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Business Proprietary Information Removed  
From Pages 3 and 5 and Exhibits IX-2, IX-4, IX-10,  
IX-11, IX-12, and IX-15 of Volume IX.

BEFORE THE  
INTERNATIONAL TRADE ADMINISTRATION  
UNITED STATES DEPARTMENT OF COMMERCE  
AND THE  
UNITED STATES INTERNATIONAL TRADE COMMISSION

In the Matter of	)	PETITIONS FOR THE IMPOSITION
	)	OF ANTIDUMPING AND
CERTAIN PAPER SHOPPING BAGS	)	COUNTERVAILING DUTIES
FROM CAMBODIA, CHINA,	)	
COLOMBIA, INDIA, MALAYSIA,	)	
PORTUGAL, TAIWAN, TURKEY,	)	<u>VOLUME IX: TURKEY</u>
AND VIETNAM	)	<u>ANTIDUMPING</u>
	)	

Petitioner:  
Coalition For Fair Trade in Shopping Bags

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**TABLE OF CONTENTS**

LIST OF EXHIBITS ..... iii

I. ALLEGATION OF SALES AT LESS THAN FAIR VALUE ..... 1

II. TURKISH PRODUCERS AND EXPORTERS OF PAPER SHOPPING BAGS ..... 1

III. CALCULATION OF NORMAL VALUE ..... 2

    A. The Turkish Home Market Is Viable ..... 2

    B. Normal Value Based Upon Home Market Sales ..... 2

    C. Normal Value Based Upon Third Country Sales..... 3

    D. Normal Value Based Upon Constructed Value ..... 3

        1. Direct materials ..... 4

        2. Labor ..... 4

        3. Energy and utilities ..... 4

        4. Factory overhead, SG&A, and profit ..... 4

        5. Packing inputs ..... 5

IV. CALCULATION OF EXPORT PRICE ..... 5

V. DUMPING MARGINS..... 6

VI. MATERIAL INJURY AND THREAT OF MATERIAL INJURY TO THE DOMESTIC  
INDUSTRY ..... 7

VII. CONCLUSION AND REQUEST FOR INVESTIGATION ..... 7

**LIST OF EXHIBITS**

<b>EXHIBIT IX-1</b>	Turkish Producer Website Data (Public)
<b>EXHIBIT IX-2</b>	Declaration Regarding Comparison Market Sales (Conf.)
<b>EXHIBIT IX-3</b>	Turkish Paper Bag Export Data (Public)
<b>EXHIBIT IX-4</b>	Cost Models with Declaration (Conf.)
<b>EXHIBIT IX-5</b>	Financial Ratios (Public)
<b>EXHIBIT IX-6</b>	Turkish GTA Import Data (Public)
<b>EXHIBIT IX-7</b>	Exchange Rates (Public)
<b>EXHIBIT IX-8</b>	Turkish Labor Rates (Public)
<b>EXHIBIT IX-9</b>	Electricity and Natural Gas Prices (Public)
<b>EXHIBIT IX-10</b>	Declaration Regarding U.S. Price (Conf.)
<b>EXHIBIT IX-11</b>	Calculation of Export Price (Conf.)
<b>EXHIBIT IX-12</b>	U.S. Brokerage & Handling and Inland Freight (Conf.)
<b>EXHIBIT IX-13</b>	Calculation of Ocean Freight & Insurance (Public)
<b>EXHIBIT IX-14</b>	Foreign Brokerage & Handling and Inland Freight (Public)
<b>EXHIBIT IX-15</b>	Dumping Margin Calculations (Conf.)

## **I. ALLEGATION OF SALES AT LESS THAN FAIR VALUE**

This volume of the petition contains allegations regarding sales at less than fair value in the United States of certain paper shopping bags (“paper shopping bags”) imported from Turkey. This volume sets forth information relevant to the calculation of normal value and export prices, as well as information regarding the Turkish paper shopping bags industry that is reasonably available to the Coalition For Fair Trade in Shopping Bags (“Petitioner”). As discussed below, the Turkish producers and exporters have sold, or offered for sale, subject merchandise in the United States for less than fair value.

