



**ARAB REPUBLIC OF EGYPT
MINISTRY OF TRADE AND INDUSTRY
TRADE REMEDIES SECTOR**



ISO 9001:2008 CERTIFIED

**Anti-Dumping Investigation
Concerning Imports of UPVC Profiles,
Originating in or Exported from
Turkey**

**Essential Facts Report
(Non-Confidential Version)**

August 2021

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1. PROCEDURES

1.1 Introduction

- 1.1.1 This report is a summary of the most important pertinent issues raised by the interested parties during the investigation proceedings and a presentation of the information contained in the investigation files of the Trade Remedies Sector (hereinafter referred to as the “Investigating Authority”- " IA").
- 1.1.2 The purpose of this report is to inform all the interested parties of the essential facts under consideration which form the basis the IA has relied on for the determination of dumping, injury, and a causal link, in accordance with Article (7)¹ of the Executive Regulation implementing Law No.161 of 1998 concerning the Protection of the National Economy from the Effects of Injurious Practices in International Trade issued by the Ministerial Decree No. (549) of 1998 (hereinafter referred to as the ‘Regulation’) and Article (6.9)¹ of the Anti-Dumping Agreement hereinafter referred to as the “Agreement”.
- 1.1.3 On 1/12/2020, the IA received a properly documented application from Emapen for UPVC industry Co (hereinafter referred to as the “domestic industry”) alleging that the imports of “UPVC profiles”, originating in or exported from Turkey had been imported to Egypt at dumped prices causing material injury to the domestic industry. The IA accepted and registered the application after examining the accuracy and adequacy of the data contained therein in accordance with Article (13)¹ of the Regulation.
- 1.1.4 The domestic industry alleged that the increasing imports from the country under investigation had been imported at dumped prices causing material injury to the domestic industry. The aspects of such material injury were represented in the following:

¹ **Article (7) of the Regulation stipulates:**

"The Investigating Authority shall prepare a detailed report including information and explanations concerning all notifications. This report shall be available to all parties concerned."

¹ **Article (6.9) of the Agreement stipulates:**

"The authorities shall, before a final determination is made, inform all interested parties of the essential facts under consideration which form the basis for the decision whether to apply definitive measures. Such disclosure should take place in sufficient time for the parties to defend their interests"

¹ **Article (13) of the Regulation stipulates:**

"A written application of the effects caused by subsidy, dumping or unjustifiable increase of imports shall be submitted to the Investigating Authority in the form provided for this. The applicant shall attach a non-confidential summary to the application, in sufficient details to permit a reasonable understanding of the substance of the information submitted in confidence" .

- An increase in imports in absolute terms and relative to production.
- A price undercutting by the imported product as compared with the price of the domestic product.
- An increase in cost as a percentage of the selling price.
- A decline in the market share of the domestic industry.
- A decline in the rates of growth.
- A decline in profits.

1.1.5 On 22/12/2020, the IA notified the Embassy of Turkey in Cairo of the acceptance of an application submitted by the domestic industry in accordance with Article (21)^ξ of the Regulation.

1.1.6 On 22/12/2020, the Advisory Committee agreed with the conclusions reached by IA and sent recommendations to the Minister of Trade and Industry to initiate an investigation and publish a Notice of Initiation in the Egyptian *Official Gazette*.

1.1.7 On 23/12/2020, the Minister of Trade and Industry approved the recommendations of the Advisory Committee to initiate an investigation and publish a Notice of Initiation in the Egyptian *Official Gazette*.

1.1.8 On 29/12/2020, Notice No. (7) of the year 2020 on the initiation of an anti-dumping investigation against the imports of “UPVC profiles”, originating in or exported from Turkey was published in the Egyptian *Official Gazette*, Issue No. (295), Supplement (a), and the WTO was notified of the investigation.

1.2 Interested Parties

1.2.1 Domestic Industry

1.2.1.1 The domestic industry is represented by Emapen for UPVC industry Co. whose production constitutes 51 percent of the total domestic production of the like product, in accordance with the provisions of Article (19) of the Regulation.

^ξArticle (21) of the Regulation stipulates:

“The Investigating Authority shall notify the governments of the countries concerned with the applications already accepted before proceeding to initiate an investigation, except in respect to safeguard applications .”

1.2.2 Known Importers

1.2.2.1 Importers of the product under investigation known to the IA.

1.2.3 Foreign Producers/Exporters

1.2.3.1 Foreign producers and exporters of the product under investigation known to the IA.

4.1.1 Governments of the Countries Concerned

1.2.4.1 The Republic of Turkey.

1.3 Product under Investigation (Product Concerned)

UPVC profiles

The name of the product is in English : Monofilament of Polymers of Vinyl chloride (UPVC).

Commonly accepted name : UPVC profiles

1.3.1 Tariff Classification

1.3.2 The product under investigation is classified under the following HS tariff code:

39 25 20 , 39 16 20

1.3.3 The above-mentioned description is the sole description of the product under investigation. Other information provided on the product is just to help interested parties understand the product under investigation and is provided as a reference only.

1.4 Investigation Details

1.4.1 The official version of this report is the Arabic version.

1.4.2 The measurement unit used in the calculations of dumping and injury in this report is the “ton”.

1.4.3 Currencies used to analyze the data contained in this report are the Egyptian Pound, the Turkish Lira and the US Dollar.

1.4.4 The period of dumping investigation covers the period from 1/7/2019 to 30/6/2020.

1.4.5 The injury analysis period covers the calendar years from 1/1/2016 to 30/6/2020.

1.4.6 On 12/1/2021, questionnaires, a copy of the Notice of Initiation and the non-confidential version of the application were sent to the producers and exporters known to the IA for whom the IA had a complete address, as well as to the Embassy of Turkey in Cairo in order to be circulated to all unknown producers and exporters of the product under investigation who exported to Egypt during the period of investigation. All producers and exporters were given a 37-day period to respond to the questionnaire as of the date of receipt.

1.4.7 During the period from 12/1/2021 to 18/1/2021, the IA sent the questionnaire, a copy of the Notice of Initiation and the non-confidential version of the application to the domestic industry and known importers. All parties were granted a 37-day term from the date of receipt to respond to the questionnaire.

1.5 Interested Parties' position

1.5.1 Domestic Industry

1.5.1.1 On 12/1/2021, the IA sent the questionnaire and a copy of the Notice of Initiation to the domestic industry and granted a 37-day term to respond to the questionnaire.

1.5.1.2 During the period from 12/1/2021 to 18/1/2021, the IA sent letters to the other domestic producers (Pronile Co. - Al Lawandi Co., Manazil PVC Co.) inquiring about the volumes of production and domestic sales during the period from 1/7/2019 to 30/6/2020. All parties were granted a 10-day term from the date of receipt to respond to these letters.

1.5.1.3 During the period from 22/1/2021 to 27/1/2021, the IA received the response of other domestic producers to the data required.

1.5.1.4 On 17/2/2021, the IA received the response from Emapen Co. to the questionnaire.

1.5.1.5 On 28/2/2021, the IA sent a deficiency letter to Emapen Co and granted the company a 10-day term to respond.

1.5.1.6 On 10/3/2021, the IA received the response of Emapen Co.to the deficiency letter

1.5.1.7 On 25/5/2021, the IA sent a letter to inform Emapen Co. of the date of the on-the-spot verification visit.

1.5.1.8 During the period from 6/6/2021 to 8/6/2021, the IA made on- the-spot verification visit to the domestic industry (Emapen Co.)

1.5.2 Importers

1.5.2.1 On 12/1/2021, the IA sent the Importers' Questionnaire, a copy of the Notice of Initiation and the non-confidential version of the application to the importers known to the IA (El Salam Co. - Tatweer Co. - AXA Egypt Co.) All parties were granted a 37-day term to respond to the questionnaire.

