

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

NON-SECRET SUMMARY

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1. INFORMATION REGARDING THE APPLICATION

1.1. Applicant

Banat Brush ve Plastic Incorporated. (Banal) and Difaş 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 Difaş only produces toothbrushes.

1.2. Reference Product Description, Customs Tariff 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 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.

1.3. Applicable Legislation in Import of Product Application

1.3.1 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,


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published in Official Gazete No 31351 on 31/12/2020 (Decision No. 31351: Additional Customs Tax is applied at 5% in imports of toothbrushes under 3351).

1.4. 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 Gazete 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

2. 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.

2.1. Absolute import

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% -----

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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.

2.1. Imports with respect to countries

Line Statutes	Value (Mil)					Quantity (million-evaluation)					B.F (S/Adet)					Quantity (Meditation %)				
	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	0,31	0,29	0,28	37%	55%	49%	44%	40%
Vietnam	0,8	02	03	0,8	13	6,8	22	2,7	71	95	0,11	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	0,32	0,47	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	0,38	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	0,3	0,4	0,4	0,9	0,7	0,3	0,3	0,3	1,0	0,9	0,95	0,84	0,89	0,88	0,79	%1%	%1%	%1%	3%	3%
Germany	0,9	0,8	1,8	1,0	0,2	0,8	1,1	1,4	1,1	0,3	1,07	0,71	1,33	0,90	0,69	2%	3%	3%	3%	%1%
Sweden	0,7	0,2	0,2	0,2	0,2	0,6	0,3	0,2	0,2	0,2	1,23	0,86	0,80	0,82	0,74	%1%	%1%	0%	%1%	%1%
Itah-a	1,6	0,3	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	0,3	0,3	1,1	0,3	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	0,38	7,5?	95%	98%	99%	98%	99%
Others	0,9	0,2	0,1	0,3	0,1	2,4	0,6	0,3	0,8	0,2	0,36	0,39	0,53	0,42	0,67	5%	2%	%1%	2%	%1%
General	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	0,38	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.

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2.2. 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.

2.3. 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.

2.4. Export of the world

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

Export of the world

Country name	(Meditation) 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	79,054,470	69.991.053	66.205.261. /	70.070,202^

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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.

3. 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.

4. FEES

4.1. Price Breaking and Press

Price comparison	Unit	2018	2019	2020	2021	2022
Domestic sales price	YTL/Des	X	X	X	X	X
	\$/Descrip	X	X	X	X	X
Commercial cost + 5% profit	YTL/Des	X	X	X	X	X
	\$/Descrip	X	X	X	X	X
Weighted average import cost	\$/Descrip	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.

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5. 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.

6. 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	%	100	128	119	125	128
General import	Custom	100	76	93	76	69
Production	Custom	100	128	136	124	128
Domestic sales	Custom	100	135	137	126	123
	YTL	100	165	190	226	420
Abroad Sales*	Custom	100	122	130	123	173
	Million dollars	100	126	179	180	391
Capacity	Custom	100	120	120	120	207
KKO	%	100	107	114	103	62 _____
Profitability	%	100	455	363	283	573 _____
Stocks	Custom	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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