**IN THE INTRODUCTION OF TOOTH BRUSHES  
EXTENSION OF THE PROTECTION PREVENTION   
APPLICATION**

**NON-SECRET SUMMARY**

**TZwet Registration No: 206669**





1. **INFORMATION REGARDING THE APPLICATION**
   1. **Applicant**

Banat Brush vc Plastic Incorporated. (Banal) and Difaș Fırça and Plastic San. and Tic. P.C. (Difash) companies have applied for extended measures to ensure that domestic producers can adapt to market conditions, stating that the protection measure in imports of toothbrushes they produce continues to be necessary to prevent or address serious harm in domestic production.

Banat from the applicant companies produces in three main categories, including toothbrushes, personal care brushes, home and personal care products, while Difaș only produces toothbrushes.

* 1. **Reference Product Description, Customs Tariff Statistics Statistics and Use Areas**

Dental brushes, which are the subject of the application, are classified in the current Turkish Customs Tariff Scheme Scheme 9603.00.00.19 Customs Tariff Statistical Statistics Statistical Position (GTIP) under the definition of 'others' and are used to ensure oral and dental health.

Incinerators are generally divided into two groups which are suitable for the use of adults and children and are manually used. It consists of two parts: stem and hair. The product has lower, medium and upper segments depending on its design, hair characteristics and functions, and this classification often comes with price differentiation in the market.

* 1. **Applicable Legislation in Import of Product Application**
     1. **Customs Taxes and Other Practices**

Customs duties under the Imports Regime of 2023 for importing toothbrushes with GTIPs are shown in the table below and 8% of VATs are applied for this article.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **INTRODUCTION** | **Description of goods** | **CUSTOMS TAX (%)** | | | | | **D.U.** |
| **VAT (%)** | **EU, EFTA and STA** | **SYNAPSE** | **VENEZUELA** | **E.A.G.U., G.I.C. and F.T.D.** |
| 9603.21.00.00.19 | Others | **8** | 0 | 0 | **0** | **0** | 3,7 |

On the other hand, Implementing Implementing Implementing Implementing Implementing Consumer Products for Consumer Products published in Official Gazette No 32060 of 31 December22 (Product Safety and Audit: Under 2023/12), all transactions related to import control of toothbrushes subject to the entry regime for free circulation are carried out through TAREKS and in accordance with the risk analysis.

Furthermore, in accordance with Implementing Implementing Regulation 2003/20 on Implementing Implementing Regulation published in Official Gazette No 25333 of 31.12.2003, the CIF unit value of toothbrushes is subject to surveillance of those under US Dolan/Adet 0.20. However, Decision on the implementation of Product Customs Tax on Imports,published in Official Gazcte No 31351 on 31/12/2020 (Decision No. 31351: Additional Customs Tax is applied at 5% in imports of toothbrushes under 3351).

* 1. **Current Protection measure**

The implementation of protection measures in the form of additional financial obligations for the import of dental brushes registered under 9603.21.00.00 GTIP from local manufacturers following an investigation into the application of protection measures by Banat company on importation of dental brushes for 3 years, shall be implemented in force on Decision No 30321 published in Official Gazcte No 30321 (Decision No. 30321).

In 2019, the 'surface brushed' classified in the GTIP, which includes products subject to protection measures, was found not to have domestic production in Turkey, followed by an ITIP supplement in the Tarife Cell for interface brushes and other toothbrushes. In accordance with this DGIP agreement, Decision No 1675 of Official Gazette No 30926 of 22.10.2019 and the scope of the current protection measure shall be laid down as a product defined in heading 9603.21.00.00.19. The interface brushed at heading 9603.21.00.11, which started to be dubbed, was excluded from the scope of protection by this arrangement.

As a result of an application by local producers in 2020, the decision on the implementation of the protection measure in the Official Gazette No 31383 of 02.02.2021 was extended for three years (21/3472).

