



# BUREAU OF CUSTOMS

Professionalism Integrity Accountability



Date 28 OCT 2020

## CUSTOMS MEMORANDUM ORDER (CMO)

NO. 27-2020

### SUBJECT: EXTENSION OF THE IMPOSITION OF ANTI-DUMPING DUTY ON WHEAT FLOUR IMPORTS FROM TURKEY FOR A PERIOD OF THREE (3) YEARS

Pursuant to Department of Agriculture (DA) Order No. 10-2020 dated 18 September 2020 entitled, "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," and the letter dated 06 October 2020 from the Department of Finance directing the issuance of the Customs Memorandum Order relative thereto, **all District Collectors shall collect the corresponding anti-dumping duty on the following exporters of wheat flour from turkey for a period of three (3) years (2020-2023):**

EXPORTER	WEIGHTED AVERAGE DUMPING MARGIN (% OF EXPORT RICE)
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 Madensilik 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

Bureau of Customs  
CENTRAL RECORDS MGT. DIVISION

CERTIFIED TRUE COPY  
OF THE ORIGINAL  
*Margaret G. Manalaysay*  
Margaret G. Manalaysay  
Administrative Officer V

South Harbor, Gate 3, Port Area, Manila 1099

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In accordance with Section 16 (d) of the Implementing Rules and Regulations to Republic Act 8752, otherwise known as the "Anti-Dumping Duty Act of 1999," if the provisional anti-dumping duty (in the form of a cash bond) is in excess of the anti-dumping duty assessed, the remainder shall be immediately returned to the importer.


Attached are copies of the Department Order and the letter from the Department of Finance relative to the foregoing.

To all District and Sub-Port Collectors, and all others concerned, for records purposes, please confirm the dissemination of this Order throughout your offices within five (5) days from receipt thereof.

This Order shall take effect immediately.



REY LEONARDO B. GUERRERO  
Commissioner *1* OCT 28 2020

Bureau of Customs  
CENTRAL RECORDS & IT DIVISION  
CERTIFIED TRUE COPY  
OF THE ORIGINAL  
  
MARGARET G. MANALAYSAY  
Administrative Officer V



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 (AHN 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 7<sup>th</sup> 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
Ozdooyuran 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
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Ufas Gida Un Tekstil Nakliye Ticaret Ve Sanayi A.S.	2.87
YukseI 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"

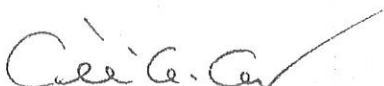
The DA Order on the extension of the imposition of the anti-dumping measure can be accessed at the DA website: <https://www.da.gov.ph/laws-and-issuances/department-orders/>.

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

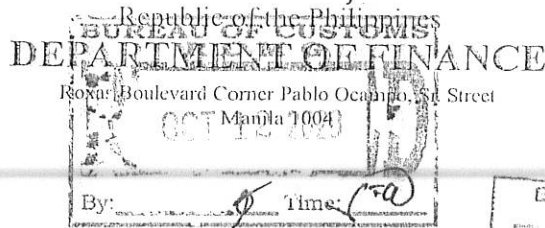
  
WILLIAM D. DAR, Ph.D.  
Secretary

DEPARTMENT OF AGRICULTURE  
In replying pls cite this code :  
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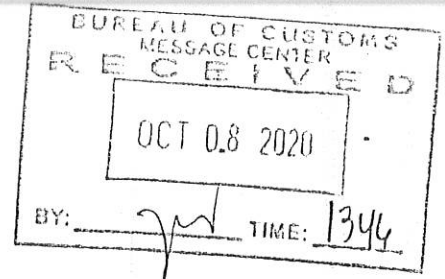
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CMO No. 27-2020 p. 7.