1.5.2.2 On 16/2/2021, the IA received a request from Tatweer Co. to extend the time limit to respond to the questionnaire.

1.5.2.3 On 16/2/2021, a letter was sent to inform Tatweer Co. that the IA agreed to extend the time limit to respond to the questionnaire until 25/2/2021.

1.5.2.4 On 28/2/2021, the IA received the non-confidential summary of the information contained in the response of Tatweer Co. to the Questionnaire.

1.5.2.5 On 28/2/2021, the IA received a request to extend the time limit to complete the confidential part. The IA agreed to extend the time limit for a one-week term ending on 4/3/2021.

1.5.2.6 On 4/3/2021, the IA received the confidential information of Tatweer Co.

1.5.2.7 On 9/3/2021, the IA sent a deficiency letter to Tatweer Co. and granted the company a ten-day term to respond ending on 19/3/2021.

1.5.2.8 On 28/3/2021, the IA resent the deficiency letter to Tatweer Co. as the company did not receive the first deficiency letter sent on 9/3/2021.

1.5.2.9 On 30/3/2021, the IA received the response to the deficiency letter of Tatweer Co.

1.5.2.10 On 13/2/2021, the IA received a request from AXA Egypt Co. to extend the time limit for response to the questionnaire.

1.5.2.11 On 14/2/2021, the IA agreed to extend the time limit to AXA Egypt Co respond to the questionnaire for a one-week term ending on 25/2/2021.

1.5.2.12 On 25/2/2021, the IA received the response of AXA Egypt Co. to the questionnaire.

1.5.2.13 On 3/3/2021, the IA sent a deficiency letter to AXA Egypt Co. and granted the company a 10-day term to respond ending on 12/3/2021. However, AXA Egypt Co. did not send a response.

1.5.3 Producers and Exporters

1.5.3.1 ADOPEN PLASTİK VE İNŞAAT SANAYİ ANONİM ŞİRKET.

- 1.5.3.1.1 On 3/2/2021, the company sent a letter requesting the initiation documents. The IA resent the package on 3/2/2021 and informed the company that the 37-day period started on the previous date of receipt on 21/1/2021.
- 1.5.3.1.2 On 15/2/2021, the IA received a letter from the company requesting to extend the time limit to respond to the questionnaire and the IA agreed to extend the time limit for additional 5 days.
- 1.5.3.1.3 On 2/3/2021, the IA received the response of the company to the questionnaire and found that some data were not fully completed and needed clarifications.
- 1.5.3.1.4 On 9/3/2021, the IA sent the first deficiency letter to the company.
- 1.5.3.1.5 On 10/3/2021, the IA received a letter from the company requesting to extend the time limit to respond to the first deficiency letter and the IA agreed to extend the time limit for 5 days.
- 1.5.3.1.6 On 24/3/2021, the IA received the response to the first deficiency letter, analysis showed that some data were not fully completed as the company refused to reply to some questions and due to its confidentiality.
- 1.5.3.1.7 On 4/4/2021, the IA informed the company that the data contained in the response to the questionnaire and the deficiency letter were not sufficient to calculate an individual margin for the company despite sufficient opportunities provided to the company; therefore, preliminary and final determinations would be based on the information available in accordance with Article 6.8 of the Agreement.

1.5.3.2 DENIZPEN PLASTIK SANAYI VE TICARET LIMITED SİRKETİ Co.

- 1.5.3.2.1 On 5/2/2021, the company sent a letter to the IA requesting for the initiation document s previously sent by the IA alleging that it was not received by the company and an extension of the time limit .On 7/2/2021, the IA resent the requested package and granted the company a 37-day period starting from 3/2/2021; the previous date of receipt reported in the IA's records.
- 1.5.3.2.2 On 8/3/2021, the IA received the response of the company to the questionnaire and found that the data were not fully completed.
- 1.5.3.2.3 On 11/3/2021, the IA informed the company that the data contained in the response of the questionnaire were not sufficient. Therefore, preliminary and final determinations would be based on the information available in accordance with Article 6.8 of the Agreement.

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- 1.5.3.2.4 On 11/3/2021, the IA received a letter from the company requesting for an extension of the time limit to respond to the questionnaire. The IA agreed to extend the time limit for 3 days.
- 1.5.3.2.5 On 16/3/2021, the IA received the company's response to the questionnaire and found that the data were not clear or not fully completed.
- 1.5.3.2.6 On 6/4/2021, the IA sent a deficiency letter to the company and granted it 10 days to respond.
- 1.5.3.2.7 On 26/4/2021, the IA sent a letter to inform the company that preliminary and final determinations would be based on the information available in accordance with Article 6.8 of the Agreement because the company did not respond to the first deficiency letter despite the expiration of the deadline for a response.
- 1.5.3.2.8 On 26/4/2021 and 27/4/2021, the company informed the IA that it did not receive any deficiency letters. On 27/4/2021, the IA informed the company that the deficiency letter was sent by email to the company's official email mentioned in the the company's response to the questionnaire.
- 1.5.3.2.9 On 28/4/2021, the IA received a letter from the company requesting the extension of the time limit to respond to the first deficiency letter. The IA agreed and granted the company a 7- day period ending on 5/5/2012.
- 1.5.3.2.10 On 28/4/2021, the IA received a letter from the company asking for some clarifications of the questions included in the first deficiency letter and requesting a 10- day period to respond. The IA responded and agreed to extend the time limit until 8/5/2021.
- 1.5.3.2.11 On 7/5/2021, the IA received the response of the company to the first deficiency letter and found that the response did not include all the data requested by the IA.
- 1.5.3.2.12 On 3/6/2021, the IA sent the second deficiency letter to the company and granted it a 10- day period to respond.
- 1.5.3.2.13 On 24/6/2021, the IA received a letter from the company expressing its refusal to further co-operate with the IA alleging that all questions of the IA were answered and there is no relationship between the data requested by the IA and anti-dumping.
- 1.5.3.2.14 On 27/6/2021, the IA informed the company that after analyzing the position of the company, the data contained in the response to the questionnaire and to the deficiency letter were found to be insufficient. Therefore, preliminary and final determinations would be based on the information available in accordance with Article 6.8 of the Agreement.

1.5.3.3 FIRAT PLASTIK KAUCUKSAN. VE TIC.A.S Co.

1.5.3.3.1 On 12/2/2021, the IA received the company's response to the questionnaire which did not include any of the required data. The company refused to send the response to the questionnaire and instead sent its objection to the investigation.

1.5.3.3.2 On 15/2/2021, the IA informed the company that despite the sufficient opportunities granted to the company, the data and documents sent were insufficient to calculate an individual margin for the company. Therefore, preliminary and final determinations would be based on the information available in accordance with Article 6.8 of the Agreement. The IA did not receive any response from the company until the expiry of the time limit.

1.5.4 Government of Exporting Country

1.5.4.1 Embassy of Turkey

1.5.4.1.1 On 27/1/2021, the IA received a letter from the Embassy of Turkey requesting for the initiation package and the IA resent the package to the new email.

1.5.4.2 Turkish Ministry of Trade (Directorate General of Exports)

1.5.4.2.1 On 31/1/2021, the IA received a letter from the Embassy of the Republic of Turkey in Cairo attached to a letter from the Turkish Ministry of Trade requesting to be considered an interested party in the investigation and preserving its right to attend the hearings.

1.5.4.2.2 On 2/2/2020, the IA informed the Turkish Ministry of Trade that it is considered an interested party in the investigation.

1.5.4.2.3 On 17/6/2021, the IA received a letter from the Embassy of the Republic of Turkey in Cairo attached to it the comments of the Turkish Ministry of Trade on the application of the domestic industry.