The level of the current protection measure in force until 2/2/2024 for 'The Others' currently under heading 9603.21.00.19 is shown in the table below.

|  |  |  |  |
| --- | --- | --- | --- |
| **INTRODUCTION** | **ANNEX LIABILITY** | | |
| 1. Period (3/2/2021 -2/2/2022) | 2. Period (3/2/2022 -2/2/2023) | 3. Period (3/2/2023 -2/2/2024) |
| 9603.21.00.00.19 | 0,19$/Description | 0,17 USD/Description | 0,15 USD /Meditation |

1. **PREPARATIONS OF IMPORTS AND IMPORTS**

The distribution of absolute and proportional imports, imports from the domestic market and imports in accordance with the countries of the subject matter of the application is set down by years below.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| IMPORT | Quantity (Meditation) | Value | B.F.\* ($/Adet) | Change % | | |
| (US$) | Quantity (Meditation) | Value  (US$) | B.F. ($/Adet) |
| 2018 | 44.480.686 | 20.289.862 | 0,46 | V | - |  |
| 2019 | 33.813.414 | 17.249.850 | 0,51 | -24% | -15% | 12% |
| 2020 | 41.268.279 | 20.812.367 | 0,50 | 22% | 21% | -e %\_ |
| 2021 | 33.703.790 | 12.701.159 | 0,38 | -18% | -39% | -25%^ |
| 2022 | 30.516.843 | 12.156.826 | 0,40 | -9% | -4% | 6% - |

**2.1. Absolute import**

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Imports from 44.5 million units in 2018 increased to 41.3 million in 2019, with 33.8 million decreased by 24% in the previous year and 22% in 2020. In 2021 and 2022, the total number was 33.7 and 30.5 million, respectively, with an 18% and 9% reduction. The imports of the product on the basis of value were similarly declined by 39% in 2021 compared to the previous year, while in 2022 the declining trend continued, while the declining rate decreased at US$12.2 million, with a decrease of 4%.

Imported units' prices followed a wavelength between 2018-2022 ($0.38-0,51/Adet) decreased by 25% in 2021 to US$38/Adct. In 2022, with inflationist influence across the world, unit prices rose by 6% to US$0.4/Adet.