BOC-09-15947-A



HON. REY LEONARDO B. GUERRERO  
Commissioner, Bureau of Customs  
OCOM Building, 16<sup>th</sup> St. South Harbor  
Port Area, Manila

SUBJECT : Issuance of Relevant Customs Memorandum Order in Relation to the Extension of the Imposition of Anti-Dumping Duties on the Importation of Wheat Flour (AHN 2017 subheading 1101.00.11 and 1101.00.19) from the Republic of Turkey

Dear Commissioner Guerrero:

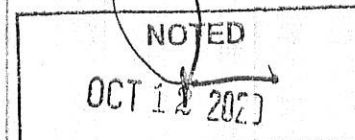
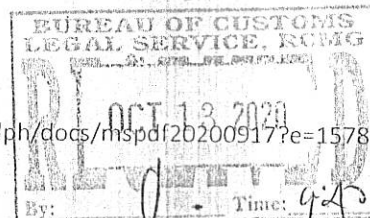
*AOCG / RLCG  
update issuance  
of CMO.*

*See me  
OCT 12 2020*

We write to you in relation to the Department of Agriculture (DA) Order No. 10-2020 extending the imposition of anti-dumping duty on the importation of wheat flour (ATHN 2017 subheading 1101.00.11 and 1101.00.19) from the Republic of Turkey.

In brief, on 9 September 2020, the Tariff Commission released an Expiry Review Report on the anti-dumping duties imposed against importation of wheat flour from Turkey, which covered the period of investigation (POI) from 1 May 2018 to 30 April 2019, and period of injury determination from 2016 to 2019. A Notice of Conclusion and Decision on the Expiry Review was published on 15 September 2020,<sup>1</sup> the dispositive portion of which states:

*"In view of the foregoing, the [Tariff] Commission, having established that (i) the termination of anti-dumping duties is highly likely to lead to the 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 a high likelihood that material injury to the domestic wheat flour industry would occur once the anti-dumping duties are terminated, the [Tariff] Commission hereby orders that the imposition of anti-dumping duties on imports of wheat flour (AHN 2017 subheadings 1101.00.11 and 1101.00.19) originating and exported from the Republic of Turkey be extended for another three (3) years."*



<sup>1</sup>Manila Standard. <https://issuu.com/thestandardph/docs/mspd/20200917?e=15784939/80881563>

CMO No. 27-2020 y.8

On 10 September 2020, the DA received the Tariff Commission's Expiry Review Report and consequently issued a Department Order (DO) on the extension of the imposition of the anti-dumping duty on the importation of wheat flour from Turkey.

Pursuant to Section 3 (l) of Republic Act No. 8752,<sup>2</sup> this Office was furnished a copy of said DA DO No. 10-2020 for purposes of directing the Bureau of Customs (BOC) to collect the anti-dumping duty on the said importation. The pertinent provision of said law is quoted as follows:

**Section 3. Imposition of the Anti-Dumping Duty**

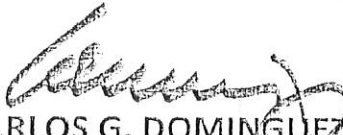
*"(l) Imposition of the Anti-Dumping Duty. - The Secretary [of Agriculture] shall, within ten (10) days from receipt of the affirmative final determination by the [Tariff] Commission, issue a Department Order imposing an anti-dumping duty on the imported product, commodity, or article, unless he has earlier accepted a price undertaking from the exporter or foreign producer. He shall furnish the Secretary of Finance with the copy of the order and request the latter to direct the Commissioner of Customs to collect within three (3) days from receipt thereof the definitive anti-dumping duty;"*

Hence, pursuant to the clear mandate of the law, the Commissioner of Customs is hereby directed to issue a Customs Memorandum Order (CMO) relative to the collection of anti-dumping duty on importation of wheat flour from the Republic of Turkey.

Please note that the DA DO No. 10-2020 shall take effect upon the issuance of the CMO by the BOC or 15 days after the publication of said DO in two (2) newspapers of general circulation, whichever comes earlier.

Thank you.

Very truly yours,

  
**CARLOS G. DOMINGUEZ**  
Secretary of Finance  
OCT 06 2020



 **DEPARTMENT OF FINANCE**  
Republic of the Philippines



CC: SECRETARY WILLIAM D. DAR, Ph.D.  
Department of Agriculture

<sup>2</sup> Otherwise known as the "Anti-Dumping Duty Act of 1999"