1.5.4.3 Istanbul Chemicals and Chemical Products Exporters Association (IKMIB)

1.5.4.3.1 On 10/2/2021, the IA received a letter from the (IKMIB) requesting to be considered an interested party in the investigation and to be notified of any hearings that would be held and inquiring about the deadline for sending their submissions on the complaint.

1.5.4.3.2 On 11/2/2021, the IA informed the (IKMIB) that it is considered an interested party in the investigation, and that comments on the complaint should be sent as soon as possible so that it could be taken into consideration in the Essential Facts Report.

1.5.4.3.3 On 10/6/2021, the IA received a letter from the (IKMIB) attached to it a legal authorization of a law firm in Turkey.

1.5.4.3.4 On 23/6/2021, the IA received the comments of the legal representative of the (IKMIB) on the complaint of the domestic industry.

1.6 Exchange Rate[°]

1.6.1 The date of invoice is the date of sale when determining the exchange rate in the country of origin.

1.7 Disclosure of Information

1.7.1 The IA makes all non-confidential information available to the interested parties through the public file during the period of investigation at the IA's premises in Cairo pending the issuance of a final determination.

1.8 Best Information Available

1.8.1 In accordance with the provisions of Articles (6.8)¹ of the Agreement and Articles (27)[^] and (35)[^] of the Regulation, and due to the non-cooperation of some foreign producers/exporters, the IA has relied on the best information available in the calculation of the dumping margin.

[°] **Article 2.4.1 of the Anti- Dumping Agreement stipulates:**

"When the comparison under paragraph 4 requires a conversion of currencies, such conversion should be made using the rate of exchange on the date of sale....."

¹ **Article 6.8 of the Anti-Dumping Agreement stipulates:**

"In cases in which any interested party refuses access to, or otherwise does not provide, necessary information within a reasonable period or significantly impedes the investigation, preliminary and final determinations, affirmative or negative, may be made on the basis of the facts available".

[^] **Article 27 of the Regulation stipulates:**

"In case of absence of the data required, failure to submit data within the time limit or non-cooperation with the Investigating Authority, the Investigating Authority may proceed in the investigation procedures and come to conclusions according to the best information available."

[^] **Article 35 of the Regulation stipulates:**

"In cases where there is no sufficient data to determine the export price or the normal value, the Investigating Authority may determine them on the basis of the best information available".

2. Domestic Industry and Like Product

2.1 Domestic Industry⁴

The domestic industry producing the like product is represented by Emapen Co. for manufacturing of UPVC segments whose production constitutes 51 percent of the total production of the domestic industry. Therefore, the application has fulfilled the requirements set out in Articles (19) of the Regulation.

2.2 Like Product^{4'}

2.2.1 Monofilament of which any cross-sectional dimension exceeds 1 mm, rods, sticks and profile shapes, whether or not surface-worked but not otherwise worked, of polymers of vinyl chloride

2.2.2 The IA has found that the like product has characteristics closely resembling those of the imported product in terms of the physical characteristics, specifications, manufacturing methods, customs classification, end uses and distribution channels. The two products are substitutable to one another. Therefore, in accordance with Article (2.6) of the Agreement, the IA has concluded that the product produced by the domestic industry and the imported product are alike.

⁴ **Article (1) of the Regulation defines the domestic industry as,**

“Domestic Industry”: means the Egyptian producers of the like product whose collective output represents a major proportion of the domestic production of that product. This definition is applicable to both industrial and agricultural production.”

The application shall be accepted only if it is lodged by or on behalf of the domestic industry, chamber of the industries concerned, federation of industries, producers associations or the ministries supervising any of the production sectors.

Article (19) of the Regulation stipulates,

An investigation shall not be initiated unless the application is supported by those domestic producers whose collective output constitutes more than 50 per cent of the total production of the like product produced by that portion of the domestic industry expressing either support for or opposition to the application. However, no investigation shall be initiated when domestic producers expressly supporting the application account for less than 25 per cent of total production of the like product produced by the domestic industry.

^{4'} **Article (2.6) of the Agreement stipulates,**

“ Throughout this agreement, the term “like product” (‘produit similaire’) shall be interpreted to mean a product which is identical, i.e. alike in all respects to the product under consideration, or in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the product under consideration”.

2.3 Volume of Imports¹¹

The following table shows the import volumes of the product concerned from all sources.

Table (2.1)
Volume of Imports
During the Year 2019/2020

Unit: Metric Ton

Country	Volume of Imports	As a % of Total Volume of Imports
Turkey	3490	87%
Other Countries	506	13%
Total Imports	3996	100%

Source :General Organization for Export and Import Control

- 2.3.1 The above table shows that the volume of dumped imports from Turkey accounted for 87 percent of the total volume of imports during the year 2019/2020; therefore, the IA has concluded that the volume of dumped imports from Turkey accounted for more than 3 percent of the total volume of imports during the year 2019/2020, thus is not negligible in accordance with Article (5.8) of the Agreement and Article (38.a) of the Regulation.

¹¹ **Paragraph (a) of Article (38) of the Regulation states:**

“...The Investigating Authority shall prepare a report to recommend the termination of the investigation in the following cases:

a- If the volume of dumped imports from a particular country is less than 3% of the volume of imports of the subject goods unless countries which individually account for less than 3% of the total imports of the like product collectively account for more than 7% of the total imports.”

3. DUMPING

3.1 Normal Value¹²

General Methodology

Based on the information submitted by the cooperating companies in their responses to the questionnaires and deficiency letters for the purpose of calculating the normal value, the IA examines whether the domestic sales of the like product were representative during the period of investigation (i.e. represent 5 percent or more of the total export sales to Egypt) in accordance with the provisions of Article (2.2)¹³ of the Agreement.

In addition, the IA examines whether such domestic sales were made in the ordinary course of trade (i.e. at a price higher than the cost) by making a comparison between the net domestic selling price and the cost of production in accordance with Article (2.2.1)¹⁴

The IA relies on the normal value of the representative sales made in the ordinary course of trade. If the IA finds that the company's sales of the like product in the domestic market account for less than 5 percent of the company's total exports to Egypt or that the major proportion of the company's sales were made at a selling price less than the cost, the normal value of sales will be constructed on the basis of the production cost of the product exported to Egypt in addition to a reasonable amount for selling, general, administrative and financing costs and for the profit.

¹² **Article (32) of the Regulation stipulates:**

"Normal value shall be the price paid for the like goods in the ordinary course of trade for home consumption in the country of origin/export or the cost of production plus the selling, general and administrative costs in addition to the amount of profit normally realized on sales of goods or the price at which the like product is exported to a third country."

¹³ **Article (2.2) of the Agreement stipulates:**

"When there are no sales of the like product in the ordinary course of trade in the domestic market of the exporting country or when, because of the particular market situation or the low volume of the sales in the domestic market of the exporting country, such sales do not permit a proper comparison, the margin of dumping shall be determined by comparison with a comparable price of the like product when exported to an appropriate third country, provided that this price is representative, Or with the cost of production in the country of origin plus a reasonable amount, for administrative, selling and general costs and for profits."

¹⁴ **Article (2.2.1) of the Agreement stipulates:**

"Sales of the like product in the domestic market of the exporting country or sales to a third country at prices below per unit (fixed and variable) costs of production plus administrative, selling and general costs may be treated as not being in the ordinary course of trade by reason of price and may be disregarded in determining normal value only if the authorities² determined that such sales are made within an extended period of time in substantial quantities."

3.1.1 DENIZPEN PLASTIK SANAYI VE TICARET LIMITED SIRKETI

3.1.1.1 Base Price

The company provided invoices of the sales made in the Turkish domestic market during the period of investigation on [REDACTED] basis.

