



Republic of the Philippines
OFFICE OF THE SECRETARY
Elliptical Road, Diliman
1100 Quezon City

DEPARTMENT ORDER

NO. 10

Series of 2020

SUBJECT: EXTENSION OF THE IMPOSITION OF ANTI-DUMPING DUTY ON IMPORTS OF WHEAT FLOUR (ATHN 2017 subheadings 1101.00.11 and 1101.00.19) FROM TURKEY

On 10 September 2020, the Department of Agriculture (DA) received the Tariff Commission's Expiry Review Report on the anti-dumping duties imposed against importation of wheat flour (AHTN 2017 subheadings 1101.00.11 and 1101.00.19) from the Republic of Turkey. The period of investigation (POI) for the dumping determination is 01 May 2018 to 30 April 2019 while the period covered for the injury determination is 2016 to 2019.

The Tariff Commission (Commission), in accordance with RA No. 8752, or otherwise known as the "Anti-Dumping Act of 1999", concluded that:

1. The product subject to anti-dumping duty, and covered by the expiry review, is wheat flour falling under AHTN 2017 subheadings 1101.00.11 (fortified) and 1101.00.19 (other), originating or imported from the Republic of Turkey;
2. The requirement that the request for an expiry review must be made by or in behalf of the domestic industry was satisfied;
3. There is a high likelihood that termination of the anti-dumping duties will lead to the continuation or recurrence of dumping of wheat flour imported from the Republic of Turkey. Notwithstanding the imposition of anti-dumping duties, the Commission found that:
 - a. dumping of wheat flour imported from the Republic of Turkey occurred during the POI for dumping determination;
 - b. the volume of imports of Turkish flour at dumped prices was far above the *de minimis* threshold, accounting for a substantial 16% of total Philippine wheat flour imports;
 - c. Turkey remained the top supplier of wheat flour to the Philippines; and
 - d. there is significant excess production capacity of wheat flour in Turkey which indicated more incentive for its exporters to dump their wheat flour surpluses to the Philippines, as its preferred Asian market

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4. Following a finding of the existence of an imminent and real threat to the domestic industry in the original investigation, the imposition of definitive anti-dumping duties prevented the occurrence of material injury to the domestic industry. An evaluation of the economic factors having a bearing on the state of the domestic wheat flour industry during the POI of 2016 to 2019, when taken together, shows that the domestic wheat flour industry was not materially injured;
5. The factors identified in the original investigation, which in totality led to the existence of a real and imminent threat to the domestic wheat flour industry then, continue to exist at present. Careful consideration of the totality of these factors in the current POI shows that a real and imminent threat of material injury continues to exist and that there is a high likelihood that material injury to the domestic wheat flour industry would occur once the anti-dumping duties are terminated. The Commission found that:
 - a. The imposition of definitive anti-dumping duties prevented the occurrence of material injury to the domestic industry;
 - b. There is significant price undercutting and price suppression from dumped imports;
 - c. Prevailing low prices of Turkish wheat flour in the domestic market have led to Turkey's continued dominant position as foreign supplier of wheat flour to the Philippines despite the imposition of anti-dumping duties. Hence, there is a high likelihood that demand for Turkish wheat flour will increase;
 - d. Despite the imposition of anti-dumping duties, the Philippines was the 7th most important market for Turkey from 2015 to 2019;
 - e. Turkey has low capacity utilization levels and hence significant spare capacities for the production of wheat flour;
 - f. Turkey's huge unused production capacities can easily accommodate increased exports to the Philippines and its other major export markets;
 - g. Market share in the Philippines can be easily regained by Turkey. Imports of Turkish wheat flour are highly likely to share in the increase in domestic consumption of wheat flour-based food products in the Philippines, notwithstanding the current pandemic, given their attractive prices, time-proven acceptance in the Philippine market, and well-established supply chains.
 - h. The relative openness of the Philippine market, an established distribution network, and excess capacities serve as compelling incentives for continued Turkish exports of wheat flour to the Philippines.