* 1. **Imports with respect to countries**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Value (Mil)** | | | **Fund S)** | | **Quantity (million-evaluation)** | | | | | **B.F (S/Adet)** | | | | | **Quantity (Meditation %)** | | | | |
| **Line Statutes** | **2018** | **2019** | **2020** | **2021** | **2022** | **2018** | **2019** | **2020** | **2021** | **2022** | **2018** | **2019** | **2020** | **2021** | **2022** | **2018** | **2019** | **2020** | **2021** | **2022** |
| HE | 7,6 | 8.6 | 63 | **4,4** | 3,4 | 163 | 18.4 | 202 | 14,8 | 122 | 0,46 | 0,47 | 031 | 029 | 028 | 37% | 55% | 49% | 44% | 40% |
| Vietnam | 0,8 | 02 | 03 | 0.8 | 13 | 6,8 | 22 | 2,7 | 71 | 95 | 011 | 0,11 | 0,10 | 0,11 | 0,13 | 15% | 6% | 7% | 21% | 31% |
| India | 13 | 22 | 2.9 | 20 | **1,7** | 47 | 4 5 | **59** | 45 | 3 7. | **032** | 047 | 0,49 | 0,45 | 0,53 | 11% | 13% | 14% | 13% | 10% |
| Ireland | 4.7 | 32 | 6.8 | 1,7 | 22 | 8,1 | 4,7 | 83 | 3,1 | 27 | 038 | 0,69 | 0,81 | 0,56 | 0,81 | 18% | 14% | 20% | 9% | 9% |
| Switzerland | 0.9 | 0.6 | 0.8 | **1,0** | 22 | 1,0 | 0,6 | **0,6** | 0,6 | 1.1 | 0,90 | 1,07 | 1,44 | 1,63 | 1,94 | 2% | 2% | %1% | 2% | 4% |
| Russian Federation | 03 | 0.4 | 0.4 | **0,9** | 0,7 | 03 | 03 | 03 | 1,0 | 0,9 | 0,95 | 0,84 | 0,89 | 088 | 0,79 | %1% | %1% | %1% | 3% | 3% |
| Germany | 0.9 | 0.8 | 1.8 | **1,0** | 02 | 0.8 | 1,1 | 1,4 | 1,1 | 03 | 1,07 | 0,71 | 1,33 | 090 | 0,69 | 2% | 3% | 3% | 3% | %1% |
| Sweden | O.7 | 02 | 02 | 02 | 02 | 0.6 | 03 | **02** | 02 | 02 | 123 | 0,86 | 0,80 | 0,82 | 0,74 | %1% | %1% | 0% | %1% | %1% |
| Itah-a | 1,6 | 03 | 0.1 | **0,1** | 0,1 | 2.6 | 0,4 | 0,1 | 0,1 | 0,1 | 0,61 | 0,63 | 0,95 | 0,96 | 0,90 | 6% | %1% | **0%** | 0% | 0% |
| UNITED STATES | 03 | 03 | 1,1 | 03 | 0,1 | 0.8 | 0,6 | 1,1 | 0,4 | 0,1 | 0.66 | 0,93 | 0,99 | 0,88 | 1,11 | 2% | 2% | **3%** | %1% | 0% |
| First 10 States | 19.4 | 17.0 | 70 7 | **12,4** | 120 | 42,1 | 332 | 41,0 | 32,9 | 303 | 0,46 | 0,51 | 0 50 | 038 | 7 5? | 95% | 98% | 99% | 98% | 99% |
| Others | 0.9 | 02 | 0,1 | **0,3** | 0,1 | 2.4 | 0,6 | 03 | 0,8 | 02 | 036 | 0,39 | 0,53 | 0,42 | 0,67 | 5% | 2% | %1% | 2% | %1% |
| **General Community** | **203** | 17.2 | **20,8** | **12,7** | **12,2** | **44,5** | **33,8** | **41,3** | **33,7** | **30,5** | **0.46** | **0,51** | **0,50** | **038** | **0,40** | **100%** | 100% | **100%** | **100%** | **100%** |

***Source: TUIK***

The table above shows the quantity, value and unit price of imports from countries that were our top 10 suppliers during 2018-2022. In light of these data, the main countries in the rankings based on quantities are China, Vietnam, Vietnam, India, Ireland, Switzerland and the Russian Federation. Among these countries a major decline in 2018, especially in the amount of imports made from China, when the protection measures started to be implemented. Imports from Vietnam, despite prevention, increased regularly following the sharp decline in 2019, rising to 9.5 million in 2022, 6% of imports from Vietnam in 2019, to 31% in 2022.

The assessment of the unit prices of products originated in Vietnam resulted in a low rate in comparison to other countries during the period, resulting in the conservation measure in the form of additional financial obligations per person, resulting in the most impact on products coming from this country in 2019 by 68%.

Based on the shares of the supplier countries' imports, it appears that the share of Vietnam's share of imports has gradually increased to 31% by 2022 in 2018, up to 31% in 2019, while China's share of 37% in 2018 increased to 55% in 2019 and gradually declined in 2022 in 2022.



* 1. **Relative imports (indigenous breeding of imports)**

The course of relative imports calculated by proportional production of imports is indexed in the table below and in conjunction with the rates of change.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Import/local production\*** | **2018** | **2019** | **2020** | **2021** | **2022** |
| **Index** | **100** | **59** | **68** | **61** | **53** |
| **Change (%)** | **©** | **-41%** | **15%** | **-10%** | **-13%** |

*\* I was used to the production amount of t w Difash companies.*

The index of imports to domestic production decreased from 100 in 2018 to 53 in 2022, followed by a wavelength in later years.

