

**Arab Republic of Egypt
Ministry of Trade and Industry
Trade Agreements Sector
Anti-dumping, Subsidy & Safeguard Department**

**Anti-Dumping Investigation against the imports of the
Wet Wipes made from padding, felting and nonwovens
that is painted or covered by essence or softening
materials with a Turkish origin or exported from
Turkey**

**Essential Facts & Conclusions Report
(The Non-Confidential Version)
November 2015**

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1. Procedures

1.1 Introduction

1.1.1 This report is a profile of the most significant relevant issues which the interested parties raised during the investigation period and the most significant information in the investigation files in the Anti- Subsidy, Dumping & Protection Authority which shall be referred to hereafter as “Investigation Authority”.

1.1.2 The purpose of this report is informing the interested parties of the basic facts to which the Investigation Authority resorted for the determination of the dumping and damage related results and their causal interrelation subject to Article No. 7¹ of the regulations of Law No. 161 of 1998 in respect to the protection of the national economy from the effects of the harmful practices in the international trade which are issued by the ministerial decision No. 549 of 1998 and its revisions which shall be referred to hereafter as the Statute and Article No. 6.9² of the anti-dumping agreement which shall be referred to hereafter as “The agreement”.

1.1.3 On 2/2/2015, the Investigation Authority received supported complaint subject to Article 13³ of the Statute from the local industry; represented in the complain of Easy Care Cosmetics Co which production represents 64% of the total local industry subject to Article 19⁴ in which it claims that the imported

¹ Article 7 of the Statute provides that:

“The Investigation Authority shall prepare a detailed report including its basic data, clarifications and notices and shall make it available to all concerned parties”.

² Article 9.6 of the agreement provides that” before the issue of the final determination, the authorities shall inform the concerned parties of the basic events, subject of consideration, which constitute a basis of their decision, if final. This shall be informed during a ample time for the best interest of all parties concerned.

³ Article 13 of the Statute provides that:

“In cases of subsidy, dumping or unreasonable excess of imports, the complaints shall be delivered to the Investigation Authority in writing on the ad hoc form In the Central Department of the International Commercial Policies. The Complainant shall include non-confidential profile for the reasonable understanding of the essence of the submitted confidential information”.

⁴ Article 19 of the Statute provides that

moisturized tissues which are made of padding, felt and wipes which are scented or softeners and imported from Turkey or of Turkish origin and their prices are dumped and the excessive bulk of the imports which are claimed as dumped cause material damage to the local industry.

1.1.4 Upon the receipt of the complaint, the Investigation Authority examined the extent of the accuracy and adequacy of the proofs in the complaint which was accepted and recorded subject to Article No. 14⁵. The claimed damage upon the local industry is featured in the following:

- Wide price gap between the local and imported product.
- Difficulty of the increase of the local industry prices in the same rate of the cost increase.
- The decline of production.
- Decline of the productive capacity rate.
- Decline of local sales.
- Decline of the market share of the industry.
- Decline of the worker's productivity.
- Increase of the stock.
- Decline of the profits
- Decline of the cash flows.
- Passive return on investment.
- Lack of growth.
- Inability to increase the capital.
- Huge dumping margin.

: for starting the investigation, the complaint shall be supported by local producers which aggregate production shall be more 50% of the aggregate of the similar product of the supporters and opponents of the complaint and investigation may not start unless the complaint is supported by local producers which aggregate production shall not be less than 25% of the aggregate production of the similar product

⁵ article 14.1 of the Statute provides that:

The complaint shall be submitted by the local industry or its representative or delegate or the competent chambers of industry or the federations of industries or producers or any of the production controlling ministries. The complaint shall include all the proofs of any dumping, subsidy or unreasonable increase of imports and the damages of such practices and the causal relation between them and damages which were incurred upon the complainant entity.

- 1.1.5 On 24/03/2015, the Investigation Authority informed the Embassy of Turkey in Cairo of the acceptance of local industry complaint subject to Article 21⁶ of the Statute.
- 1.1.6 The Investigation Authority examined the complaint of the local industry, prepared a report on 2/4/2015 to be presented to the advisory committee which in turn referred its recommendations to H.E the Minister of Industry and Trade, and Small & Medium Enterprises for the start of investigation measures in the light of the findings of the Investigation Authority which concluded that there are ample evidences of dumping, damage and their inter casual relation.
- 1.1.7 On 9/4/2015, Minister of Industry, Trade, Small & Medium Enterprises endorsed the recommendation of the advisory committee for the start of investigation measures and publication in the Official Gazette subject to Article 10 of the Statute⁷.
- 1.1.8 On 14/4/2015 the investigation measures of the anti-dumping of imported moisturized tissues which are made of padding, felt and wipes which are scented or softeners from Turkey or of Turkish origin started and was published in the Official Gazette in Vol. 85 (Annex1).

1.2 The Interested Parties

1.2.1 Local Industry

- 1.2.1.1 The Local Industry is represented in Easy Care Cosmetics Co. which production represents 64% of the aggregate local industry.

⁶ Article 21 of the Statute provides that "Prior to its declaration of the start of investigation, the Investigation Authority shall inform the concerned countries of the accepted complains except those related to the unreasonable increase of imports".

⁷ Article 10 of the Statute provides that "filing the complaint, or taking measures for the start/completion of investigation or taking interim or final remedies, acceptance of the price undertakings or any other measures or remedies shall be subject to a decision of Minister of Trade & Supply or to a recommendation by the advisory committee or to the findings of the Investigation Authority.

