

REPUBLIC OF TÜRKİYE
MINISTRY OF TRADE
Directorate General for Imports

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Subsidy Investigation

Public Version

12 September 2022

Department for International Trade
Trade Remedies Investigations Directorate
North Gate House
21-23 Valpy Street
Reading
Berkshire
RG1 1AF
United Kingdom

RE: *Response of the Government of Türkiye in the Subsidy Investigation on Ironing Boards from the Republic of Türkiye*

Dear Sir/Madam,

We, the Government of the Republic of Türkiye (GOT), submit herewith our response to the additional questions which dated 6 September 2022 in the Subsidy Investigation on Ironing Boards from the Republic of Türkiye (AS0020).

We request that certain information contained in the response to be accorded proprietary treatment since this information relates to specific usage of the GOT support programs and other information that is not publicly available. The public disclosure of this proprietary information would cause substantial harm to the competitive positions of the respondents.

Please contact the undersigned should you require clarification of any aspects of this submission.

Respectfully submitted,

**[REDACTED PERSONAL
INFORMATION]**

1. Could you please provide a list of ironing board producers and a list of ironing board exporters and their location in the Republic of Türkiye?

ANSWER:

As it is stated in our initial questionnaire responses, the GOT does not have a list of producers of ironing board. Please see **Exhibit 1** for the list of exporters which exported ironing boards to world in 2021. Please note that, since there are no tariff codes particularly for ironing boards in Turkish customs code, these statistics are based on the four tariff codes (i.e. 73239300, 73239900, 85167970, 85169000) that are selected by the investigating authority. On the other hand, there are no address information of these exporters in our database.

2. An interested party has stated in its questionnaire response that the SEC loan referenced in your appendix “Exhibit 9” is not countervailable as Eximbank acted as intermediary and this was not funded by government. Rather this was funded by MIGA. Can we have further comments and relevant documents?

ANSWER:

As we submitted in our initial questionnaire responses, SEC loan is funded by international financing organizations such as World Bank, Multilateral Investment Guarantee Agency (MIGA), Council of Europe Development Bank (CEB) for encouraging the contractors that have overseas activities, exporters, exporter-manufacturers’ projects. The company applies to Eximbank to obtain the credit from specifically one of the abovementioned international organizations. Please see **Exhibit 2** for the blank application form for the loan funded by MIGA and **Exhibit 3** for the Operation Manual for MIGA loans. Therefore, the company knows which organization funded the loan that it applied before the application.

3. Please see “Non Confidential submission Subsidy programmes” attachment. Can we have further information on the referenced programmes 4-11 (inclusive) – in line with your previous questionnaire submissions about other subsidy programmes?

Program 4. Supporting the Development of International Competitiveness (URGE) Support Programme

ANSWER:

The purpose of the program is to develop Turkish companies' competitiveness in international markets under a project mechanism that is run by a Cooperation Organization and coordinated by the Ministry of Trade. Cooperation Organizations can be sectoral associations, exporters' unions etc. Especially it is aimed to enable the SMEs to access to international markets. Under this program, Cooperation Organizations prepares a Development of International Competitiveness (URGE) projects which may contain certain activities such as visits to international fairs, B2B meetings with overseas customers in foreign countries or in Türkiye. Certain amount of these expenditures of mentioned activities of Cooperation Organizations are supported by the Ministry of Trade.

Within this context, [THE NAME OF THE COOPERATION ORGANIZATION (CO)] organized a visit on [DATE AND LOCATION] with participation of 8 Turkish companies. [COMPANY NAME] was one of these companies. With this regard, support payment for this visit was made to [CO NAME] on 12 March 2021. However, since the beneficiaries of this program are Cooperation Organizations, Government of Türkiye makes payments to the Cooperation Organizations, not the companies themselves. Therefore, whether [COMPANY NAME] received any payments from [CO NAME] can be obtained from the company.

Program 5. Law No. 5510 (Social Insurances and General Health Insurance Law) General Social Security Insurance Premium Deduction Scheme

ANSWER:

Under Article 81, Clause (a) of Social Security and Universal Health Insurance Law (Law No. 5510), disability, old-age and death insurances premium rate is 20 % of the earnings subject to premium of the insurance holder. 9 % of this rate is insured's/employee's share and the remaining 11 % is employer's share.