* 1. **Market share of imports**

In the market share account of imports, domestic market data was obtained using total domestic sales and import statistics based on data provided by all domestic manufacturers.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Import/total Consumption\*** | **2018** | **2019** | **2020** | **2021** | **2022** |
| **Market share index of imports** | **100** | **72** | **81** | **75** | **72** |
| **Change (%)** | **-** | **-28%** | **12%** | **-7%** | **-5%** |
| **Market share index of domestic production** | **100** | **127** | **118** | **124** | **127** |
| **Change (%)** | **-** | **28%** | **-7%** | **5%** | **3%** |

*\*The number of domestic sales of Banat and Difash companies has been used*

The market share index of imports from 2018-2022 followed a ripple course, with the index decreased from 100 in 2018 to 72 in 2022. In the same period, the market share index of domestic production increased from 100 to 127.

* 1. **Export of the world**

The following International Trade Çenter (ITC) data show global exports of toothbrushes (including interface brushes) under heading 9603.21.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Country name** | **2018** | **2019** | **2020** | **2021** |
| China | 5.507.933.453 | 5.663.916.591 | 5.027.652.710 | 5.170.096.777 |
| Thailand | 292.410.858 | 267.593.104 | 255.269.921 | 262.180,786' |
| India | 234.937.358 | 216.981.851 | 180.016.714 | 313.077.067 |
| Hong Kong | 94.054.297 | 111.748.429 | 176.562.775 | 119.151.451 |
| UNITED STATES | 189.169.525 | 193.832.955 | 136.744.295 | 114.002.098 |
| Ireland | 151.047.791 | 139.858.445 | 129.100.848 | 109.389.894\_ |
| Vietnam | 101.350.057 | 95.204.201 | 89.574.829 |  |
| Japan | 77.587.862 | 83.105.614 | 85.795.084 | 78,006,457~" |
| Belgium | 68.224.351 | 56.837.031 | 66.829.131 | 87,271770 |
| Italy  ~~: : n~~ 1 F1 | 79,054,470 herd~~rr~~ | 69.991.053 | 66.205.261. / | 70.070,202^ |

**Export of the world (Meditation)**

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From these data, China appears to be the world's largest exporter with exports of 5.2 billion toothbrushes per year, as well as other important suppliers in Thailand, India, Hong Kong, Vietnam.

1. **ECONOMIC MISSIONS OF LOCAL PRODUCTION**

The detailed table with indexes of economic indicators together is included in Annex L. The consumption data contained in the table are calculated by consolidating domestic sales figures of Banat and Difash companies and general import figures. Domestic consumption during the review period followed a decreasing trend, except in 2019 and 2020. According to this, the consumption index, which was 100 in 2018, declined to 95 in 2022.

During the review period, in line with the narrowness of the domestic market, local production and domestic sales declined, although it was not clearly observed from 2018 until 2020 when this declining prevention measure came into force, but it became clear after 2020. Domestic producers increased capacity growth in 2019 and 2022, increasing capacity use by 2020, but failed to prevent it from falling to 46% in 2022. On the other hand, productivity in domestic production appears to have declined over the last two years during the examination of the increase in employment.

1. **FEES**

**4.1. Price Breaking and Press**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Price comparison** | **Unit** | **2018** | **2019** | **2020** | **2021** | **2022** |
| **Domestic sales price** | YTL/Description | X | X | X | X | X |
| $/Description | X | X | X | X | X |
| **Commercial cost + 5% profit** | YTL/Description | X | X | X | X | X |
| $/Description | X | X | X | X | X |
| **Weighted average import cost** | $/Description | 0,47 | 0,53 | 0,52 | 0,39 | 0,41 |
| **Price breaking** | % | X | X | X | X | X |
| **Price pressure** | % | X | X | X | X | X |
| **Dollar dry** | YTL/$ | 4,82 | 5,68 | 7,02 | 8,90 | 16,59 |

*Source: Banat, Difash, Turkey*

The above table covers the commercial cost of domestic production and domestic and imported units and calculated rates of degradation and suppression of import prices in this context. In these calculations, the price pressure account is included in using the domestic domestic sales price purchasing weighted average import costs and inflation effect to demonstrate the impact of customs duties in force on imports of products on the subject matter and 1% added.

