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

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**IMMEDIATE NOTIFICATION TO THE COUNCIL FOR TRADE IN GOODS  
OF THE RESULTS OF THE CONSULTATIONS UNDER ARTICLE 12.3****JOINT COMMUNICATION OF INDONESIA AND TÜRKİYE***Yarns From Nylon and Other Polyamides*

The following communication, dated and received on 12 May 2023, is being circulated at the request of the delegations of Indonesia and Türkiye.

Pursuant to paragraph 5 of Article 12 of the Agreement on Safeguards, Türkiye and Indonesia hereby provide the immediate notification to the Council for Trade in Goods of the results of the consultations under paragraph 3 of Article 12.

**1. The provision under which consultations were held:**

Consultations were held under Article 12.3.

**2. Reference to the WTO document that notified the safeguard action regarding which consultations were held under Article 12.3:**

Documents G/SG/N/6/TUR/25/Suppl.1 - G/SG/N/14/TUR/12, G/SG/N/8/TUR/17/Suppl.1 - G/SG/N/10/TUR/17/Suppl.1 - G/SG/N/11/TUR/24/Suppl.1 and G/L/1473 - G/SG/279 contain notifications from Türkiye concerning the safeguard measure on yarns from nylon and other polyamides.

**3. The Members involved in the consultations and the dates of consultations between Members:**

Türkiye and Indonesia conducted five-time consultations on 18 November 2022, 30 November 2022, 9 December 2022, 14 December 2022 and 16 March 2023.

**4. Progress of the Consultation**

During the first consultation, these concerns were raised by Indonesia: (1) request for the exclusion of Indonesia under Article 9.1 of the Agreement due to the low market share of Indonesia (0.83%) during the POI; (2) the necessity of the extension of the current Safeguard Measure under articles 7.1 and 7.2 of the Agreement; (3) whether the procedures for the extension of Safeguard Measures is in conformity with Articles 2,3,4 and 5 of the Agreement; (4) request of compensation under Article 8.1 and 8.2 of the Agreement with a value calculated based on the loss of potential exports; (5) Indonesia reserves its rights for suspension under Article 8.2 and 8.3 of the Agreement; and (6) Indonesia's willingness to find a mutual solution on these issues. Türkiye rejected Indonesia's request to be excluded from the Extension of Safeguard Measure, arguing that according to Türkiye's practice Indonesia can not be excluded since Indonesia's share for the product concerned exceeded 3% during the original safeguard investigation, even though Indonesian share was below 1% during the extension investigation. However, Türkiye is willing to find a mutual solution with Indonesia.

During the second and third consultations, the consultations were focused on: (1) the necessity of the extension of the Safeguard Measure articles 7.1 and 7.2 of the Agreement; (2) the existence of Serious Injury or Threat of Serious Injury under Articles 4.1 and 4.2 of the Agreement; (3) Indonesia suggested that the calculation methodology for compensation should be based on historical trade data and the effect on trade of the safeguard measure. Türkiye added that compensation to be calculated based on the duty to be collected and should not be based on potential exports from Indonesia to Türkiye calculated by taking into account economic indicators such as inflation rate, domestic sales increase, consumption increase rate; and (4) finding a mutual solution on these issues. On the third consultation, Indonesia was willing to accommodate Türkiye's suggested methodology for calculating the value of the compensation and will present the new value of compensation on the fourth consultation.

On the fourth consultation, using the methodology suggested by Türkiye, Indonesia came up with a request for compensation with an amount of USD 314,900 in the form of lowering the import duty equivalent to such amount. Indonesia also welcomes any alternative amount and form of compensation from the Türkiye to be discussed in the fifth consultation.

On the fifth consultation, Indonesia reiterated that its primary goal is to strengthen the trade relationship between Indonesia and Türkiye and secure market access of Indonesia's yarns made of nylon or other polyamides products into Türkiye. The Government of Indonesia also expressed its willingness to find a middle ground with the Türkiye and request compensation for the extension of the Safeguard Measures to the amount of USD 314,900 in the form of zeroing or at least lowering the import duty equivalent to that particular amount for product Staple fibers of viscose rayon (HS Code 550410); however, Indonesia welcomes any options from Türkiye's side as alternatives for the compensation form as long as it is equivalent to the requested amount. Indonesia also encouraged Türkiye to continue and move forward with the Indonesia- Türkiye CEPA negotiation, which has been postponed for some time.

Türkiye responded that due to the recent earthquakes affecting Türkiye territory, it could not grant the request for compensation from Indonesia or any other alternative form of compensation, as this would hinder economic recovery following the earthquakes, and kindly asked for Indonesia's consideration regarding this situation. In light of the situation, no agreement on the request for compensation was reached, and both parties decided to end the consultation for compensation.

## **5. The results of the consultations:**

Türkiye and Indonesia hereby notify the final results of the consultations conducted under Article 12.3 of the WTO Agreement on Safeguards (the Agreement) regarding the extension of the safeguard measure on yarns from nylon and other polyamides products originally applied by Türkiye. Türkiye and Indonesia have completed series of Consultations under Articles 12.3, 8.1 and 8.2 of the Safeguard Agreements in good faith. Both parties declared their intention to engage further in future economic cooperation.

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