The IA examined and analysed the domestic sales of the company and found that the volume of the domestic sales during the period of investigation is representative.

In order to determine whether the domestic sales of such [REDACTED] types were made in the ordinary course of trade during the period of investigation, the IA compared the net domestic selling price of such [REDACTED] types with the average cost per unit. The comparison showed that [REDACTED] percent of the sales of such [REDACTED] types made in the domestic market realized profits; i.e. were made in the ordinary course of trade.

Therefore, the domestic selling prices of such [REDACTED] types for all profitable transactions made in the domestic market during the period of investigation were used as the basis for calculating the normal value.

3.1.1.2 Adjustments to Normal Value (Domestic Selling Price)

The following adjustments were made to reach the selling price at ex-factory level:

Average sales tax value: [REDACTED] Turkish Lira/Ton

3.1.1.3 Ex-factory Normal Value

The weighted average of the normal value at ex-factory level is [REDACTED] Turkish Lira/Ton.

3.2 Export price

3.2.1 DENIZPEN PLASTIK SANAYI VE TICARET LIMITED SIRKETI

3.2.1.1 Base Price

The company provided a statement of the shipments exported to Egypt on a [REDACTED] value basis during the period of investigation including the quantities, prices and invoices thereof.

3.2.1.2 Adjustments to Export Price

The following adjustments were made to calculate the export price at ex-factory level:

Average cost of packaging: [REDACTED] Turkish Lira/Ton

Average cost of inland freight, handling, ocean freight and marine insurance:
[REDACTED] Turkish Lira/Ton

Average cost of credit: █████ Turkish Lira/Ton
Average cost of bank charges: █████ Turkish Lira/Ton

3.2.1.3 Ex-Factory Export Price

The weighted average of the export price at ex-factory level is █████ Turkish Lira/Ton.

3.3 Dumping Margin (Comparison between Export Price and Normal Value)¹⁵

In accordance with Article (36) of the Regulation and for the purpose of fair comparison, the weighted average normal value and constructed normal value have been compared with the weighted average export price at the same level of trade i.e. ex-factory level.

Table (3.4)
Dumping Margin

Country	Name of Company	Dumping Margin as % of Ex-factory Value
Republic of Turkey	DENIZPEN PLASTIK SANAYI VE TICARET LIMITED SIRKETI	8.3
	*Other Companies	10.7

*Other companies are the unknown and non-cooperative producers and exporters.

¹⁵ Article 36 of the Regulation stipulates:

"The margin of dumping is the difference between the normal value and the export price. In calculating the margin of dumping, the Investigating Authority shall make the calculations on the same level of trade for as nearly as possible the same period, taking into consideration the factors which affect price comparability."

4. INJURY

4.2 Volume of Imports¹¹

4.2.1 Absolute and Relative Increase in Dumped Imports

Table (4.1)

(Unit: Ton)

	2016	2017	2018	2019	2019/2020
Dumped Imports	1474	1398	1836	3274	3490
Change%	-	(5%)	31%	78%	7%
Production	■	■	■	■	■
Dumped Imports as % of Production	■	■	■	■	■
Change%	-	83%	(63)%	40%	5%

- Comparison from year to year

4.2.1.1 The above table shows a decline in the volume of dumped imports in absolute terms of 5 percent in 2017 compared to 2016 and an increase of 31, 78 and 7 percent in 2018, 2019 and 2019/2020 compared to 2017, 2018 and 2019 respectively.

4.2.1.2 The above table also shows an increase in the volume of dumped imports as a percentage of production of 83 percent in 2017 compared to 2016, a decline of 63 percent in 2018 compared to 2017 and an increase of 40 and 5 percent in 2019 and 2019/2020 compared to 2018 and 2019 respectively.

¹¹ **Article (39) of the Regulation stipulates:**

” The Investigating Authority, having examined all positive evidence, shall determine the material injury suffered by the domestic industry and shall verify the following: Existence of significant increase in dumped imports, either in absolute terms or relative to production or consumption in Egypt”

4.3 Price Effects

4.3.1 Price Undercutting^{1v}

4.3.1.1 Price undercutting is the selling of the allegedly dumped product in the domestic market at prices lower than the selling prices of the like product produced by the domestic industry.

4.3.1.2 The IA has made a comparison between the selling price of the imported product and the domestic product of the identical or closely resembling sizes at the same level of trade (ex-factory level of the domestic product – importer’s store for the imported product).

Table (4.2)
2019/2020

(Value :L.E)

Average Price of the Domestic Product	Average Price of the Imported Product	Amount of Undercutting	Price Undercutting %
■	■	■	% \ ξ

4.3.1.3 The above table shows a price undercutting of % \ ξ by the average selling price of the product imported from Turkey as compared with the average price of the domestic product.

4.3.2 Price Depression and Price Suppression^{1^}

4.3.2.1 Price depression is the amount of decline in the domestic selling prices because of the effects of competition with the dumped imports. Price suppression prevents price increases, which otherwise would have occurred without the presence of dumped imports.

^{1v} **Article (39) of the Regulation stipulates:**” *The Investigating Authority, having examined all positive evidence, shall determine the martial injury suffered by the domestic industry and shall verify the following: whether there has been a significant price undercutting by the dumped imports as compared with the price of the domestic like product”*

^{1^} **Article (39) of the Regulation stipulates:**” *The Investigating Authority, having examined all positive evidence, shall determine the martial injury suffered by the domestic industry and shall verify the following:*
b. whether the effect of such imports is to depress prices of the like product to a significant degree, or
c. whether the effect of such imports is to prevent price increases which otherwise would have occurred.”

4.3.2.2 In accordance with Article (39) of the Regulation, the IA has assessed the effect of the dumped imports on price depression and price suppression of the domestic product.

Table (4.3)

(Unit: L.E/ Ton)

	٢٠١٦	٢٠١٧	٢٠١٨	2019	2019/2020
Average Selling Price	■	■	■	■	■
Change	-	13%	36%	13%	(4%)
Total Cost	■	■	■	■	■
Change	-	193%	(47%)	3%	12%
Cost as a % of Selling Price	■	■	■	■	■
Change	-	160%	(61%)	(9%)	17%

*

Comparison from year to year.

4.3.2.3 The above table shows an increase in the average domestic selling prices of 13, 36 and 13 percent in 2017, 2018 and 2019 compared to 2016, 2017 and 2018 respectively and a decline in the selling prices of 4 percent in 2019/2020 compared to 2019.

4.3.2.4 The above table also shows an increase in cost as a percentage of the selling price of 160 percent in 2017 compared to 2016, a decline in cost as a percentage of selling price of 61 and 9 percent in 2018 and 2019 compared to 2017 and 2018 respectively. The table also shows an increase in cost as a percentage of selling price of 17 percent in 2019/2020 compared to 2019.

4.4 Economic Impacts¹⁹

4.4.1 Production and Capacity Utilization

Table (4-4)

(Unit: Ton)

	۲۰۱۶	۲۰۱۷	۲۰۱۸	2019	2019/2020
Production	■	■	■	■	■
Change	-	(78%)	340%	(7%)	(9%)
Available Capacity	■	■	■	■	■
Capacity Utilization	■	■	■	■	■
Change	-	(78%)	340%	(7%)	(9%)

- Comparison from year to year

4.4.1.1 The above table shows a decline in the volume of production and capacity utilization of 78 percent in 2017 compared to 2016, an increase of 340 percent in 2018 compared to 2017 and a decline of 7 and 9 percent in 2019 and 2019/2020 compared to 2018 and 2019 respectively.