Petitioner was unable to obtain home market prices from Turkey. However, Petitioner demonstrates that the export prices to the United States were made at prices below the fully-loaded cost of production. Accordingly, Petitioners based Normal Value on Constructed Value. This petition complies with the requirements of 19 U.S.C. § 1673a(b) and 19 C.F.R. § 351.202(b).<sup>1</sup> Additional information required by the statute and regulations regarding general issues and material injury or threat thereof is provided in Volume I of these petitions. Based on information reasonably available to the Petitioner and contained in this petition, the Department should initiate an investigation into sales at less than fair value of imports of paper shopping bags from Turkey and should impose antidumping duties in an amount that is equal to the amount by which the normal value exceeds the export price.

## **II. TURKISH PRODUCERS AND EXPORTERS OF PAPER SHOPPING BAGS**

Petitioner has identified numerous Turkish producers or exporters believed to have sold, or offered for sale, paper shopping bags in the United States for less than fair value. The names

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<sup>1</sup> See generally Volume I, Section II (identity of Petitioner, Industry, and Industry Support; statement regarding other import relief; and description of subject merchandise); Volume I, Sections IV-V (material injury and threat of injury); and Volume I, Exhibits I-7 (foreign producers), I-8 (U.S. importers).

and contact information for producers and exporters of paper shopping bags in Turkey are listed in Volume I: General Issues And Injury at Exhibit I-7. The information provided in that exhibit represents the information reasonably available to Petitioner.

Information regarding the proportion of total exports to the United States accounted for by each Turkish producer is not reasonably available. Nevertheless, Petitioner believes that one of the largest exporters to the United States is Oztas Ambalaj Sanayi ve Ticaret, A.S. (“Oztas”), a producer located in Beylikdüzü, Istanbul, Turkey. Moreover, Oztas states on its web site, “In 2021, it reached an annual production capacity of 500 million bags, 1 billion paper bags and 2.5 billion wrapping papers.” See **Exhibit IX-1**. Accordingly, Petitioner focuses on Oztas in the following analysis.

### **III. CALCULATION OF NORMAL VALUE**

#### **A. The Turkish Home Market Is Viable**

The Turkish home market for paper shopping bags appears to be viable. Petitioner does not have access to Oztas’ domestic and export sales of paper shopping bags on either a quantity or value basis. However, Oztas’ website depicts the logos of customers. See **Exhibit IX-1**. There are 60 logos appearing on the site. At least 20 are Turkish companies. Many of the other companies shown are European or multinational, *i.e.*, not exclusive to the United States. Accordingly, it appears that Oztas has a significant market presence in Turkey and its export sales would be spread throughout the world, not just focused on the United States. Based on the evidence available, Petitioner believes Oztas’ domestic market sales would exceed the Department’s viability requirement of five percent of sales to the United States. Accordingly, Petitioner treats the Turkish market as viable for purposes of this petition.

#### **B. Normal Value Based Upon Home Market Sales**

Petitioner sought to obtain pricing information in Turkey, but such information was not reasonably available. **Exhibit IX-2** contains a declaration from a market researcher discussing

the methodologies used to try and obtain such information.

**C. Normal Value Based Upon Third Country Sales**

Petitioner also was unsuccessful in obtaining third-country pricing information. Turkey's largest export market for paper bags other than the United States is France according to the official export statistics of Turkey. *See Exhibit IX-3*. The market researcher was unable to obtain export pricing data for France. *See Exhibit IX-2*.

**D. Normal Value Based Upon Constructed Value**

Petitioner based Normal Value on constructed value.

Petitioner does not have access to the Turkish producer's factors of production ("FOPs") and consumption rates for those FOPs. Accordingly, Petitioner has relied on the experience of [ ] and has used other information reasonably available. [ ] production process is similar to the production process of the Turkish producer. Both are paper converters and printers.<sup>2</sup> Petitioner has provided cost models that correspond to price data obtained for the Turkish manufacturer. *See Exhibit IX-4*. A declaration from the individual responsible for providing the usage rate information is also included in this exhibit.