Having established that the (i) termination of anti-dumping duties is highly likely to lead to continuation or recurrence of dumping, (ii) the imposition of definitive anti-dumping duties prevented the occurrence of material injury to the domestic industry, and (iii) a real and imminent threat of material injury continue to exist and there is high likelihood that material injury to the domestic wheat flour industry would occur once the anti-dumping duties are terminated, the Commission ordered the extension of the imposition of anti-dumping duties for another three (3) years, i.e. 2020 to 2023.



WHEREOF, IN VIEW THEREOF, and pursuant to RA No. 8752, the DA hereby orders for the imposition of the corresponding anti-dumping duty on the following exporters from the Republic of Turkey for a period of three (3) years from 2020 to 2023.

Exporter	Weighted Average Dumping Margin (% of Export Price)
Yorukogullari Gida Sanayi Ve	29.57
Ozdoyuran Dis Ticaret Ve Un Sanayi	19.07
Unay Gida Nak San Ve Tic Ltd Sti	16.19
Dost Gida Sanayi Ve Ticaret A.S.	15.43
Tekinak Gida Sanayi Ve Ticaret A.S.	13.72
Ektas Tarim Urunleri End Ve Tic A.S.	13.34
Tekirdag Un San Ve Tic Ltd Sti	12.60
Karahan Degirmencilik Ltd Sti	7.91
Akduy Gida Traim Tarim Ins Nak San	5.90
Erisler Gida Sanayi Ve Ticaret	5.07
Eksun Gida Tarim San Ve Tic A.S.	4.72
Turun Gida San Ve Tic A.S.	4.60
Kale Madencilik San Ve Tic A.S.	3.55
Doruk Marmara Un Sanayi Ciligi A.S.	3.12
Ulusoy Un Sanayi Ve Ticaret	3.04
Ulas Gida Un Tekstil Nakliye Ticaret Ve Sanayi A.S.	2.87
Yuksel Tezcan Gida San Ve Tic Ltd Sti	0.00
Other Exporters (All Others' Rate)	29.57

Paragraph (g) of Section 18 of the Implementing Rules and Regulations (IRR) of RA No. 8752 provides that

"New foreign exporters who have not exported the dumped product to the Philippines during the POI may request for an accelerated review provided that they are not related to any foreign exporter who is subject to the anti-dumping duty. The application must be submitted to the Commission in writing and must contain:

1. *description of the foreign exporter's product; and*
2. *the basis of the request*

No anti-dumping duty shall be imposed during the review. A provisional duty may be required to ensure that, in case of an affirmative finding, the anti-dumping duty can be levied retroactively up to the date of the initiation of the review."

Paragraph (c) of Section 19 of the IRR of RA No. 8752 provides that

"The Commission may also, motu proprio or upon the direction of the Secretary, conduct an interim review of the need for the continued imposition of the anti-dumping duty, taking into consideration the need to protect the existing industry

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against dumping. Any interested party with substantial positive information may also petition the Secretary for an interim review of the continued imposition of the anti-dumping duty: Provided, that at least one (1) year has elapsed since the imposition of the anti-dumping duty.

An interim review shall be initiated where the request contains sufficient evidence that the continued imposition of the duty is no longer necessary to offset dumping and/or that the injury would be unlikely to continue or recur if the duty was removed or varied, or that the existing duty is not, or is no longer, sufficient to counteract the dumping which is causing injury”


The DA Order on the extension of the imposition of the anti-dumping measure can be accessed at the DA website: <https://www.da.gov.ph/laws-and-issuances/departments-orders/>.

Let this Order be published in two (2) newspapers of general circulation.

This Order shall take effect upon the issuance of the relevant Memorandum Order by the Bureau of Customs or 15 days after the publication of this Order in two (2) newspapers of general circulation, whichever comes earlier.

SO ORDERED.

18 September 2020


WILLIAM D. DAR, Ph.D.
Secretary

DEPARTMENT OF AGRICULTURE

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