1.2.2 Importers

1.2.2.1 The importers which are deemed concerned party in the investigation.

1.2.3 Foreign Producers & Importers

1.2.3.1 All the producers and exporters which applied for the accession to the sample:

- Eruslu Hygienic Products.
- Fulya Kozmetik.
- Arsan Kimya.
- Tat Kimya.
- Evyap Sabun.
- Cotton Club tr.
- Aksan Kozmetik.
- Arkan Tic Paz.
- Mors Kozmetik
- Paksel Kimya.
- Mega Ilac.
- Kozmo Chemical Industry.
- Atessonmez Kimya.

1.2.3.2. The producers and exporters which were selected in the sample as main companies:

- Fulya Kosmetik.
- Eruslu Hygienic Products.
- Arsan Kimya.

1.2.3.3 The producers and exports which were selected in the sample as optional companies:

- Tat Kimya.
- Evyap Sabun.

1.2.4 The Government of the Investigation Related Importing Countries.

1.2.4.1 The Government of Turkey.

1.3 Product Under Investigation

1.3.1 Moisturized tissues which are made of padding, felt and wipes which are scented or softeners which is the sole title of the product, subject of the investigation, whereas the other delivered information are for its clarification to the interested parties.

1.3.2 The product is classified under HS Code 33 07

1.4 Investigation Details

1.4.1 The official copy of this report is in the Arabic.

1.4.2 The Egyptian pound, Turkish Lira and US Dollar were used in the breakdown of the data herein.

1.4.3 The measurement unit of the used quantity in the calculation of dumping and damage herein is the paper tissue.

1.4.4 The period of dumping verification is 1/1/2014 till 31/12/2014, the period of the damage breakdown is the calendar years 2012-2014.

1.4.5 On 23/04/2015, copy of the investigation start and list of the questionnaire of the local industry were delivered to the local producers including 37 day period as of the receipt date.

1.4.6 On 23/04/2015, the list of the questions, copy of the investigation start, non-confidential text of the complaints of the well-known producers, importers, exporters to the investigation authority, copy of the producers/exporters' list

of the questions, , copy of the investigation start, non-confidential text of the complaint were delivered to the Embassy of Turkey in Cairo for their distribution to the unknown producers and importers which imported the concerned product to Egypt during the investigation period including 37 day period as of the receipt date.

1.4.7 Local Industry

- 1.4.7.1 On 20/05/2015, the Investigation Authority received the response to the list of questions from Easy Care Cosmetics Co.
- 1.4.7.2 During the period of 13/9/- 15/9/2015, the Investigation Authority paid a local industry verification visit and was ensured of the soundness and accuracy of all the data which were delivered by the local industry in its response to the list of the questions.

1.4.8 Foreign Producers & Exporters

- 1.4.8.1 The Investigation Authority received a clarification dated 28/04/2015 from Pine Baby Co. regarding letter dated 23/4/2015 to the company which the Investigation Authority responded in due date.
- 1.4.8.2 During the period 5-12 /5/2105, many Turkish companies delivered the required data for the accession to the sample in Article 1.2.3.1 hereinabove including the bulk and value of the local sales and export during the investigation period.
- 1.4.8.3 The Investigation Authority received a letter dated 12/05/2015 from “Istanbul Textile Material Exporter Association” (ITKIB), in which the association requested for being concerned party in the investigation and attendance of the open hearing sessions.
- 1.4.8.4 The Investigation Authority approved the request of the Istanbul Textile Material Exporter Association” (ITKIB) in respect of the accession to the investigation and the attendance in any open hearing session.

- 1.4.8.5 The Investigation Authority sent letters dated 26/05/2015 to the Turkish Companies and Istanbul Textile Material Exporter Association” (ITKIB) including a list of the names of the selected companies in the sample.

1.4.9 The Sample Included Companies

Fulya Kozmetik

- 1.4.9.1 The Investigation Authority received an Email dated 2/6/2016 from the Company for the extension of the response period of the list of questions for one week which the investigation accepted to be ending on 10/6/2015.
- 1.4.9.2 The Investigation Authority received an Email dated 10/6/2016 from the Company for second extension of the response period till 15/06/2105 which the Investigation Authority accepted.
- 1.4.9.3 The Investigation Authority received an Email dated 16/6/2016 from the Company including electronic copy of the company response and the Investigation Authority reiterated the necessity of receiving a hard copy through mail.
- 1.4.9.4 The Investigation Authority received an Email dated 23/6/2016 from the Company including an inquiry of the method of sending the response by mail which the Investigation Authority replied in due date.
- 1.4.9.5 On 25/6/2015, the Investigation Authority received compact disc (CD) including the company response to the list of the questions.
- 1.4.9.6 The Investigation Authority sent a letter dated 1/7/2015 to the company including the request for a hard copy of the response.
- 1.4.9.7 The Investigation Authority received on 21/07/2015 the reply of the company in hard copy.
- 1.4.9.8 The Investigation Authority sent a letter dated 24/8/2015 for completing the data of its response to the list of the questions.
- 1.4.9.9 The Investigation Authority received a letter from the company dated 25/8/2015 for extending the period for responding to the above data completion period till 30/9/2015.
- 1.4.9.10 The Investigation Authority sent a letter dated 30/8/2015 to the company accepting the extension of the period for responding to the above data completion period for one week till 7/9/2015.