According to Article 81, Clause (ı) of Law No. 5510, 5 % of the employer's social security premium share (11 %) is financed by the Ministry of Treasury and Finance under three conditions which should be fulfilled by employers for determination of eligibility under the program:

1. Employers should submit monthly premium and service documents to the Social Security Institution (SSI) and tax and premium service statements to the Ministry of Treasury and Finance within the statutory periods in conformity with Law No. 5510.
2. The amounts corresponding to the employees' share (9%) in the insurance premiums of all insured employees and the employer's share (6%) which is not covered by the Ministry of

Treasury and Finance (Remaining amount of employer's share after 5% undertaking of the Ministry of Treasury and Finance) should be paid within statutory period.

3. Absence of debt for premium, administrative fine or related late fees or penalties of delay to SSI are evaluated for each business establishment separately. If a deferral, installment or restructuring of debt decision is received between employer and SSI, the employer will qualify for the program during the validity period of these decisions.

The program aims to increase employment level throughout Turkey without discrimination on sectors and regions by reducing costs of insurance premiums to the employers and intends to reduce the unregistered employment. The program effectuates these aims by providing support for employer's share in insurance premiums.

This program is found not countervailable in several cases. Recently, in the Countervailing Duty Investigation of Certain Steel Nails from the Republic of Turkey, the United States Department of Commerce (USDOC) found this program not countervailable.¹

Program 6. Law No. 6111 (4447/10) Social Security Insurance Premium Deduction Scheme For The Employment Of The Young, Women And Occupational Certification Holders (Law No. 4447: Unemployment Insurance Law)

ANSWER:

According to Provisional Article 10 of Unemployment Insurance Law No. 4447 which was appended by Law No. 6111 to increase the employment of young people, women, and vocational proficiency certificate holders, the amount of insurance premium shares that is to be covered by the employers shall be covered from the Unemployment Insurance Fund for the periods defined in the relevant article for those hired and actually employed by private sector employers as of March 1, 2011. This provision is projected to be applied for each insured employee hired until December 31, 2022. The program has been in force since March 1, 2011.

In order to benefit from this program;

- the insured shall

- Be hired between March 1, 2011 and December 31, 2022,

- Be actually employed,

- Be older than 18 years of age,

- Not appear on the monthly premium and service documents provided to SSI

for 6 months prior to his/her employment,

¹ Issues and Decision Memorandum for the Final Determination of the Countervailing Duty Investigation of Certain Steel Nails from the Republic of Turkey

- and the employer shall
 - Be a private sector employer,
 - Employ the insured in addition to the average number of the insured personnel,
 - Submit monthly premium and service documents to SSI within the statutory periods,
 - Pay insurance premiums within the statutory periods,
 - Not have been found to employ unregistered workers.

The support under this Article shall be applied;

a) For men between the age of 18-29 and women over 18;

1) For forty eight months for those who hold a vocational proficiency certificate,

2) For thirty six months for those who have completed secondary or higher education in an institution delivering vocational and technical education or who have completed labor force training courses delivered by the Turkish Employment Agency,

3) For twenty four months for those who are without the certification and qualifications listed in sub-clauses (1) and (2),

b) For twenty four months for men over the age of 29 who have the certification and qualifications listed in sub-clauses (1) and (2) of paragraph (a),

c) An additional six months is applicable for those who qualify for sub-clauses (a) and (b) who have been employed among the unemployed registered with the Turkish Employment Agency,

ç) For twelve months for those who have obtained a professional proficiency certificate or who have completed a secondary or higher education in an institution delivering vocational and technical education after the entry into force of this Article while working within the scope of sub-clause (a) of paragraph 1 of Article 4 of Law Number 5510,

d) For six months for those who are over 18 years of age and do not qualify under sub-clauses (a), (b) and (ç) of this paragraph who have been employed among the unemployed registered with the Turkish Employment Agency.

This program is found not countervailable in several cases. Recently, in the Countervailing Duty Investigation of Certain Steel Nails from the Republic of Turkey, the USDOC found this program not countervailable.²

² Issues and Decision Memorandum for the Final Determination of the Countervailing Duty Investigation of Certain Steel Nails from the Republic of Turkey

Program 7. Law No. 7252 (4447/26) Social Security Insurance Premium Deduction Scheme For Normalization From Covid19 Pandemic

ANSWER:

According to Provisional Article 26 of the Unemployment Insurance Law No. 4447 which was appended by the Law No. 7252 and published in the Official Gazette dated July 28, 2020, as a result of termination of short time working and unpaid leave periods it has been stipulated that starting from the first month, premium support in the full amount of all employee and employer share premiums that are calculated over the minimum wage will be provided to the employers for a period of three months but not exceeding 30/06/2021.