¹⁹ Article (39) of the Regulation stipulates,

” The Investigating Authority, having examined all positive evidence, shall determine the martial injury suffered by the domestic industry and shall verify the following:

2. The economic effects of the dumped imports on the domestic industry reflected in the following:

a. Actual and potential decline in sales, profits, production, market share, productivity, return on investment or utilization of capacity.

b. Factors affecting domestic prices

c. Magnitude of the margin of dumping.

d. Actual and potential negative effects on cash flow, inventories, employment, wages, investment, growth and ability to raise capital.

e. Actual and potential negative effects on cash flow, inventories, employment, wages, investment, growth and ability to raise capital.”

4.4.2 Sales and Market Share

Table (4.5)

(Unit: Ton)

	۲۰۱۶	۲۰۱۷	۲۰۱۸	2019	2019/2020
Domestic Sales	■	■	■	■	■
Change	-	(65%)	159%	17%	(2%)
Other Domestic Sales	■	■	■	■	■
Change	-	49%	300%	56%	(1%)
Dumped Imports	1474	1398	1836	3274	3490
Change	-	(5%)	31%	78%	7%
Other Imports	500	117	245	313	506
Change	-	(77%)	110%	28%	61%
Total Market Volume	■	■	■	■	■
Change	-	(26%)	51%	67%	10%
Share of Domestic Sales	■	■	■	■	■
Change	-	(53%)	72%	(30%)	(10%)
Share of other Domestic Sales	■	■	■	■	■
Change	-	101%	165%	(7%)	(10%)
Share of Dumped Imports	■	■	■	■	■
Change	-	28%	(13%)	7%	(3%)
Share of Other Imports	■	■	■	■	■
Change	-	(68%)	39%	(23%)	47%

- Comparison from year to year

The above table shows the following:

a. Apparent Market Volume

4.4.2.1 The above table shows a decline in the market volume of 26 percent in 2017 compared to 2016, an increase of 51, 67 and 10 percent in 2018, 2019 and 2019/2020 compared to 2017, 2018 and 2019 respectively.

b. Apparent Market Indicators

4.4.2.2 The above table shows a decline in the volume of dumped imports in absolute terms of 5 percent in 2017 compared to 2016, an increase of 31, 78 and 7 percent in 2018, 2019 and 2019/2020 compared to 2017, 2018 and 2019 respectively.

4.4.2.3 The above table shows a decline in the volume of domestic sales of 65 percent in 2017 compared to 2016, an increase of 159 and 17 percent in 2018 and 2019 compared to 2017 and 2018 respectively and a decline of 2 percent in 2019/2020 compared to 2019.

4.4.2.4 The above table also shows an increase in the volume of other domestic sales of 49, 300 and 56 percent in 2017, 2018 and 2019 compared to 2016, 2017 and 2018 respectively and a decline in 2019/2020 of 1 percent compared to 2019.

c. Market Share

4.4.2.5 The above table also shows a decline in the market share of the domestic sales of 53 percent in 2017 compared to 2016, an increase of 72 percent in 2018 compared to 2017 and a decline of 30 and 10 percent in 2019 and 2019/2020 compared to 2018 and 2019 respectively.

4.4.2.6 The table also shows an increase of 101 percent and 165 percent in the market share of the other domestic sales during 2017, 2018 compared to 2016 and 2017 despite the fact that such increase represents a small percentage of the total market volume. The market share of the other domestic sales then declined in 2019, 2019/2020 by 7, 10 percent compared to 2018 and 2019 respectively.

4.4.2.7 The table also shows that the market share of the dumped imports increased by 28 percent in 2017 compared to 2016, declined by 13 percent in 2018 compared to 2017, increased again by 7 percent in 2019 compared to 2018, then declined by 3 percent in 2019/2020 compared to 2019.

Although the market share of the dumped imports declined, these imports absorbed the largest share of the increase in the market volume at the expense of both the domestic sales and the other domestic sales.

4.4.2.8 The table also shows a decline of 68 percent in the market share of other imports in 2017 compared to 2016, an increase of 39 percent in 2018 compared to 2017, a decline of 23 percent in 2019 compared to 2018, and then an increase of 47 percent in 2019/2020 compared to 2019. Despite the increase in the market share of other imports, its market share does not exceed 10 percent of the total market volume.

4.4.3 Inventory

Table (46)
Inventory

(Unit/Ton)

	۲۰۱۶	۲۰۱۷	۲۰۱۸	2019	2019/2020
Inventory	■	■	■	■	■
Change	-	(35%)	184%	11%	2%

* Comparison from year to year

4.4.3.1 The above table shows a decline of 35 percent in the volume of inventory in 2017 compared to 2016. In 2018, 2019, 2019/2020, the volume of inventory increased by 184 percent, 11 percent and 2 percent compared to 2017, 2018, and 2019 respectively.

4.4.4 Profitability

Table (4.7)
Profitability

(Pound/ton)

	۲۰۱۶	۲۰۱۷	۲۰۱۸	2019	2019/2020
Net Profit	■	■	■	■	■
Change	-	(1362%)	(89%)	(62%)	(320%)

4.4.4.1 The above table shows that losses were incurred over the course of the investigation period. In 2017, losses increased by 1362 percent compared to 2016, declined by 89 percent and 62 percent in 2018 and 2019 compared to 2017 and 2018 respectively, then increased again in 2019/2020 by 320 percent compared to 2019. Due to the presence of the dumped imports in large quantities in the domestic market during the same period (Table 4-1).

4.4.5 Labor, Productivity, Wages

Table (4.8)

	٢٠١٦	٢٠١٧	٢٠١٨	2019	2019/2020
Number of Labor	■	■	■	■	■
Change	-	22%	3%	(%23)	(%3)
Wages (per L.E)	■	■	■	■	■
Change	-	39%	63%	(17%)	(3%)
Productivity (ton)	■	■	■	■	■
Change	-	(82%)	329%	20%	(5%)

* Comparison from year to year

4.4.5.1 The above table shows an increase of 22 percent, 3 percent in labor in 2017 and 2018 compared to 2016, 2017 respectively, then a decline of 23 percent, 3 percent in 2019, 2019/2020 compared to 2018, 2019.

4.4.5.2 The table also shows an increase of 39 percent and 63 percent in wages in 2017, 2018 compared to 2016, 2017 respectively, then a decline of 17 percent and 3 percent during 2019, 2019/2020 compared to 2018 and 2019 respectively.

4.4.5.3 The table also shows a decline of 82 percent in productivity per worker in 2017 compared to 2016, an increase of 329 percent, 20 percent in 2017 and 2018 respectively, then another decline of 5 percent in 2019/2020 compared to 2019.

4.4.6 Cash Flow

Table (4-9)
Cash Flow

Value: EGP 1,000

	٢٠١٦	٢٠١٧	٢٠١٨	2019	2019/2020
Cash Flows from Operating Activities	■	■	■	■	■
Change	-	%١٥٠	(%٢٧١)	%١١٩	(١٨٥)

* Comparison from year to year

4.4.6.1 The above table shows an increase of 250 percent in cash flow in 2017 compared to 2016, a decline of 371 percent in 2018 compared to 2017, an increase of 219 percent in 2019 compared to 2018, and then another decline of 285 percent in 2019/2020 compared to 2019.

4.4.7 Return on Investment

4.4.7.1 The IA concluded that the company achieved a negative return on investment during the investigation period

4.4.8 Ability to Grow & Raise Capital or Investment

4.4.8.1 The IA has concluded that there was a decline in the sales and market share of the domestic industry, indicating a decline in the company's ability to grow and increase capital.