- 1.4.9.11 The Investigation Authority sent a letter dated 28/09/2015 to the company for being uncooperative for the non-response to the data completion letter in due date.
- 1.4.9.12 The Investigation Authority received an Email dated 29/9/2015 from the company for extending the period of responding to the data completion letter till 5/10/2015.
- 1.4.9.13 The Investigation Authority sent a mail dated 30/09/2015 to the company for the rejection of any extension and that the optimum available data shall govern the final determinations.
- 1.4.9.14 The Investigation Authority received an Email from the company dated 5/10/2015 in which the company apologized for its untimely response and requested an extension for the response to the data completion letter till 12/10/2015.

Eruslu Hygiene

- 1.4.9.15 The Investigation Authority received on 1/6/2015 an Email from the company for the extension of the period of response to the list of questions which the authority immediately accepted for two weeks ending on 17/06/2015.
- 1.4.9.16 The Investigation Authority received on 17/6/2015 an Email from the company for the extension of the period of response to the list of questions which the authority immediately accepted for two weeks ending on 1/07/2015.
- 1.4.9.17 The Investigation Authority received on 1/7/2015 an Email including the company response to the lists of the questions.
- 1.4.9.18 The Investigation Authority sent a letter on 24/8/2015 to the company for completing the data in its answer of the questions including a period till 7/9/2015.
- 1.4.9.19 On 28/09/2015, the Investigation Authority sent a letter to the company for being uncooperative for the non-response to the data completion letter in due date.
- 1.4.9.20 On 29/9/2015, the Investigation Authority received an Email from the company for a period to the response of the data completion letter.
- 1.4.9.21 On 30/9/2015, the Investigation Authority sent a letter to the company for the rejection of such period.

- 1.4.9.22 On 30/9/2015, the Investigation Authority received an Email from the company for a period to the response of the data completion letter till 28/12/2015.
- 1.4.9.23 On 13/10/2015, the Investigation Authority sent a letter to the company for the rejection of such period and the optimum available data shall govern the final determinations.

Arsan Kimya

- 1.4.9.24 The Investigation Authority received an Email dated 2/6/2015 from the Company for the extension of the response period for 15 days.
- 1.4.9.25 The Investigation Authority sent a letter dated 3/6/2015 to the company accepting the extension of the period for responding to the list of questions till 17/6/2015.
- 1.4.9.26 The Investigation Authority received an Email on 3/6/2015 that the company shall not cooperate with the investigation authority.
- 1.4.9.27 The Investigation Authority sent a letter to the company on 7/6/2015 that the company is no longer cooperative and the optimum available data shall govern the final determinations.

1.4.10 The Optional Companies in the Sample

TAT Kimya

- 1.4.10.1 On 1/6/2015, the Investigation Authority received an Email of the company for the extension of the period for responding to the list of questions for one month which the Investigation Authority accepted for two weeks ending on 17/6/2015.
- 1.4.10.2 On 7/6/2015, the Investigation Authority informed the company that it is main party in the sample upon consideration of **Arsan Kimya Co** as uncooperative Party in the investigation.
- 1.4.10.3 On 17/6/2015, the Investigation Authority received an Email from the company for the extension of the period for responding to the list of questions for one month.
- 1.4.10.4 The Investigation Authority accepted the extension of the period for responding to the list of questions for two weeks ending on 1/7/2015 which the company did not respond to. Accordingly the company shall be

considered uncooperative and the optimum available date shall be governing.

Evyap Sabun

- 1.4.10.5 The Investigation Authority received an Email dated 29/5/2015 from the company for extending the period of responding to the list of questions for 30 days.
- 1.4.10.6 The Investigation Authority accepted on 2/6/2015 the extension of the period for responding to the list of questions for two weeks ending on 17/6/2015.
- 1.4.10.7 The Investigation Authority received on 17/6/2015 an Email that the company is not capable of responding to the list of the questions and cooperation in the investigation which shall be formally sent by mail.
- 1.4.10.8 On 22/6/2015, the Investigation Authority received the company response that it is not capable for cooperating in the investigation by mail.
- 1.4.10.9 On 22/6/2015, the Investigation Authority sent a letter to the company that the final determinations shall be governed by the optimum available data.

1.4.11 Importers

- 1.4.11.1 On 10/5/2015, Evyap International Co. asked for being Concerned Party which was accepted.
- 1.4.11.2 On 16/6/2015, the Investigation Authority received the response to the list of questions from Evyap International.

1.4.12 Other Interested Parties

Embassy of Turkey in Cairo

- 1.4.12.1 The Investigation Authority received a mail on 28/4/2014 from the Embassy of Turkey in Cairo including the inquiry of the milestones of each response to the list of questions, the accession to the sample and the public hearing session.
- 1.4.12.2 On 29/4/2015, the Investigation Authority responded to the inquiries of the Turkish Embassy.
- 1.4.12.3 On 3/5/2015, the Investigation Authority received mail from the Turkish Embassy in Cairo including the consideration of the Turkish Minister of

Economy as Concerned Party and convening of public hearing session. The Embassy demanded the extension of the period for the unknown companies till 21/5/2015 for introducing themselves and submission of the sample related data.

