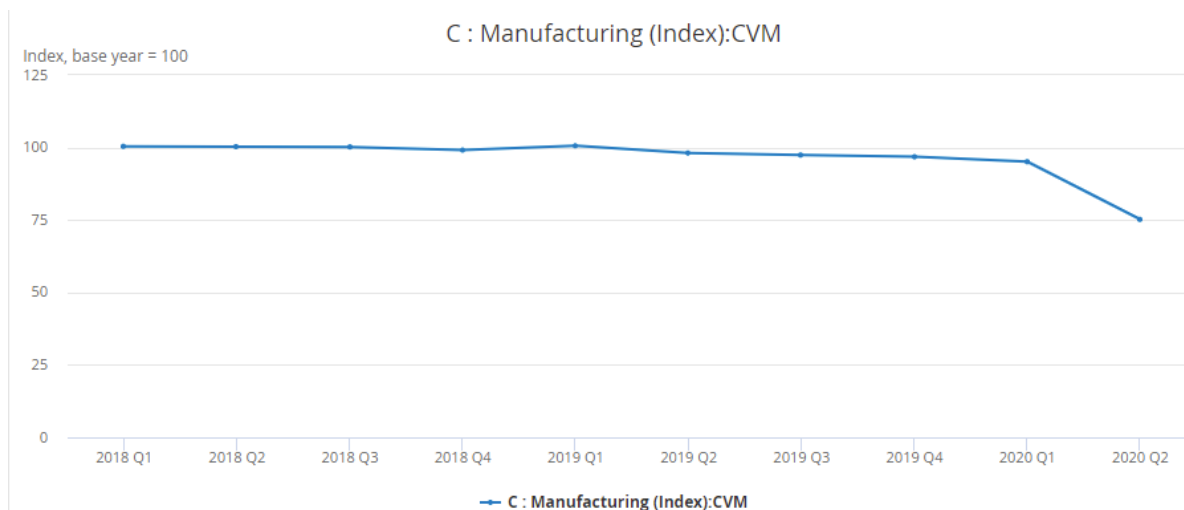
i. Effects of COVID-19 Pandemic

All sectors in all countries have suffered and continue to suffer from the negative effect of the COVID-19 pandemic. Although the first cases started in late 2019, the real effect of the pandemic is realized in 2020. As the TRID also underlined in several sections of the statement petition, UK steel industry also suffered from the pandemic.

Data shows that the lockdown which declared on 23 March 2020, to control the COVID-19 pandemic have helped rein in the public-health crisis but is taking its toll on the economy.¹³ According to Office for National Statistics of the United Kingdom, quarterly manufacturing index decreased by 2% in first quarter of 2020 and 21% in the second quarter.

¹² Paragraph 104 of the Statement

¹³ COVID-19 in the United Kingdom: Assessing jobs at risk and the impact on people and places (<https://www.mckinsey.com/industries/public-and-social-sector/our-insights/covid-19-in-the-united-kingdom-assessing-jobs-at-risk-and-the-impact-on-people-and-places#>)



With this regard, we do not agree with the TRID’s conclusion regarding effect of COVID-19 on causal link. We believe that TRID should closely examine and distinguish the negative effect of the pandemic to the domestic industry in the UK and not attribute the injury, if any, to the imports.

ii. Effects of Leaving the EU Customs Union

As underlined by the TRID and stated above, after UK’s exit from the EU, whole competition conditions have changed for the UK industry. Even being subject to EU safeguard measures for all 26 categories should have an effect on UK exporter/producers. However, we regret to see that TRID did not make any further analysis on the effects of the Brexit to the domestic industry and simply stated that “*We do not conclude that (...) it is reasonable to believe it would not break a causal link between imports and injury that would be experienced if the measures were removed.*”¹⁴

Therefore, we strongly object the TRID’s approach on this issue and urge the TRID to make a sufficient analysis on the effects of Brexit to UK producers.

iii. Effects of Export Performance of Domestic Industry

¹⁴ Paragraph 104 of the Statement

We do not see any examination of the export performance of the domestic industry. However, we believe that assessment of effects of export performance is an essential part of other factors analysis.