4.4.9 Factors Affecting Domestic Price

4.4.9.1 The IA has concluded that there were no factors that would affect prices other than the dumped imports.

4.4.10 Margin of Dumping

4.4.10.1 The IA has concluded that the volume of dumping margin for imports from Turkey is significant, ranging from *** percent to *** percent as a percentage of the export price CIF. The IA has also concluded that the volume of dumped imports increased significantly during the investigation period, which contributed to the deterioration of many economic indicators of the domestic industry.

4.5 Conclusion on Injury

4.5.1 The IA has verified the data and the information submitted by the domestic industry and obtained from other sources and concluded that there was an increase in the volume of dumped imports in absolute terms and relative to the domestic production during the investigation period and that there was a price undercutting by the dumped imports as compared with the prices of the domestic product during the same period. These aspects coincided with negative impacts on the domestic industry indicators during the investigation period represented in the following:

1. Price Depression and suppression
2. Decline in production volume and in the rate of capacity utilization
3. Decline in the market share of the domestic industry

4. Increasing losses
5. Increase in inventory
6. Decline in labor and wages
7. Decline in productivity per worker
8. Decline in cash flow
9. Decline in return on investment
10. Inability to grow

4.6 Other Causes of Injury²⁰

4.6.1 In accordance with the provisions of Article (41) of the Regulation and the provisions of Article (3.5) of the Agreement, the IA has examined the other known causes of injury, other than the dumped imports, which might have caused injury to the domestic industry as follows:

4.6.1 Other Imports

Table (4.11)
Other Imports

(Unit/000 square meters)

Years	٢٠١٦	٢٠١٧	٢٠١٨	2019	2019/2020
Other Imports	500	117	245	313	506
Change	-	(%٧٧)	%١١٠	%٢٨	%٦١

4.6.1.1 The above table shows that there was a decline of 77 percent in the volume of other imports in 2017 compared to 2016, an increase of 110 percent, 28 percent and 61 percent during 2018, 2019, 2019/2020 compared to 2017, 2018, 2019 respectively. However, such volume of the other imports represents a small percentage of the market volume.

4.6.2 Export Performance of the Domestic Industry

The domestic industry does not export the like product. All the production of the domestic industry is directed to the Egyptian domestic market. Therefore, the

²⁰ Article (41) of the Regulation stipulates: “The Investigating Authority shall verify that the injury suffered by the industry is caused by the dumped imports and not due to any other causes.”

export sales of the domestic industry are not one of the other causes of the injury suffered by the domestic industry.

4.6.3 **Contraction in Demand**

4.6.3.1 The IA has concluded that there was an increase of 10 percent in the market volume during 2019/2020 compared to 2019. Therefore, contraction in demand did not have any negative impact upon the performance of the domestic industry.

4.7.4 **Technological Development**

4.7.4.1 The IA has concluded that the domestic industry uses an advanced technology that keeps up with the technology used worldwide.

Therefore, technology is not one of the causes of the injury suffered by the domestic industry.

4.6.5 **Restrictive Trade Practices and Change in Consumption Pattern**

4.6.5.1 The IA has concluded that there are no restrictive practices or trade barriers affecting the trade in the like product, or a change in the pattern of consumption during the investigation period

Therefore, The IA has concluded that neither the restrictive trade practices nor the change in the consumption patterns were causes of the injury suffered by the domestic industry.

4.6.6 **Competition**

4.6.6.1 The IA has concluded that the domestic industry was not affected by internal competition with domestic producers or with imports from other sources.

Therefore, competition is not one of the causes of the injury suffered by the domestic industry.

5. Causal Link

- 5.1 The IA has examined the causal link between the dumped imports and the material injury suffered by the domestic industry in accordance with Article (41) of the Regulation and Article (3.5) of the Agreement and in the light of the responses of the domestic industry and importers to the questionnaires, the results of the on-the-spot verification visits made to the domestic industry and all the comments of the interested parties during the period of investigation and concluded the following:
- 5.1.1 The volume of the dumped imports of the product under investigation coming from Turkey is not negligible, where it represents 87 percent of the total volume of imports. In addition, the dumping margin magnitude of the product under investigation from the countries concerned is not de Minimis, where it ranged between 8.3 And 10.7 During the period of investigation.
- 5.1.2 There is an increase in the volume of the dumped imports in absolute terms and relative to production.
- 5.1.3 There are price undercutting by the dumped product imported from Turkey as compared with the price of the domestic product as well as price depression and suppression.
- 5.1.4 The IA has concluded that the domestic industry suffered material injury due to the fact that the dumped imports absorbed the largest share of the domestic market during the year 2019/2020. The aspects of such injury were represented in a decline in most of the economic indicators of the domestic industry, such as an increase in inventory, losses and a decline in the volume of production, capacity utilization, productivity, market share of the domestic sales, cash flows, return on investment, and inability to grow. Because of the flow of dumped imports in 2019/2020, with a dumping margin where it ranged between 8.3 and 10.7 , and a price undercutting of 14 percentage
- ٥,٢ The IA has also concluded that factors other than the dumped imports do not have a negative impact on the performance of the domestic industry.

6. COMMENTS OF INTERESTED PARTIES ON THE APPLICATION

The IA received the arguments and comments of the interested parties during the course of investigation including the comments of the Turkish government (Turkish Ministry of Trade), Istanbul Chemicals and Chemical Products Exporters Association (IKMIB) and comments of some importers.

6.1 Comments on Dumping

6.1.1 Comments of Turkish Government (Turkish Ministry of Trade)

6.1.1.1 Delayed Notification of the Turkish Embassy of the Initiation of an Investigation

Article (12.1) of the Agreement states that; *“When the authorities are satisfied that there is sufficient evidence to justify the initiation of an anti-dumping investigation pursuant to Article 5, the Member or Members the products of which are subject to such investigation and other interested parties known to the investigating authorities to have an interest therein shall be notified and a public notice shall be given”*.

The IA delayed the notification of the initiation of the investigation where the Notice of Initiation was published on 29/12/2020 while the Turkish Embassy was notified on 12/1/2021 and all documents were resent to the Office of the Commercial Counsellor on 17/1/2021 which caused confusion about deadlines.

IA’s Response

The IA sent the Notice of Initiation to the Embassy of Turkey in Cairo and to all the producers and exporters on 12/1/2021. The Notice of Initiation stated that all parties should respond to the questionnaire within a 37-day period starting from the date of receipt of the Notice of Initiation (17/1/2021) not from the date of the publication of the Notice of Initiation (29/12/2021). Accordingly, the IA notified the Embassy and the interested parties in a timely manner of the specified time limits and granted them the whole 37-day period from the date of receipt not the date of publication of the Notice of Initiation.

6.1.2 Istanbul Chemicals and Chemical Products Exporters Association (IKMIB)

6.1.2.1 A non-confidential summary of the Application was not submitted and the application shows a decline in the export price which is contrary to reality.

The application violated the provisions of Article (6.5) and (6.5.1) of the Anti-Dumping Agreement which require the applicant providing confidential information to furnish non-confidential summaries thereof. These summaries shall be in sufficient detail to permit a reasonable understanding of the substance of the information submitted in confidence. Most of the data contained in the application are confidential which makes it difficult to comment thereon.

Additionally, the margin of dumping mentioned in the application is significantly high as it is estimated by 126 percent, based on a normal value of 2188.66 USD/Ton, which is very high compared to the selling price in the Turkish domestic market. In addition, the export price, which is 950 USD/ton, is extremely low compared to data obtained from the Turkish Statistics Authority and Trademap site.

IA's Response

In accordance with the provisions of Article (6.5) of the Agreement, "Any information which is by nature confidential (for example, because its disclosure would be of significant competitive advantage to a competitor or because its disclosure would have a significantly adverse effect upon a person supplying the information or upon a person from whom that person acquired the information), or which is provided on a confidential basis by parties to an investigation shall, upon good cause shown, be treated as such by the authorities. Such information shall not be disclosed without specific permission of the party submitting it."