- 1.4.12.4 On 4/5/2015, the Investigation Authority sent mail to the Embassy of Turkey for the acceptance of the Turkish Minister of Economy as Concerned Party and giving definite reasons for convening of public hearing session and extension of the period to the unknown companies till 12/5/2105 for introducing themselves.
- 1.4.12.5 On 4/5/2015, the Investigation Authority received an Email from the Embassy of Turkey inquiring the granted period which the Investigation Authority responded to on 5/5/2015.
- 1.4.12.6 The Investigation Authority received on 1/6/2015, an Email from the Embassy of Turkey for extending the list of questions response period to the Turkish companies.
- 1.4.12.7 On 2/6/2015, the Investigation Authority sent a mail that the Investigation Authority accepted the extension of the list of questions response period which the Turkish companies delivered to the Egyptian investigation authority.
- 1.4.12.8 On 29/6/2015, the Investigation Authority received a request from the Turkish Embassy for reviewing some of the non-confidential attachments of the complaint.
- 1.4.12.9 On 29/7/2015, thee Investigation Authority received the comments of the Turkish Party on the anti-dumping investigation of the Egyptian Investigation Authority against the Turkish companies which shall be responded to in Part six herein.
- 1.4.12.10 On 3/8/2015, the Investigation Authority sent a copy of the non-confidential attachments of the anti-dumping complaint to the Embassy of Turkey.

1.5 Exchange Rate⁸

- 1.5.1 Upon the determination of the exchange rate in the country of origin, the invoice date shall be the date of sale.

⁸ Article 2.4.1 of anti-dumping agreement provides that "in case the comparison in article 4 calls for transfer of currencies, the exchange rate on the sale time shall be used.

1.6 Disclosure of Information

1.6.1 The Investigation Authority shall make all the non-confidential data available at its headquarters to the interested parties through the general file during the investigation period till the issue of the final determination.

1.7 Best Information Available

1.8 1.7.1 Due to the non-cooperation of the Turkish producers/Exporters in Turkey which were selected in the sample and subject to Article 6.8⁹ and Article 27¹⁰ and Article 35¹¹, the Investigation Authority was governed by the best information available upon calculation of the dumping margin (please refer to section 3 herein).

⁹ Article 6.8 of the anti-dumping agreement provides that "in case of the rejection of any interested party for the provision of the necessary data or their untimely provision or its repeated impediment of the investigation process, final positive or passive determinations may be issued according to the available data with due consideration to the provisions of the attachment No. 2 upon applying such article.

¹⁰ Article 10 of the Statute provides that "in case of not providing the required data or their untimely provision or non-cooperation, the Investigation Authority may complete the investigation and reach the conclusions according to its optimum available data and information.

¹¹ Article 35 of the Statute provides that "in case, the necessary data for the determination of the export rate or the ordinary value are not deemed by the Investigation Authority as adequate, they may be determined according to the available data.

2.1 Domestic Industry¹²

The domestic industry is represented by Easy Care Company for Cosmetics whose production represents 64 % of total domestic production. Therefore, the application fulfills the requirements of Article (19) of the Regulation.

2.2 Like Product¹³

2.2.1 Wet Wipes made from padding, felting and nonwovens that is painted or covered by essence or softening materials.

Conclusion

2.2.2 The Investigation Authority reached that the product produced by the domestic industry is similar to the product under investigation and have the same physical characteristics, channels of distribution and final usage, and each of them can replace the other in its usage according to Article (2-6) of the Anti-Dumping Agreement.

¹² of Article (1) of the Domestic Industry Regulation states:

"The Egyptian Producers of Agriculture and Industrial products that is similar to the imported product, in which the total of their production presents the major percentage of total domestic production of this product."

As the Article (19) of the Regulation states:

"An investigation shall not be initiated unless the application is supported by those domestic producers whose collective output constitutes more than 50 per cent of the total production of the like product produced by that portion of the domestic industry expressing either support for or opposition to the application. However, no investigation shall be initiated when domestic producers expressly supporting the application account for less than 25 per cent of total production of the like product produced by the domestic industry."

¹³ Clause 6 of article (2) of the Anti-Dumping Agreement describes the like product as:

"In this agreement the expression (similar product) means an identical product that is similar in all parameters of the concerned product, or-is case that product does not exist- to another product and if it was not similar in all parameters but has very close specifications to the concerned products' specification"

2.3 Imports Volume ¹⁴

The below table shows the Imports Volume of the Concerned Product from All Origins

Table (2-1)

Imports During 2014

(Unit: 1000 Wipes)

Turkey	1499046	63%
Other Countries	888989	37%
Total	2388035	100%

Source: Central Agency for Public Mobilization and Statistics (CAPMAS)

2.3.1 The previous table shows that dumping imports volume during 2014 represents 63% of the total imports volume.

Conclusion

2.3.2 The Investigation Authority reached that the dumping imports volume during 2014 represents more than 3% of the total imports volume. Therefore, it cannot be disregarded.

¹⁴ Clause (a) of Article (38) of the Regulations states:

"The Investigation Authority has to prepare a report to recommend finalizing the investigation in the following situations:

a- In case the dumping imports volume from a specific country is less than 3% of the imports volume for the under investigation product, unless those countries- that dumping imports volume from each of them is less than 3% of the imports volume- represent as a sum of more than 7% of the total imports."

3.1 According to the previously mentioned in section (1-7-1) of this report and to the non-cooperation of the companies -that have been chosen in the sampling - with the Investigation Authority, The Investigation Authority depended on the best information available to determine the normal value, the export price and the dumping margin.

3.2 Normal Value¹⁶

The Investigation Authority depended on the best information available to determine the normal value that resulted to be 0.024 Turkish Lira/wipe.