According to trade data from HM Revenue & Customs of the UK, steel exports (under Chapter 72 and 73) of the UK drastically decreased since 2018. In terms of value, UK steel exports decreased from 10,2 billion £ in 2018 to 8,5 billion £ in 2020. Similarly, in terms of amount, steel exports of the UK declined by 7,4% in 2019 and further declined by 8,6% in 2020.

We believe that TRID failed to make a complete examination of other factors by ignoring the export performance of the domestic industry. Such decrease should be examined carefully and the negative effects of this decrease should not be attributed to imports.

6. Remarks on Adjustment Plan

According to Article 7.2 of AoS, in order to extend a measure, the investigating authority should show that the measure at stake continues to be necessary to prevent or remedy serious injury and that there is evidence that the industry is adjusting.

As it is well known, the initial objective of safeguard measures should not be to maintain the existing scale and structure of domestic industries, but rather to provide temporary protection against import surge to allow industries a grace period to undertake the structural adjustment necessary to deal with international competition. Turkey concerns that the domestic industry of the UK has not taken necessary steps to adjust their production towards efficiency and innovation during the implementation period of the current measures.

We see that TRID examined the adjustment plans for all categories in total. However, as we underlined in several sections of this text, Turkey considers these are separate safeguard measures for each product category and should be examined accordingly. Moreover, any adjustment plan made for an individual category does not apply for the rest of the categories. Therefore, we object the TRID's approach on adjustment plan examination and request separate adjustment plan examination for each individual category.

Adjustment plans are classified under five categories in the statement namely staff reduction, asset closure, production strategy, investment and carbon sustainability.¹⁵

Staff reduction is simply defined as adjusting the level of staff and shifts according to the demand level¹⁶. However, defined plan is a simple commercial decision which any competitive company should make weekly or monthly basis. Actually, not adjusting the level of staff and production according to the market conditions would be a mistake for the producers. Therefore, we do not consider this category as an adjustment plan, we believe this is a commercial requirement for any company. On the other hand, as we stated above, we believe that there is a clerical error regarding the employment figures provided in Annex E. Therefore, Turkey reserves its rights to further comment on this issue. Lastly, TRID states that one of the sampled producers announced to reduce employment by 3.000 employees in 2019. Considering this review initiated on 1 October 2020, we request recent information on whether this company reduced its employment in 2019 or not.

Asset closure is one of the commercial options which is made according to the competitiveness of an asset. Again, it cannot be considered as an adjustment plan but it would be a commercial mistake that not closing assets when it needs to be done. Furthermore, one of the examples of the asset closure occurred in 2015 which is years before the original measures¹⁷. Therefore, it should not be considered as an adjustment plan.

Production strategy is defined as amending the volume of production to match market demand.¹⁸ Moreover, pricing strategies is defined as adjusting the price to reflect market condition in the statement.¹⁹ Just as the staff reduction, they are simple commercial decisions which any competitive company should make. It would be illogical to consider a company not adjusting its production or price levels according to the market conditions. Therefore, we do not consider this category as an adjustment plan, we believe this is a commercial requirement for any company.

¹⁵ Paragraph 143 of the Statement

¹⁶ Paragraph 144 of the Statement

¹⁷ Paragraph 145 of the Statement

¹⁸ Paragraph 145 of the Statement

¹⁹ Paragraph 146 of the Statement

We believe that investment planning can be considered as an adjustment plan within the context of Article 7.2 of AoS. TRID states that “*With one producer promising investment of £1,2 billion in order to do this.*”²⁰ However, by examining the production volumes and capacity utilization levels of the domestic industry, we do not see any significant investment made by the domestic producers in last 3 years. Moreover, as we underlined above, any investment made for a single product category does not apply to the rest of the categories. Therefore, we request further information on whether this investment took place and if so, category information that investment took place.

TRID states that carbon reduction and sustainability measures have been implemented by many producers²¹. However, we do not see any information regarding the implemented measures and their extent. We also do not consider some of the measures stated by TRID such as reusing waste and reducing emissions are applicable for all categories. Therefore, we do not agree with the TRID that this adjustment plan category existed for domestic industry altogether.