This program is found not countervailable in several cases. Recently, in the Countervailing Duty Investigation of Certain Steel Nails from the Republic of Turkey, the USDOC found this program not countervailable.³

Program 8. Law No. 14857 Social Security Insurance Premium Deduction Scheme For The Employment Of The Disabled

ANSWER:

According to Article 30 of Labor Law No. 4857 (Law No. 4857), employers in private businesses employing 50 or more employees are obliged to employ three percent handicapped and in public businesses four percent handicapped and two percent ex-convicts in jobs appropriate for their professions and physical and psychological status. For the handicapped workers within the three percent quota, 100 percent of the employer's share of insurance premium for the handicapped workers is financed by the Ministry of Treasury and Finance. The program aims to increase the employment of the handicapped.

This program is found not countervailable in several cases. Recently, in the Countervailing Duty Investigation of Certain Steel Nails from the Republic of Turkey, the USDOC found this program not countervailable.⁴

Program 9. Law No. 17103 (4447/19) Additional Employment Support Programme

³ Issues and Decision Memorandum for the Final Determination of the Countervailing Duty Investigation of Certain Steel Nails from the Republic of Turkey

⁴ Issues and Decision Memorandum for the Final Determination of the Countervailing Duty Investigation of Certain Steel Nails from the Republic of Turkey

ANSWER:

According to Provisional Article 19 of Unemployment Insurance Law No. 4447 which was appended by Law No. 7103, employers who hire unemployed people between January 1, 2018 and December 31, 2022 shall be provided with premium support provided that other conditions set forth in the Law are met. The program aims to increase employment by providing premium support to employers.

In order to benefit from the program;

the insured shall:

- Be hired between January 1, 2018 and December 31, 2022,
- Be registered to Turkish Employment Agency with “unemployed” status,
- Not have been declared to the Social Security Institution for a duration longer than ten days in total for the three month period before the month of employment pursuant to subparagraphs (a) and (c) of the first paragraph of Article 4 of Law No 5510, and not have been insured within the scope of subparagraph (b) of the first paragraph of Article 4 of Law No. 5510 except for voluntary insurance,

and the employer shall:

- Not to be in debt of premium and administrative fine and delay fine and late fee of such payments to the Social Security Institution,
- Submit monthly premium and service documents to SSI within the statutory periods,
- Pay its share of insurance premiums within the statutory periods,
- Not have been found to employ unregistered workers or make false statements with regard to the insured workers.

The premium assistance provided under the program shall apply for a duration of 12 month for the insured individuals who are qualified for the assistance until no longer than month/period of December 2020. However; such period shall apply for 18 months for the insured women aged above 18, the insured men aged above 18 and below 25 by the time of employment and for the insured disabled individuals registered to the Turkish Employment Agency.

The premium assistance provided under the program shall apply for a duration of 12 month for the insured individuals who are qualified for the assistance until no longer than month/period of December 2020. However; such period shall apply for 18 months for the insured women aged above 18, the insured men aged above 18 and below 25 by the time of

employment and for the insured disabled individuals registered to the Turkish Employment Agency.

On the other hand, this program was found non-countervailable in the Countervailing Duty Investigation of Certain Steel Nails from the Republic of Turkey by the USDOC.⁵

Program 10. Law No. 17103 (4447/21) Income Tax Stoppage Support Programme

ANSWER:

This assistance is provided pursuant to Provisional Article 21 of Unemployment Insurance Law No. 4447, which was appended by Law No. 7103, to the employers who employ new employees within the scope of this Law's Provisional Articles of 19 shall be provided with Income Tax Deduction and Stamp Tax Deduction provided that other conditions set forth in the Law are met. The program aims to increase employment.

Eligibility criteria for this program are the same with the Program 9. Law No. 17103 (4447/19) Additional Employment Support Programme.

On the other hand, this program was found non-countervailable in the Countervailing Duty Investigation of Certain Steel Nails from the Republic of Turkey by the USDOC.⁶

Program 11. Law No. 27256 (4447/28) Additional Employment Premium Support Programme

ANSWER:

According to Provisional Article 28 of Unemployment Insurance Law No. 4447 which was appended by Law No. 7256, employers who hire people that starts to work initially after 17 April 2020 or were unemployed between January 2019 and April 2020 shall be provided with premium support. The program aims to increase employment by providing premium support to employers. There is no further criteria for eligibility for this program. There is no specific conditions to benefit from this program.

⁵ Issues and Decision Memorandum for the Final Determination of the Countervailing Duty Investigation of Certain Steel Nails from the Republic of Turkey

⁶ Issues and Decision Memorandum for the Final Determination of the Countervailing Duty Investigation of Certain Steel Nails from the Republic of Turkey