In2018-2022, the average unit costs of imported products surpassed domestic sales prices, so in general there is no mention of lowering or suppressing the price of domestic products for imported products. However, when the countries listed in heading 2.2 also participate in the assessment of import statistics, it is understood that Chinese and Vietnam-based products from the countries that are first mentioned in our imports have entered the domestic market at prices far below domestic sales prices, while varying year by year.

1. **PLAN TO ADAPT TO COMPETITION**

Local manufacturers of applicants stated that new machine and infrastructure investments were made based on changing consumer demand in the toothbrush market, capacities followed by the measure, and changes in marketing and sales strategies, and one of the applicant companies reported that in the period following the protection measure, one of the applicants had started to produce a private label for an international trade mark.

It was also stated that machine investments have been made for the manufacturing of high-quality and high-priced new products in the quality of global companies and production of similar high-quality and high-priced products. On the other hand, applicant manufacturers stated that with further development of ARGE projects and quality and marketing activities, the company's recognition and trademark image development, and products reached high-priced product stock, together with the development of the company's reputation.

Additionally, applicants have stated that the competitive conditions that are changing in the coming period will also be adapted through investments and improvements in marketing activities.

1. **CONCLUSION**

In the last five years, there has been a significant decline in imports, especially due to the prevention measure. There have been positive impacts at the time of the first entry into force of the protection measure, but recently there have been distortions in the economic indicators of domestic producers. In 2018-2022, the amounts of imports made in most of the main supplier countries were reduced, while the preservation measure resulted in significantly increasing the share of products originating from Vietnam origin, particularly with the low unit price. One effect of the current protection measure is the decline of imports, while the other effect is to increase import prices. However, the unit price increase in imports from Vietnam continued to exceed the costs of the domestic producer.

In the process where the amount of imports decreased and unit prices increased, local producers increased production and domestic sales. Following the introduction of the protection measure, domestic producers' capacities have increased, production and capacity use rates have decreased after the initial increase, the stock amount has increased, and the product commercial cost has increased in particular in recent years. These data show that domestic production has made significant improvements in adapting to competitive conditions in the process of implementing the protection measure.

On the other hand, the Vietnamese survey subject, which increases market share against our other suppliers in the process of importing the most imported and protection measures, is considered a threat to domestic production as well as the fact that domestic manufacturers are exporting products below domestic sales prices.

Overall, we would like to introduce an investigation into a protective measure in order to explore the impact of the product implemented in domestic production, to explore progress at the point of compliance with domestic production, and to explore further the progress that local producers have started to comply with the competitive conditions and to determine if it is necessary to extend the current protection measure.



**Annex 1: Economic Indicators of Indigenous Products\***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Unit** | **2018** | **2019** | **2020** | **2021** | **2022** |
| Total domestic consumption\* | Customary | 100 | 105 | 115 | 101 | 95 |
| Domestic production market share | % | 100 | 128 | 119 | 125 | 128 |
| General import | Customary | 100 | 76 | 93 | 76 | 69 |
| Production | Customary | 100 | 128 | 136 | 124 | 128 |
| Domestic sales | Customary | 100 | 135 | 137 | 126 | 123 |
| YTL | 100 | 165 | 190 | 226 | 420 |
| Abroad  Sales\* | Customary | 100 | 122 | 130 | 123 | 173 |
| Million dollars | 100 | 126 | 179 | 180 | 391 |
| Capacity | Customary | 100 | 120 | 120 | 120 | 207 |
| KKO | % | 100 | 107 | 114 | 103 | 62 |
| Profitability | % | 100 | 455 | 363 | 283 | 573 |
| Stocks | Customary | 100 | 70 | 113 | 138 | 156 |
| Number of workers | Person | 100 | 113 | 119 | 119 | 134 |
| Efficiency | Production/person | 100 | 120 | 115 | 105 | 92 |

\*The economic indicators of Banat and Difash companies have been used.

\*\* It covers Turkey's overall exports.

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**IT'S A BRUSH.**

*FC^f/a to the Industrial Inc.*