3.3 Export Price¹⁷

The Investigation Authority depended on the best information available to determine the export price that resulted to have a value of 0.0135 Turkish Lira/wipe.

¹⁵ Clause 1 of article (2) of the Anti-Dumping Agreement states:

"In the understanding of this agreement a product is considered as a dumping product means that this product has been entered a country's trade with less than its normal value if the export price of this product from one country to another is less than the similar price -in the normal trade trend- of the like product when its guided to be consumed in the exporting country".

As well as Article (32) of the Regulations states:

"Dumping is to export a product to Egypt with an export price that is less than its normal value in the normal trade trend."

¹⁶ The Normal Value is to be determined according to Article (32) of the Regulations that states:

"The normal value refers to the product sale price in the normal trade trend at the origin/exporter country's local market, or the manufacturing cost plus the sales/management expenses and the normally achieved profit margin, or the like product export price to a third country, and the Investigation Authority may estimate the normal value of products with origin or exported from a country that has guided economy using another country's data that has similar circumstances to the free economic countries or on any other principle that seen as appropriate."

¹⁷ Article (32) of the Executive Regulations states:

"The export price refers to the paid price or the price to be paid by the importer as a price for that product without applying any costs, fees or expenses that exceeds what he is being charged when sold to the domestic consumption in origin/exporter country." any other fees to export the product or to ship it from the exporter country does not intervene determining the export price.

3.4 Dumping Margin (the comparison between export price and normal value) ¹⁸

3.4.1 The Investigation Authority made the fair comparison according to the best information available, as the normal value average has been compared to the export price average and this comparison resulted in a 72% dumping margin and this margin is not considered disrespected as it is more than 2% of the export price

18As the Article (36) of the Regulation states:

"The dumping margin is the difference between the normal value and the export price, and while estimating the dumping margin, the Investigation Authority has to make the calculations at the same trade level of the same time period as possible considering the effective differences on the prices' ability for comparison."

4- Investigation of Injury:

4-1 Introduction:

4-1-1 In this section of the report, the investigating entity investigates the correctness of the local industry claim that there is an increase in the volume of dumped imports of the product concerned and that such an increase has caused a material injury to the local industry.

4-1-2 The investigating entity also considered in this section the other known reasons other than the dumped imports which could likely have caused material injury to the local industry.

4-2 Volume of imports:¹²

4-2-1 Absolute and relative increase of imports:

Table no. (4-1)

(Unit/ one thousand wipes)

Description	the year 2012	the year 2013	the year 2014
Dumped imports	860173	1157933	1499046
Index (%)	100	135	174
Production			
Ratio of imports to production (%)			
Index (%)	100	144	201

*a year-based comparison

4-2-1-1 The above table denotes that the volume of dumped imports increased absolutely during the years 2013 and 2014 at the rate of 35% and 74% respectively as compared to the year 2012.

4-2-1-2 The table also denotes that there was an increase in the ratio of imports to production during the years 2013 and 2014 at the rate of 44% and 101% respectively as compared to the year 2012.

¹²The first paragraph of article-39 of the executive regulations stipulates that: "the investigating entity shall determine the material injury befalling the local industry, and shall in this regard have the right to examine all the legal evidences, including:

1- Increase of the volume of dumped imports whether absolutely or in relation to production or consumption in Egypt".

Result:

4-2-1-3 The investigating entity found out that there is a continuous increase in the volume of dumped imports whether absolutely or in relation to production during the injury investigation period.

4-3 Price impacts:

4-3-1 Price difference¹³:

4-3-1-1 It means to sell the dumped product in the local market at a price below the sale price of the similar local product.

Price difference in the year 2014

Table No. (4-2)

(value: in L.E., quantity: one wipe)

Average price of the similar product	Average price of the product concerned	Price difference	Price difference (%)
			33%

4-3-1-2 The investigating entity made a comparison between prices of the product concerned and those of the similar local product at the same commercial level, and found out that there is a price difference between the local product and imported product reaching 33%.

Result:

4-3-1-3 The investigating entity found out that there is a price difference between the product concerned and the similar product in the local market.

² Item-a of the first paragraph of article-39 of the executive regulations stipulates that: "the investigating entity shall determine the material injury befalling the local industry, and shall in this regard have the right to examine all the legal evidences, including:

a- Fall in the sale prices of imported dumped products below the sale prices of the similar local product".

4-3-2 Reducing prices and curbing the increase of local prices¹⁴:

4-3-2-1 Price reduction means the amount of reduction in the local product prices due to competition with the product concerned.

4-3-2-2 Curbing the increase of prices means non-occurrence of the increase that would have happened unless the volume of the imports concerned had increased. This matter can be determined based on the amount of increase in cost which is not offset by a price increase.

Table no. (4-2)

(L.E./ one thousand wipes)

Description	the year 2012	the year 2013	the year 2014
Average sale prices			
Index (%)	100	108	109
Average cost			
Ratio of cost to sale price			
Index (%)	100	113	123

*a year-based comparison

4-3-2-3 the above table denotes that despite the increase in local sale price during the years 2013 and 2014 by 8% and 9% respectively in comparison to the year 2012, the increase in the ratio of cost to sale price however continued at a higher percentage during the same period reaching 13% and 23% respectively as compared to the year 2012, the matter which led to the fall in the profits of industry as indicated in table no. (4-6) of this report.

