

# WORLD TRADE ORGANIZATION

RESTRICTED  
**G/SCM/Q2/TUR/8**  
7 December 1998

(98-4877)

**Committee on Subsidies  
and Countervailing Measures**

Original: French

## **SUBSIDIES**

### Replies to Questions posed by Poland<sup>1</sup> Regarding the Updating Notification of Turkey<sup>2</sup>

The following notification, dated 20 November 1998, has been received from the Permanent Mission of Turkey.

According to the data received from the Polish Central Customs Office in the years 1997-1998 we could observe imports to our country of textiles from Turkey at abnormally low prices. To explain exactly the nature of our concern, we can give an example of the prices declared in 1998 for women/girls cotton trousers and dresses (PCN code 6204 12) amounting to less than US 10 cents per piece.

Wishing to verify whether these prices are the result of dumping practices or whether they are just the product of falsification of customs documents, we approached our Commercial Counsellor's Office in Istanbul on this subject.

According to the information of the Office, Turkish exporters of textile products are granted a so-called "inducement in the form of return of freight costs". This form of subsidizing makes it possible for an exporter to receive US\$1,200 per tonne of exported textiles and garments.

In connection with the above-mentioned practice, we would like to seek some explanation from the Turkish authorities:

#### **Question 1**

**Could Turkey possibly confirm the existence of such a scheme?**

#### **Question 2**

**If that is the case, was this subsidy notified in document G/SCM/N/16/TUR-G/SCM/N/25/TUR?**

---

<sup>1</sup> G/SCM/Q2/TUR/7

<sup>2</sup> G/SCM/N/16/TUR-G/SCM/N/25/TUR

**Question 3**

**Is it a prohibited subsidy within the meaning of Article 3 of the SCM Agreement?**

**Question 4**

**If yes, when does Turkey intend to abolish this scheme taking into account Article 27 of the SCM Agreement? If no, why is this not a prohibited subsidy?**

**Reply**

With reference to your letter dated 29 October 1998 and document G/SCM/Q2/TUR/7, I wish to confirm that Turkey does not grant subsidies contingent upon export performance, which are prohibited under the Agreement on Subsidies and Countervailing Measures.

The entire programme of subsidies currently applied by Turkey is contained in our new and full notification distributed on 20 July 1998 under the symbol G/SCM/N/38/TUR.

---