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**Council for Trade in Goods  
Committee on Safeguards**

Original: English

**REQUEST UNDER ARTICLE 13.1(E) OF  
THE AGREEMENT ON SAFEGUARDS**

**REQUEST FROM THAILAND CONCERNING  
A SUSPENSION OF CONCESSIONS OR OTHER OBLIGATIONS BY TURKEY**

**THAILAND**

The following communication, dated 15 March 2018, is being circulated at the request of the Delegation of Thailand.

Without prejudice to rights and obligations under the WTO Covered Agreements and pursuant to Article 13.1(e) of the Agreement on Safeguards, Thailand hereby requests the Committee on Safeguards to review whether the suspension of concessions or other obligations applied by Turkey is "substantially equivalent" as provided for in Article 8.2 of the Agreement on Safeguards and to report as appropriate to the Council for Trade in Goods.

The basis for this request is as follows:

**1 FACTS**

1. On 7 June 2014, in relation to increased imports and in order to remedy the serious injury suffered by the domestic industry, Thailand imposed a safeguard measure on non-alloy hot rolled steel flat products in coils and not in coils (hereinafter refer to as "the products concerned") for a duration of 3 years and progressively liberalized it at regular interval during the period of its application.
2. On 21 June 2017, the decision to extend a safeguard measure that is being applied against the products concerned was notified (WTO Document G/SG/N/8/THA/3/Suppl.2 and G/SG/N/10/THA/3/Suppl.2) according to which a public hearing was held on 24 April 2017 and the Ministry of Economy of Republic of Turkey requested a time slot for prior consultation. That consultation was held on 21 April 2017 during which there was no discussion on the issue relating to maintaining a substantially equivalent level of concessions and other obligations to that existing under GATT 1994 due to the fact that the Turkish import share of the subjected goods counted only for 5.14% of Thailand's total import.
3. On 3 August 2017, Turkey notified to the Council for Trade in Goods the proposed suspension of concessions and other obligations referred to in paragraph 2 of Article 8 of the WTO Agreement on Safeguards (WTO Document G/L/1183 and G/SG/N/12/TUR/5) consisting of an increase in import duty of air-conditioning machine (HSC: 8415.10) originating in Thailand effectuated from 5 September 2017 for 3 years.
4. On 22 November 2017, Turkey published in its Official Journal the increase in import duty of air-conditioning machine from Thailand by 9.27% based on the selected import value of non-alloy hot rolled steel flat products in coils and not in coils in 2013 where there was a maximum surge in imports before the initiation of Thailand's investigation.

## **2 SUBSTANTIALLY EQUIVALENT CONCESSIONS**

5. Thailand considers that the suspension of concessions and other obligations applied by Turkey is not substantially equivalent as provided for in Article 8.2 of the Agreement on Safeguards considering that the substantially equivalent concessions should be calculated based on a 3-year average of import value preceding the original measure where the level of concessions is not affected and where relevant factors of injury indicate that the domestic industry suffered from the surge in imports.

6. In fact, the substantially equivalent concessions for Turkey should be at most at the amount of 5.70% additional duty instead of 9.27% on the products concerned, as indicated in the Annex.

## **3 REQUEST**

7. Pursuant to the mandate established in Article 13.1(e) of the Agreement on Safeguards, Thailand requests that the Committee on Safeguards review whether the suspension of concessions or other obligations applied by Turkey is "substantially equivalent" as provided for in Article 8.2 of the Agreement on Safeguards. Thailand also requests that the Committee report its findings to the Council for Trade in Goods.

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**ANNEX****LEVEL OF SUBSTANTIALLY EQUIVALENT CONCESSIONS OR OTHER OBLIGATIONS**

1. Based on Thai Customs Authority's statistics, application of a 3-year average safeguard duty of 20.87% on non-alloy hot rolled steel flat products in coils and not in coils should result in 3.2 million US dollars (\$) of duty collected by Thailand with regard to Turkish exports of the relevant product based on an average of the import value from June 2011 – May 2014.

**Non-alloy hot rolled steel flat products in coils and not in coils**

Turkey's Exports \$			Thailand's Increase in Duty	Duty Collected
-	6,621,224	39,563,944		
<b>3-year average</b>		<b>15,395,056</b>	20.87%	<b>3,212,948</b>

2. The substantially equivalent concessions and other obligations as regards air-conditioning machine originating in Thailand should be at the amount of 5.70% based on a 3-year average of export value during the same period of the said product to Turkey.

**Air-conditioning Machine**

Thailand's Exports \$			Turkey's Increase in Duty	Duty Collected
44,585,697	73,529,548	50,935,734		
<b>3-year average</b>		<b>56,350,326</b>	5.70%	<b>3,211,969</b>