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Turkey

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Turkey Announces Second Round of Additional Levies on U.S. Products

Report Categories:

Policy and Program Announcements

Tree Nuts

Beverages

Grain and Feed

Wood Products

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Report Highlights:

The Turkish government introduced an updated “additional levy” on imports of certain products from United States, according to a decree published in the Official Gazette on August 15, 2018. These replace the original additional levy published June 25, 2018 and is in addition to the existing base tariff rates. This updates report from June: [Turkey Introduces New Additional Levy on U.S. Products](#).

Turkey Doubles Additional Levies on U.S. Products

According to the [Turkish Official Gazette](#) on August 15, 2018 with [Decision 21](#) the President of Turkey has introduced a second round of countermeasures on U.S.-origin products. The announcement doubles the additional levies implemented on June 25, 2018. The original rates can be found in Turkish language [here](#), and in USDA/FAS report [Turkey Introduces New Additional Levy on U.S. Products](#).

The additional tariffs are on the same products from the June 25th Decision, and include U.S.-origin coal, paper, tree nuts, tobacco, rice, hard alcohol, wood chips, automobiles, cosmetics, machinery and equipment, and petrochemical products. Turkey had announced these originally in a [WTO notification](#) on May 22, 2018 in retaliation against steel and aluminum import tariffs. The August 15, 2018 Decision for additional levies comes in response to the recent announcement of additional increased tariffs on Turkey's steel and aluminum exports to the United States.

This Decision enters into force on the publication date, which is August 15, 2018. There is an exception for loaded cargo from the United States with a way-bill before the publication date on the condition that the bill of entry will be issued within 45 days after the publication date of the decree.

The list of agricultural products with HS codes that are affected by the additional levy is provided in the following table.

Additional Tariffs Beginning August 15, 2018

HS Code	Description of Products	Additional Duty %
08.02	Other nuts, fresh or dried, whether or not shelled or peeled	20
10.06	Rice	50
2106.90	Food preparations, n.e.s.	20
22.08	Undenatured ethyl alcohol of an alcoholic strength of < 80%; spirits, liqueurs and other spirituous beverages	140
24.01	Unmanufactured tobacco; tobacco refuse	60
44.01	Fuel wood, in logs, billets, twigs, faggots or similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms	10

Source: Official Gazette Decision August 15, 2018

The normal/base tariffs vary by product within the broader HS codes noted in the announcement. Product specific tariffs are available by searching by HS codes [here](#). Tariffs for the United States are listed under Other Countries (D.Ü.).

Walnuts and almonds normal tariff rate is 15 percent and pistachios and pecans is 43.2 percent. With the additional levy, the new total tariff rate is expected to be 35 percent for walnuts and almonds and 63.2 percent for pecans and pistachios. On December 31, 2017, to combat food price inflation, rice tariffs were reduced until July 1, 2018, but are now back to rates of 34 percent for paddy rice, 36 percent for husked brown rice, and 45 percent for milled rice. The additional tariffs in the table above will be implemented on top of the base tariffs.

These additional tariffs imposed by Turkey on imported goods from the United States will make products more expensive in Turkey and thus contribute to Turkey's food price inflation problem.

A good portion of Turkey's agricultural imports from the United States are used as inputs in value-added products produced in Turkey and re-exported, supporting Turkey's exports. Because of this, Turkey's inward processing regime facilitates tariff-free imports of products which will be used as inputs for value-added exports. Reportedly though, products from the United States have also recently been excluded from the inward processing regime. The negative impact of the tariffs on the Turkish industry is compounded by the reported restriction on the use of the inward processing regime.

Note: Please note that while every possible care was taken in the preparation of this report, information provided may not be completely accurate either because policies have changed since its preparation, or because clear and consistent information about these policies was not available. It is highly recommended that exporters verify the full set of import requirements with their foreign customers, who are normally best equipped to research such matters with local authorities, before any goods are shipped. Final import approval of any product is subject to the importing country's rules and regulations as interpreted by border officials at the time of product entry.