Result:

4-3-2-4 The investigating entity found out that the increase in sale prices and the increase in cost as a percentage of sale price have reflected higher levels than the price increase during the injury analysis period and that such a matter has synchronized with the increase in the volume of dumped imports.

3 Items (b & c) of the first paragraph of article-39 of the executive regulations stipulates that: "the investigating entity shall determine the material injury befalling the local industry, and shall in this regard have the right to examine all the legal evidences, including:

- b- Reduction of the sale prices of similar local product.
- c- Curbing the local price increase which would have happened".

4-4 Economic impacts¹⁵:

4-4-1 Production, productive capacity and exploited capacity:

Table no. (4-3)

(quantity/ one thousand wipes)

Description	the year 2012	the year 2013	the year 2014
Production volume			
Index (%)	100	94	87
Available capacity			
Capacity exploitation ratio			
Index (%)	100	94	87

*a year-based comparison

4-4-1-1 The above table denotes that the production volume decreased in the years 2013 and 2014 by 6% and 13% respectively as compared to the year 2012, and that while the available productive capacity was stable, the capacity exploitation ratio however decreased by the same percentages during the same period, the matter which has synchronized with the increase in the volume of dumped imports.

Result:

4-4-1-2 the investigating entity found out that each of the production volume and capacity exploitation ratio during the injury analysis period, the matter which has synchronized with the increase in the volume of dumped imports of the product concerned.

⁴ the second paragraph of article-39 of the executive regulations stipulates that: "the investigating entity shall determine the material injury befalling the local industry, and shall in this regard have the right to examine all the legal evidences, including:
2-The extent to which the dumped imports affect the economies of local industry, with such effect being inferable via assessing the following factors:

- a- Actual or potential decrease in sales, profits, production, market share, productivity, yield on investment or exploited capacity.
- b- The factors affecting local prices.
- c- Dumping marginal volume.
- d- Actual or potential negative effects on the cash flow, inventory, labor, investment, wages, growth and ability to increase the capital.
- e- Any other influential factors regarded by the investigating entity as having adequate indications.

4-4-2 Market share:

Table no. (4-4)

(quantity/ one thousand wipes)

Description	the year 2012	the year 2013	the year 2014
Local industry sales			
Index	100	92	83
Other sales			
Dumped imports	860173	1157933	1499046
Other imports	1378165	984578	888989
Available market volume			
Market share of local industry			
Market share of other sales			
Market share of dumped imports			
Market share of other imports			
Market share indicator of local industry sales	100	97	80
Market share indicator of dumped imports	100	142	169
Market share indicator of other imports	100	75	63
Indicator of total available market	100	95	103

***Source:** Central Agency for Public Mobilization and Statistics

***A year-based comparison**

4-4-2-1 The above table denotes the fall in local industry sales during the years 2013 and 2014 by 8% and 17% respectively as compared to the year 2012, the matter which has synchronized with the increase in the volume of dumped imports.

4-4-2-2 The table also denotes that the volume of total available market decreased in the year 2013 by 5% then increased in the year 2014 by 3% as compared to the year 2012.

4-4-2-3 In addition to the foregoing, the table denotes that the market share of local sales decreased by 3% in the year 2013 as compared to the year 2012. Such a decrease lasted during the year 2014 at a higher percentage and thus reached 20% as compared to the year 2012 despite the increase in the market volume in the same period, the matter which has

synchronized with the increase in the volume of dumped imports and their market share which acquired the market volume increase.

4-4-2-4 Furthermore, the table denotes the decrease in the market share of other imports in the years 2013 and 2014 by 25% and 37% respectively as compared to the year 2012.

4-4-2-5 The table points out that while the market share of each of the local sales and other imports decreased in the years 2013 and 2014, the market share of dumped imports marked an increase during the same years by 42% and 69% respectively, which means that the dumped imports acquired the lost part of market share of the local sales and other imports besides the increase in market volume.

Result:

4-4-2-6 The investigating entity reached the conclusion that the local industry sales decreased during the years 2013 and 2014, and that the market share of each of the local sales and other imports decreased during the same years, and that the continuous increase in the market share of dumped imports has consequently acquired the lost part of their market share despite the increase marked by the local market volume in the year 2014.

4-4-3 Inventory:

Table no. (4-5)

(quantity/ one thousand wipes)

Description	the year 2012	the year 2013	the year 2014
Inventory			
Index (%)	100	144	315

*a year-based comparison

4-4-3-1 The above table reflects the increase in inventory volume by 44% in the year 2013 as compared to the year 2012. In the year 2014, the increase in inventory volume was dramatically maintained to reach 215%, the matter which has synchronized with an increase in the volume of dumped imports of the product concerned during the same period.

Result:

4-4-3-2 the investigating entity concluded that the inventory volume increased dramatically during the injury analysis period, the matter which has synchronized with the increase in the volume of dumped imports of the product concerned.

4-4-4 Profits and losses:

Table no. (4-6)

Unit: one thousand wipes

Value: L.E.

Description	the year 2012	the year 2013	the year 2014
Profit per unit			
Index (%)	100	59	26

*a year-based comparison

4-4-4-1 The above table reflects the continuous and dramatic decline of profitability which have stood at 41% and 74% in the years 2013 and 2014 respectively, the matter which can be attributed to increasing the cost by a percentage higher than the sale price increase during the same period, as mentioned in item (4-4-2-3) above.

