

REPUBLIC OF TURKEY
MINISTRY OF TRADE
Directorate General for Exports

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Transition Review
01/01/2019 – 31/12/2019

Non-Confidential Version

8 March 2021

Department for International Trade
Trade Remedies Investigations Directorate
North Gate House
21-23 Valpy Street
Reading Berkshire
RG1 1AF
United Kingdom

RE: Response of the Government of Turkey in the Transition Review of Countervailing Duty on Rainbow Trout from the Republic of Turkey

Dear Sir/Madam,

We, the Government of the Republic of Turkey (GOT), submit herewith our response to the deficiency letter dated 22 February 2021 in the Transition Review of Countervailing Duty on Rainbow Trout (TS002) from the Republic of Turkey.

Please contact the undersigned should you require clarification of any aspects of this submission.

Respectfully submitted,

In relation to the subsidy programme, “Investment Incentive Program”, please provide:

- The total yearly budget of the Investment Incentive schemes for 2016 to 2019, providing the overall total for the program, and then the individual budgets for each of the separate incentive schemes.

ANSWER:

There is no yearly budget for the Investment Incentive scheme in general or for any of the separate sub-schemes of this program.

- Exhibit 8 covers the certificates for some of the sampled companies, please provide the details of amounts received by:
 - Selina Fish
 - Ayhan Alp

ANSWER:

According to the records of the Ministry of Industry and Technology (MoIT), there were no investment incentive certificates issued for Selina Fish or Ayhan Alp.

- The details of certificates purchased for all the sampled companies for the last month of December 2019.

ANSWER:

GOT considers that this question is about the purchases of machinery and equipment. Purchases of machinery and equipment may be subject to VAT and customs duty exemption under this program. Due to the secrecy provisions related to taxes in Turkey, information regarding the purchases of machinery and equipment under the investment incentive certificates can be obtained from the sampled companies.

In relation to other subsidy programs, please provide:

- The details of any subsidy programs that have come into force since 2015, such as the subsidies to trout over 1 kg;

ANSWER:

As stated in our response to initial questionnaire, many support programs are terminated since the original investigation. Organic fish support, juvenile support, discarding the fishing vessels support and good farming practices support are terminated.

On the other hand, since 2015 there are some new programs come into force i.e. fish labelling, support to trout over 1,25 kg, closed system production support, breeding in hatcheries protected from disease and aquaculture in soil ponds. Details of these programs are provided below:

Fish labelling: Fish labelling support is introduced in 2017 and terminated in 2019. None of the trout producers obtained support under this program.

Support to trout over 1,25 kg: This support is introduced in 2017. However, considering the product definition of the current measure includes the trout up to 1,2 kg, this support is not relevant with the product concerned. Also, the Commission made the same conclusion during its partial interim review and stated that “*the Commission found and verified that the subsidy for trout over 1 kg was to benefit trout over 1,2 kg, i.e. the trout which does not fall under the definition of the product concerned*”¹.

Closed system production support: This support is introduced in 2016. However, since its entry into force, the Ministry of Agriculture and Forestry has not received an application for the closed system production support. None of the trout producers started to produce in closed system due to the high investment costs for establishing a closed system.

Breeding in hatcheries protected from disease: This support is introduced in 2018. However, establishing a hatchery meeting the prerequisites stated by the Law requires a big investment and expense. Currently, there is no eligible hatchery in terms of biosafety conditions to benefit from this program. Therefore, no application has been received and no payment have been made to any company yet. On the other hand, a company can only obtain this support for

¹ Recital 67 of the COMMISSION IMPLEMENTING REGULATION (EU) 2020/658 of 15 May 2020 amending Implementing Regulation (EU) 2015/309 imposing a definitive countervailing duty and collecting definitively the provisional duty on imports of certain rainbow trout originating in Turkey following an interim review pursuant to Article 19(4) of Regulation (EU) 2016/1037 of the European Parliament and of the Council

a limited duration, which is 3 years.

Aquaculture in soil ponds: This support is introduced in 2019. However, trout is not suitable for breeding in soil ponds. With this regard, trout producers are not expected to apply for this support.

On the other hand, in 2019, upper limit for the supports are decreased from 500 tons to 350 tons per facility. Before 2019, a facility was able to obtain full support for the production up to 250 tons, half of the support for the production between 250 and 500 tons and no support for the production exceeding 500 tons. Since 2019, a facility is able to obtain full support for the production up to 350 tons and no support for the production exceeding 350 tons.

To sum up, although new programs have been introduced throughout the duration of the measure there is a lasting nature of the policy in terms of curbing direct production subsidies. The declining trend of the support amounts in quantity and value and also the decline in the average support per unit underpin this fact.

- The details of any expected changes to any of the subsidy programs covered by this review.

ANSWER:

There is no expected changes.

- The budget of the Agriculture Insurance Pool for 2016 to 2019, as well as the amounts granted to producers of rainbow trout for this period.

ANSWER:

For trout production, the total premium amount between 2016-2019 is 9.246.304 TL, cumulatively. 4.623.152 TL of this amount is granted to the producers and rest of the premium is paid by the producers.