Within this context, Turkey is of the opinion that TRID failed to provide evidence on the adjustment of the domestic industry within the context of Article 7.2 of the AoS.

7. Remarks on the Implementation of Article 8.3 of AoS

While Article 8.2 of the Agreement on Safeguards allows the members to suspend substantially equivalent concessions or other obligations under GATT 1994, Article 8.3 limits this right by stating “*The right of suspension referred to in paragraph 2 shall not be exercised for the first three years that a safeguard measure is in effect, provided that the safeguard measure has been taken as a result of an absolute increase in imports and that such a measure conforms to the provisions of this Agreement.*”

During the original investigation European Commission claimed that the safeguard measures are taken as a result of an absolute increase in imports and the measures are in conformity with the WTO rules. Turkey disagreed with the Commission and repeatedly stated its views on this issue. We regret to see that TRID considers to extend the measures which are unlawfully imposed by the Commission.

²⁰ Paragraph 148 of the Statement

²¹ Paragraph 149 of the Statement

Regarding the EU's steel safeguard measures, we see that many countries i.e. Brazil, South Korea, Russia and Turkey notified the WTO regarding their intention for the suspension of concessions, however have not taken any action yet.

We also see that recently Russia notified the WTO regarding applicability of its intention for the suspension of concessions also for the safeguard measures in force in the United Kingdom.

Therefore, in case of an extension of the measures, it is very likely to see that the UK will face several countermeasures.

8. Other Remarks

Article 7.4 of the AoS states that, *“In order to facilitate adjustment in a situation where the expected duration of a safeguard measure as notified under the provisions of paragraph 1 of Article 12 is over one year, the Member applying the measure shall progressively liberalize it at regular intervals during the period of application. If the duration of the measure exceeds three years, the Member applying such a measure shall review the situation not later than the mid-term of the measure and, if appropriate, withdraw it or increase the pace of liberalization. A measure extended under paragraph 2 shall not be more restrictive than it was at the end of the initial period, and should continue to be liberalized.”*

TRID states that it calculated the TRQs according to average import volumes between 2017-2019.²² TRID further underlines that where 2017-2019 data led to the conclusion that a more restrictive measure should be imposed, which is not permitted, TRID will maintain the existing measure.²³

In this context, we would like to clarify that whether TRID will increase the quotas by 3% where it maintained the existing measure. Further, considering the TRQs should be increased by at least 3%, we would like to ask that whether TRID compared the volumes

²² Paragraph 153 of the Statement

²³ Paragraph 154 of the Statement

between average imports between 2017-2019 and TRQ allocated for 1 April 2021-30 June 2021 plus 3%.

According to the TRQ levels provided in Annex D, for category 1, we see that Turkey's country specific quota for first quarter amounts to 22.982 tonnes.²⁴ However, we would like to remind that Turkey's TRQ for the previous quarter amounted to 23.864 tonnes.²⁵ We do not see this problem for the other categories. Therefore, we request the TRID to recalculate the TRQ for Turkey for category 1 in line with the Article 7.4 of the AoS.

9. Conclusion

In the light of the abovementioned comments, Turkey believes that:

- There is no increase or likelihood of increase in imports caused by unforeseen developments,
- Developments considered by the investigating authority are not unforeseen,
- There is no serious injury or threat of serious injury or likelihood of serious injury,
- There is no causal link between imports and economic parameters of domestic industry,
- TRID failed to distinguish and eliminate the effects of other factors which may have been caused injury to domestic industry,
- There is no evidence which shows that the domestic industry is adjusting.

Therefore, Turkey invites the investigating authority to terminate this proceeding without extending the measure.

We certainly believe that the TRID will take these points and related provisions of AoS and WTO jurisprudence into consideration while taking a decision regarding this review.

Turkey would like to underline that it closely follows this review as an interested party and Turkey reserves all its rights stemming from the related WTO Agreements with regard to this proceeding.

²⁴ Table 46 of the Statement

²⁵ Annex 2 of the Notice of Initiation Transition Review No. TF0006 Safeguard measures on certain steel products Initiation of a Transition Review of Safeguard Measures

Turkey also reserves its rights to request consultations under Article 12.3 once the UK makes its WTO notification under Article 12.1(c).