Result:

4-4-4-2 the investigating entity concluded that the profitability witnessed a decline during the injury analysis period and that such a decline synchronized with the increase in the volume of dumped imports.

4-4-5 Labor, productivity:

Table no. (4-7)

Description	the year 2012	the year 2013	the year 2014
Labor (worker)			
Index (%)	100	90	80
Production (one thousand wipes)			
Index (%)	100	94	87
Productivity (one thousand wipes/ worker)			
Index (%)	100	104	108

*a year-based comparison

4-4-5-1 The foregoing table reveals that the number of workers decreased in the years 2013 and 2014 by 10% and 20% respectively, as compared to the year 2012.

4-4-5-2 The table also denotes the continuous increase in the worker productivity in the years 2013 and 2014 by 4% and 8% respectively as compared to the year 2012, due to the labor decrease by a percentage higher than the production volume decrease.

Result:

4-4-5-3 The investigating entity found out that the labor volume decreased while the worker productivity increased during the injury analysis period, the matter which has synchronized with the increase in the volume of dumped imports.

4-4-6 Yield on investment:

Table no. (4-8)

Description	the year 2012	the year 2013	the year 2014
Yield on investment			
Index (%)	100	42	17

*a year-based comparison

4-4-6-1 The above table reveals the dramatic decline of the yield-on-investment ratio which reached 58% and 83% in the years 2013 and 2014 respectively due to the sharp decrease in profitability during the same period (see table no. 4-6).

Result:

4-4-6-2 the investigating entity concluded that there was a dramatic decline of the yield-on-investment ratio during the injury analysis period, the matter which has synchronized with the increase in the volume of dumped imports of the product concerned.

4-4-7 Cash flows:

Table no. (4-9)

(Value: one thousand pounds)

Description	the year 2012	the year 2013	the year 2014
Cash flow			
Index (%)	100	345	(205)

*a year-based comparison

4-4-7-1 The above table indicates that cash flows marked an increase by 245% in the year 2013 whereas they decreased by 205% in the year 2014 (the investigation period).

Result:

4-4-7-2 The investigating entity concluded that cash flows decreased in the year 2014 and that such a decrease synchronized with the increase in the volume of dumped imports of the product concerned.

4-4-8 Growth, ability to increase the capital:

4-4-8-1 The investigating entity found out that the decreasing sales and market share of the industry as well as the dramatically-diminishing profitability have rendered the local industry unable to achieve growth and increase the capital.

4-4-9 Dumping marginal volume:

4-4-9-1 The investigating entity concluded that there is a dumping margin amounting to 72% and that the volume of dumped imports from Turkey reflected an increase during the investigation period, the matter which has synchronized with the deterioration of local industry indices.

4-5 Results of injury:

In light of the foregoing, the investigating entity concluded that most of the local industry indices witnessed a decrease in the year 2014 as follows:

- 1 – Decrease in production and capacity exploitation ratio by 13%.
- 2- Decrease in sales by 17%.
- 3- Decrease in the market share of local sales by 20%.
- 4- Increase in the inventory by 215%.

- 5- Decrease in the profits and losses by 74%.
- 6- Decrease in labor by 20%.
- 7- Decrease in the yield on investment by 83%.
- 8- Decrease in the ability of industry to achieve growth and increase the capital.

4-6 Other reasons for injury:

4-6-1 Other imports:

Table no. (4-10)

(unit/ one thousand wipes)

Description	the year 2012	the year 2013	the year 2014
Other imports	1378165	984578	888989
Index (%)	100	71	65

*a year-based comparison

4-6-1-1 The above table reveals a continuous decrease in the volume of other imports during the years 2013 and 2014 by 29% and 35% respectively, which means that the other imports do not constitute a reason for the material injury befalling the industry.

4-6-1-2 The investigating entity found out that the other imports were not among the reasons leading to the material injury that befell the local industry.

4-6-2 Exporting performance:

Table no. (4-11)

(unit/ one thousand wipes)

Description	the year 2012	the year 2013	the year 2014
Exports volume			
Index (%)	100	99	28
Total sales of local industry (local + export)			
Export sales % of total sales	6%	7%	2%

*a year-based comparison

4-6-2-1 The foregoing table denotes that the export sales of the complainant company decreased in the years 2013 and 2014 by 1% and 72% respectively.

4-6-2-2 The investigating entity concluded in light of the foregoing table that the maximum of export sales out of the total sales of local industry (local + export) during the injury analysis period reached 7% only in the year 2013 whereas the minimum thereof stood at 2% in the year 2014, which represents an increase by 5% in the year 2013. The investigating entity is of the opinion that such a slight difference between the maximum and minimum percentages cannot be deemed a reason for the material injury affecting most of the economic indices of local industry as mentioned in item 4-6 of this report, which means that the exporting performance was not among the reasons leading to the material injury that befell the local industry.

Result:

4-6-2-3 the investigating entity concluded that the exporting performance of local industry didn't constitute a reason for the material injury affecting the local industry.

4-6-3 The shrinking demand:

4-6-3-1 Table no. (4-4) denotes the increase in the local market volume in the year 2014, which means that there is no shrinking demand which would have caused the injury suffered by the industry.

Result:

4-6-3-2 the investigating entity reached the conclusion that the shrinking demand was not among the reasons leading to the material injury which befell the local industry.

4-6-4 Restrictive commercial practices:

4-6-4-1 the investigating entity found out that there are no restrictive commercial practices, which means that any such practices didn't cause the injury suffered by the industry.