The applicant considered that the above-mentioned data were confidential and provided a non-confidential version of the application in accordance with the provisions of Article (6.5.1), which states: "The authorities shall require interested parties providing confidential information to furnish non-confidential summaries thereof. These summaries shall be in sufficient detail to permit a reasonable understanding of the substance of the information submitted in confidence. In exceptional circumstances, such parties may indicate that such information is not susceptible of summary. In such exceptional circumstances, a statement of the reasons why summarization is not possible must be provided."

The non-confidential version of the application contained sufficient information permit to understand the substance of the data and information. Therefore, the IA considered the non-confidential summary of the application adequate and sufficient and permits all parties to understand how the data provided were examined and analysed for the purpose of the initiation of the investigation

The margin mentioned in the application (126 percent) is an initial margin, which is sufficient only for the purposes of the initiation of an investigation. The IA gives all interested parties ample opportunity during the period of investigation to defend their interests through their responses to questionnaires which enables the IA to calculate an individual margin for each cooperative exporter.

Therefore, the IA has, based on information submitted by the exporters of the product during the investigation, established the margins shown in Table No. (3.4), which are quite different from the initial margins included in the application.

6.1.3 Foreign producers/ Exporters

6.1.3.1 FIRAT PLASTİK KAUCUK SAN. Ve. Ticaret Anonim Sirketi

The company stated that it does not accept this investigation because it is based on allegations that are not based on evidence since the dumping element (one of the three basic pillars of the dumping investigation) has not been proven, in addition to the absence of a causal relationship between dumping and the injury to the local industry.

IA's Response

The complaint included selling prices of the product in the domestic market of the exporting country, as well as export prices to Egypt during the investigation period. The local industry provided evidence supporting the information contained in the complaint (please refer to Part 2 of the complaint). The investigation authority examined the accuracy and adequacy of the evidence presented in the complaint to determine whether There is sufficient evidence to justify the initiation of the investigation, and accordingly, the complaint submitted by the local industry is in accordance with the provisions of Articles (5-2) and (5-3) of the agreement and is considered sufficient for the purposes of initiation of an investigation.

6.2 Comments on Injury

6.2.1 Comments of Importers

6.2.1.1 The domestic industry produces only one type of the product under investigation that is suitable for some but not all uses, not to mention the quality of the mixture materials used, where there are many factors that affect the life and performance of segments in terms of tolerance to various weather factors such as heat and ultraviolet rays.

The decline in the sales of the domestic industry was due to the quality of the domestic product, the low number of drawing dies and wood look colors, which make the consumer prefer the imported product.

IA's Response

The Agreement and the Regulation do not provide that quality is one of the factors that the IA should examine in anti-dumping investigations. However, the IA has concluded based on the data and information provided by the domestic industry and verified by the IA during the on-the-spot verification visit, including a copy of the ISO certificate, which certifies that the like product conforms to the international standards and quality standards and internal laboratory tests conducted by neutral bodies. It is worth mentioning that the IA found during the verification visit that the domestic industry produces most types of UPVC profiles, including, but not limited to door and window profiles,

complementary profiles, and the product produced by the domestic industry and the Turkish product are alike in terms of the physical characteristics, specifications, distribution channels and end uses and that both products are substitutable for one another. In addition, the product produced by the domestic industry has already been used in many national projects.

6.1.1.3 The decline in the production of the domestic industry is a false allegation, because there is an increase in the domestic sales.

IA's Response

The IA has concluded that there was a decline of 9 percent in the volume of production in 2019/2020 when compared with 2019, as previously detailed in Table (4.4), due to the company being forced to reduce the volume of production hoping to dispose of the accumulated inventory caused by the significant increase in the volume of the dumped imports, which absorbed a large market share during the same period.

As for the domestic sales, the IA has concluded that there was a decline of 2 percent in the volume of the domestic sales during 2019/2020 when compared with 2019, as previously detailed in Table (4.5).

6.2.1.4 The imposition of antidumping duties would lead to a decline in the domestic sales, laying off a large number of workers, and transformation of factories and workshops from PVC to Alumetal industry and hence, loss of investments in the purchase of PVC machinery and equipment.

IA's Response

The role of the IA in anti-dumping investigations is focused on examining whether there has been a dumping practice causing material injury to the domestic industry to the extent that requires imposition of anti-dumping duties with a view to ensuring fair competition between the imported product that comes at dumped prices and the domestic product. Furthermore, the decision to impose anti-dumping duties would not lead to the permanent prevention of the dumped imports from having access to the domestic market; it only aims at adjusting the prices of such dumped imports in a fair manner. Moreover, there will be a possibility of importing the product concerned from sources other than the country under investigation at fair prices.

6.2.2 Comments of the Government of Turkey

6.2.2.1 "However, to the best of Turkey's knowledge, there is another producer in Egypt named AMAN PVC which claims to have the highest production capacity in Egypt.

The company manufactures and designs UPVC profiles according to the Egyptian Standard No. 5304/2006 and the British No. 7413/2003, and states that its factory has the highest production capacity in Egypt. Since the complaint states that there are no companies supporting the petition, and the complainant represents more than 51% of the domestic of the domestic production, the information of the AMAN PVC Company, if correct, would negate the claims of representativeness.”

IA’s Response

In accordance with the provisions of Article (5.4) of the Agreement, the domestic industry showed in the application that (Emapen UPVC Co.) represents the major proportion of the industry in Egypt (namely 51 percent of the total Egyptian production of the UPVC Profiles), based on an official statement issued from the Federation of Egyptian Industries (FEI) showing the production volume of all the domestic producers of the like product and the representation percentage of each domestic producer of the total domestic production of this product.

With regard to AMAN PVC, the IA has concluded that the company started to produce the like product in 2021 (i.e. out of the scope of the period of investigation).

6.2.2.2 “Turkey is of the view that there is a reason why in anti-dumping proceedings, there is an injury analysis period and a period where dumping calculations are based on, which is usually shorter. The reason for this is that, economic indicators should be analysed in a way to reflect changes over time. However, although providing the data for 2016 and POI period, in many cases the complainant focuses only to the most recent period, not the trends, which is misleading. It is also important to note that some part of the POI coincides with the global pandemic situation. To give an example, if domestic sales of the complainant increased by 159% and 17% in 2018 and 2019 respectively, but decreased by 2% during the POI, this does not necessarily mean that there is injury to the domestic industry. On the other hand, Turkey expects the Ministry to constitute an: evaluation” in the sense of Article 3.4 of the ADA for all economic factors, which complaint lacks. ”

IA’s Response

The IA has already examined the accuracy and sufficiency of the evidence provided in the application and concluded that such evidence is sufficient to initiate an investigation and that the application submitted by the domestic industry meets the requirements set forth in the provisions of Article (5.2) of the Agreement and deemed sufficient for the purposes of initiation of the investigation.

With regard to the domestic sales, the IA has concluded that the domestic sales and the market share thereof declined during the year 2019/2020, as previously detailed in Table (4.5).

6.2.2.3 “The complaint does not adequately examine whether there had been a significant price undercutting, price depression or price suppression by the dumped imports. It simply states that the prices of imports were 35% lower than the domestic prices, which is a static comparison.....In 2018 and 2019 where the imports from Turkey increased, domestic industry was able to increase its domestic sales prices by 36% and 13% respectively.”

