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Turkey Introduces New Additional Levy on U.S. Products

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Policy and Program Announcements WTO Notifications Tree Nuts Grain and Feed Beverages

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Report Highlights:

The Turkish government introduces an "additional levy" on import of certain products from United States as notified to WTO, and according to a decree published in the Official Gazette on June 25, 2018.

General Information:

Turkey Introduces New Additional Levy on U.S. Products

On May 22, 2018, Turkey issued a <u>WTO notification</u> that Turkey would impose counter-measures targeting U.S.-origin coal, paper, tree nuts, tobacco, rice, whiskey, wood chips, automobiles, cosmetics, machinery and equipment, and petrochemical products, in retaliation against steel and aluminum import tariffs imposed on March 23, 2018.

Turkey issued a Cabinet Decision No. 2018/11973 announcing a "Decree on the Implementation of additional levy on certain goods originating from United States of America" on June 25, 2018. According to the Decree, The Turkish Government introduces an "additional levy" on import of certain products from United States.

The Decision enters into force on the publication date, but is valid from June 21, 2018. There is an exception for loaded cargos from U.S. 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 decree in Turkish language can be found here.

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

Table 1: Additional Tariffs Beginning June 21, 2018

HS Code	Description of Products	Additional Duty %
08.02	Other nuts, fresh or dried, whether or not shelled or peeled	10
10.06	Rice	25
2106.90	Food preparations, n.e.s.	10
22.08	Undenatured ethyl alcohol of an alcoholic strength of < 80%; spirits, liqueurs and other spirituous beverages	70
24.01	Unmanufactured tobacco; tobacco refuse	30
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	5

There are some differences between the tariff levels implemented compared to what was originally notified to the WTO. Other nuts (0802 HS code) was listed as 5% in the WTO notification; rice (1006 HS code) was 20%; alcohol (HS Code 2208) was 40%; wood chips (44.01 HS code) was 15% and tobacco (24.01 HS code) was 25%.

Note, on December 31st, 2017 Turkey decreased the custom tariffs of walnuts and almonds to 15 percent from 43.2 percent. Tariffs for pistachios and pecans remained same at 43.2 percent.

On December 31, 2017, paddy rice, brown rice and milled rice tariffs were reduced until July 1, 2018. The tariff rates for paddy rice, brown rice and milled rice are provided in the following table.

Table 2: Tariff Rate for paddy rice, brown rice and milled rice

Tariff Rate HS: 1006100,100620,100630					
	1006100 Paddy Rice	100620 Rice (husked) Brown	100630 Rice (Milled)		
December 31, 2017 – July 1, 2018	5%	10%	15%		
After July 1, 2018 (Not including additional 25% duty)	34%	36%	45%		

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.