Result:

4-6-4-2 the investigating entity concluded that the restrictive commercial practices were not among the reasons contributing to the material injury that befell the local industry.

4-6-5 Technological development:

4-6-5-1 Based on the field investigatory visit and the available data, the investigating entity found out that the local industry makes use of a modern technology which keeps up with the

applicable technological development, therefore, the technological development didn't contribute to the injury befalling the local industry.

Result:

4-6-5-2 the investigating entity concluded that the technology used in the local industry wasn't among the reasons leading to the injury that affected the local industry.

4-6-6 Competition:


4-6-6-1 The investigating entity found out in light of the available data that the market share of the other producer sales is stable and acquires a low percentage of the market volume which stood at 3% during the injury analysis period. The investigating entity also found out that the volume and market share of other imports reflected a decrease during the same period, which means that competition with the local produces and the imports other than the dumped imports do not constitute a reason for the injury suffered by the local industry.

Result:

4-6-6-2 The investigating entity reached the conclusion that the domestic competition and competition with other imports were not among the reasons contributing to the material injury which befell the local industry.

4-7 Outcome of investigating the other reasons for injury:

The investigating entity reached the conclusion that there are no other familiar factors of the material injury that befell the local industry during the injury analysis period other than the dumped imports.


5.1 The Investigation Authority studied the causal link between the dumping imports and the injury caused to the domestic industry according to article 3-5 of the Anti-Dumping Agreement in view of the questionnaire replies, the visits and studying all the information available to the investigation authority and concluded to the following:

5.1.1 The dumping imports volume increased either in substantial way or to the domestic production during the injury investigation period that coincided with deterioration in the economic indicators of the domestic industry and represented a decrease in the domestic sales and the market share, production and energy utilization decrease, labor decrease, stock increase, profit decrease, cash flow decrease, inability to grow and the return on investment average decrease.

5.1.2 The non-existence of any other causes of injury suffered by the domestic industry other than the dumping imports.

Conclusion

5.2 Accordingly, the Investigation Authority concludes that there has been a causal link between the increase in imports and aspects of injury suffered by the domestic industry.

[REDACTED]

The Investigation Authority received comments on the complaint from the government of Turkey as follows:

Comment

The Complaint does not have accurate and sufficient data as it did not include some other factors that have caused the injury other than the dumping imports such as domestic competition and the other imports market share.

The Investigation Authority's Response

In section 4 of this report, the Investigation Authority checked the other known factors that might have caused the injury to the domestic industry such as the competition, the volume of other imports and market shares, and concluded that none of them was other factor that caused the injury suffered by the domestic industry.

Comment

The Complaint was submitted before the end of 2014 and thus, some data were estimated. As the complainant's sales volume (table 3-1) and the imports volume/prices from other countries (table 4-1) and that shows the Investigation Authority did not rely on actual data.

The Investigation Authority's Response

The domestic industry's complaint was submitted on 2/2/2015 and the Investigation Authority verified the data of the complainant during the investigation field visit that clarified all complainant company's related data was an actual data from the company's records. Also the company submitted the imports figures for the whole year of 2014.

Comment

The Investigation Authority received a comment that one of the interested parties' request -to receive the complaint's related attachments- was ignored and that is considered as violation to article (6-4) of the Anti-Dumping Agreement.

The Investigation Authority's Response

On 3/8/2015 the Investigation Authority sent a non-confidential copy of the complaint's attachments to the Embassy of Turkey.

Comment

The scope of the under investigation product is not correct as HS 33 07 had been chosen as a range for the under investigation product despite it covers many other products than wet wipes which affects the industry's representativeness, imports volume and the market share. And the Investigation Authority has to straiten the scope of the under investigation product to the narrowest scope as possible. Turkey is requesting to conduct an analysis of the other imports after modifying the scope of the under investigation product.

The Investigation Authority's Response

In this report, the Investigation Authority used the imports volume of the under investigation product for HS code 33 07 49 00 10. The Investigation Authority used this tariff subheading code while initiating and during the investigation process. Therefore, it will not affect the analysis of injury indicators and the market share.

Comment

The increase in domestic sale price indicates the complainant ability to increase price. Thus, the complainant did not get negatively affected by the Turkish Imports.

The Investigation Authority's Response


The sales price indicator alone cannot be considered as a decisive indicator for the injury existence or non-existence according to article (3-2) of the Anti-Dumping Agreement. In this report, the Investigation Authority analyzed all the indicators that stated in article (3-4) of the Anti-Dumping Agreement and concluded that an injury exists and caused to the domestic industry as shown in clause (4-6) of this report.

Comment

The complaint shows a decrease in the exports of complainant during the under investigation period, which indicates the injury that caused to the complainant is due to the export performance and not the imports.

The Investigation Authority's Response

While the Investigation Authority was checking other causes at section 4 of this report, concluded that the exports' sales of the domestic industry represent insignificant percentage of the total domestic industry's sales.


7.1 The Investigation Authority concluded that the imports of the Wet Wipes with a Turkish origin or exported from Turkey is being imported with a dumping prices as the dumping margin found to be 72% of the export price.

7.2 The Investigation Authority also found that there is a substantial increase in the volume of that dumping imports during the under investigation period, that coincided with injury caused to the most of the domestic industry indicators. And there are no other causes of injury suffered by the domestic industry other than the increase of the dumping imports. And that fulfils the existence of a causal link between the increase of the dumping imports and the injury caused to the domestic industry.