IA’s Response

The application included the following data on the analysis of price effects. This analysis included the following:

- 1. Price depression: Table (3.2) of the application shows an increase in the domestic selling prices until 2019 followed by a decline in the domestic selling prices.**
- 2. Price undercutting: Table (3.3) of the application shows a price undercutting of 35 percent by the imported product as compared with the price of the domestic product in 2019/2020 (i.e. the year in which the prices of the dumped imports were examined)**
- 3. Price suppression: Table (3.4) of the application shows a decline in the selling price and inability to raise price compared to cost.**

The application was accepted only after the IA had verified its fulfillment of the requirements of Article (5.2) of the Agreement and Article (14) of the Regulation and the accuracy and sufficiency of the evidence provided therein to initiate the investigation.

6.2.2.4 To begin with, as mentioned previously, Turkey is of the view that focusing only to the most recent data period for the purposes of injury analysis creates a misleading picture.

- With the exception of 2017, where cost of production increased massively, which Turkey believes is due to the impact of foreign exchange rate floatation in November 2016 and its effect on imported inputs, the complainant was able to increase its sales prices and the ratio of cost to make goods over sales prices were falling continuously.
- Sales volumes of the complainant recovered from its fall in 2017 and only fell slightly by 2% during the POI..... sales volume of the other domestic producers increased massively throughout the injury analysis period and it was almost nine times of its level in 2016. It is also important to note that the share of domestic

producers other than the complainant quadrupled in this period. Similar to these trends, the imports from other sources than Turkey was also recovering and their shares in domestic sales were also on the rise. In fact, during the POI, the loss of share in domestic sales by the complainant was due to the rise in the share of imports other than Turkey, since both Turkey's and other producers' share decreased.

- Furthermore, the wages and the production per worker were increasing throughout the injury analysis.

IA's Response

The IA, in section 4 of the report, analyzed all the factors of injury. The IA is not obliged to follow a specific methodology in analyzing the injury indicators, but rather it is left to the IA discretion to consider what is appropriate for each investigation.

Therefore, the IA has examined the impact of imports from Turkey on the domestic prices during the period of investigation and concluded, as shown in 4.3.1 and 4.3.2 of this report, that there was a price undercutting by the imported product as compared with the price of the domestic product which made the domestic industry unable to raise prices in proportion to the increase in cost, due to the significant increase in the dumped imports the domestic market during 2019/2020.

The IA has addressed in paragraph 4.4.2 of this report the decline in the volume of domestic sales, the increase in the volumes of other sales and the decline in the applicant's market share due to the increase in other imports and coinciding with the decline in the market share of Turkey and other producers.

With regard to the increase in wages, the IA has concluded that wages increased by 39 percent and 63 percent during the years 2017 and 2018 compared to the years 2016 and 2017 respectively, and then declined by 17 percent and 3 percent during the years 2019 and 2019/2020 compared to the years 2018 and 2019 respectively.

With respect to productivity, the IA has concluded that productivity per worker declined by 82 percent during 2017 compared to 2016, then increased by 329 percent and 24 percent during the years 2018 and 2019 compared to the years 2017 and 2018, respectively. Productivity per worker declined by 5 percent during the year 2020 compared to the year 2019.

6.2.2.5

The IA has to examine causes other than imports from Turkey since the economic and political developments in Egypt, such as the decline in tourism revenues and foreign investments and the liberalization of the exchange rate have led to a shortage in foreign currency, and thus an increase in the cost of imported inputs.

IA's Response

With regard to the fluctuation of the exchange rate, the change in the exchange rate of the Egyptian pound against the dollar was an economic situation during this period which had an impact on both the domestic industry which imports production inputs in US dollars and the importers which import the product under investigation.

It is worth mentioning that the IA has examined the other causes of injury in part 4.6 of the report and concluded that the injury suffered by the domestic industry was not due to causes other than dumped imports.

6.2.3 Istanbul Chemicals and Chemical Products Co.

6.2.3.1 The Applicant does not have the ability to meet the needs of the domestic market, and the production thereof does not represent more than 25% of the total domestic production.

IA's Response

The IA has previously responded to the issue that the production of the Applicant does not represent more than 25%.

With regard to the allegation that the applicant does not have the ability to meet the needs of the domestic market, the IA has concluded that the domestic industry could not utilize 50 percentage of its available capacity due to the existence of the dumped imports. In addition, the needs of the domestic market can be satisfied by the other producers and imports from other sources which come at fair prices as well as the products imported from the country under investigation after the imposition of anti-dumping duties which will enable the domestic industry to compete and optimally utilize its available production capacities.

6.2.3.2 The increase of Turkish imports by 7 percent is not a significant increase because consumption increased by 9 percent and the demand for the Turkish product increased also. Imports increase when consumption increases and vice versa.

IA's Response

The Egyptian market did not witness a decline in the Turkish dumped imports, but on the contrary there was an increase in absolute terms and relative to production from year to year. The allegation that imports increased by 7 percent during 2019/2020 because domestic consumption increased by 9 percent is not justifiable, as there was an increase in imports of 31 percent and 78 percent during the years 2018 and 2019 respectively. In addition, the

demand for the Turkish product increased because the Turkish products were imported at low prices.

The IA has, as stated in part 4.3.1.3 of this report, concluded that there was a price undercutting of % ' € by the imported product as compared with the price of the domestic product which resulted in the loss of many clients of the domestic industry, which switched to purchase the low-priced imported product.

- 6.2.3.4 The import price was 200 USD higher than the applicant's price. The applicant was able to increase its selling price by 13 per cent when the cost of production ("COP") declined only 1 per cent. In the late period of the investigation, while COP declined by 12 per cent, the selling price declined only by 4 per cent.

IA's Response

The IA has previously responded to this point.

- 6.2.3.5 There is no causal link between the dumped imports and the alleged material injury and the IA should search for causes of injury other than imports from Turkey.

IA's Response

The IA has examined the causal link between the dumped imports and the material injury suffered by the domestic industry in accordance with the provisions of Article 3.5 of the Anti-Dumping Agreement ADA.

Most of the indicators of the domestic industry markedly deteriorated, as there was a decline in sales, market share, production and productivity, wages, return on investment and an increase in inventory coinciding with an increase in the dumped imports during the years 2019/2020.

The IA has examined causes other than dumped imports that might have contributed to the material injury suffered by the domestic industry and concluded that the injury suffered by the domestic industry was not attributed to causes other than the dumped imports.

- 6.3.2.6 Egypt is not one of the major export markets of Turkey. In fact, exports to Egypt accounted for only 3 per cent of Turkey's total exports of the product concerned.

IA's Response

Although Egypt is not one of the major export markets of Turkey, imports from Turkey to Egypt account for about 87 percent of the total volume of the Egyptian market. In addition, the Egyptian market is a promising market for the product under investigation because of the increase in the demand for the product to satisfy the needs of the huge urban projects.

6.2.3.7 Egypt implement many national and investment projects, as well as residential and social development projects such as the new administrative capital, the construction of Capital Med (the largest medical city in the Middle East), the Berenice Military Base, the Daba'a nuclear plant, and many other projects which require the presence of the Turkish product to meet the increasing demand in the domestic market.

IA's Response

The construction sector in Egypt, which also includes the product under investigation, is still promising and the demand will increase during the coming period because of the Egyptian government's programs to stimulate economy and expand construction projects such as the new administrative capital. The domestic industry will be able to meet the demand of the Egyptian market for the product. If the domestic industry in Egypt, represented by EMAPEN Company, has the opportunity to compete fairly with other domestic producers, imports from other countries which come at non-dumped prices and imports from the countries under investigation in case of imposition of anti-dumping duties.

7. CONCLUSIONS

- 7.1 The IA has concludes that imports of UPVC profiles originating in or exported from Turkey are imported at dumped prices causing material injury to the domestic industry.
- 7.2 The IA has concludes that there is a causal link between the dumped imports of UPVC profiles originating in or exported from Turkey and the material injury suffered by the domestic industry.