Petitioner valued materials, labor, and energy ("MLE") inputs using value information from Turkey. Oztas' financial statements are not reasonably available. Accordingly, factory Overhead, SG&A expenses, and profit are based on the financial results of Duran Dogan Basim ve Ambalaj Sanayi, A.S. ("Duran"), another Turkish paper converter. *See Exhibit IX-5*.

**Exhibit IX-6** contains the Turkish import data used to value materials obtained from Global Trade Atlas ("GTA"). The latest available twelve-month data is for the period April 2022 through March 2023. Because these data are congruent with the POI, Petitioner did not inflate the reported import data using the Turkish producer price index.

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<sup>2</sup> *See Exhibit IX-1*.

## 1. Direct materials

Petitioner valued direct materials using the average FOB import value of the materials into Turkey. Consistent with Department practice, Petitioner excluded imports from non-market economies, countries with generally-available export subsidies, and unspecified partner countries. The Turkey import data were sourced from Global Trade Atlas data and output in Turkish Lira. Accordingly, these data were converted to U.S. Dollars using the Department's Investigations Exchange Rates for the presumptive POI. **Exhibit IX-6** contains Petitioner's calculations as well as the actual Turkish import data, a pivot table used to populate the summary page, and a list of countries excluded from the data. **Exhibit IX-7** contains the Department's POI exchange rates to convert Turkish Lira to U.S. Dollars.

## 2. Labor

Petitioner valued labor using information published by the International Labor Organization ("ILO"), ILOSTAT. *See* **Exhibit IX-8**. The latest available labor rates are for 2021. Petitioner inflated the labor rate to the latest months available during the POI by the using Producer Price Index ("PPI") data published by the OECD as PPI data were not available from the International Monetary Fund. *See* **Exhibit IX-8**.

## 3. Energy and utilities

Petitioner relied upon publicly available information to value electricity and natural gas in Turkey. The surrogate values for electricity and natural gas were based upon the Q2 2022 through Q1 2023 "Electricity For Large Firms" rates and "Natural Gas For Large Firms" rates reported by <https://www.globalpetrolprices.com/> *See* **Exhibit IX-9**.

## 4. Factory overhead, SG&A, and profit

To calculate financial ratios, Petitioner used the most recent annual report and financial statements of Duran, a paper converter, as Oztas' financial statements are not publicly-available. Petitioner's calculations of factory overhead, SG&A, and profit (based on Duran's financial

statement) are contained in **Exhibit IX-5**. **Exhibit IX-5** contains a full copy of the Duran's annual report and financial statements.

### 5. Packing inputs

The packing cost reflected in the cost model is conservative in that it only includes direct material costs. Petitioner valued the direct materials associated with packing as described in the direct materials section, above. See **Exhibit IX-4**.

## IV. CALCULATION OF EXPORT PRICE

U.S. price is based on information obtained from [ ]. See **Exhibit IX-10**. During [ ] provided pricing data for several paper shopping bags it imported that were manufactured by Oztas. The prices were quoted on a delivered basis to [ ].

Petitioner used export price ("EP") as the basis for U.S. price because the importer does not appear to have any affiliation with Oztas. Petitioner made adjustments for U.S. inland freight port to warehouse, U.S. brokerage & handling charges, ocean freight & insurance, foreign brokerage & handling charges, and foreign inland freight in order to state prices on an ex-factory basis. The U.S. price and applicable price adjustments are summarized in the export price calculation at **Exhibit IX-11**. The price was quoted on a [ ]. See **Exhibit IX-4**.

Petitioner valued U.S. inland freight from the nearest ports to the importer's/distributor's warehouses, U.S. brokerage & handling charges, and U.S. inland freight to the customer using data from the World Bank's *Doing Business 2020: United States*. See **Exhibit IX-12**. To determine the freight charge from the port to the warehouse, Petitioner determined the closest port to each of the importer's/distributor's warehouses. Petitioner obtained the mileage from

each port to the warehouses using Google Maps. Petitioner then averaged the mileage to estimate U.S. inland freight charges. The calculations and supporting documentation for the inland freight charges and U.S. brokerage & handling charges are contained in **Exhibit IX-12**.

**Exhibit IX-13** contains the calculation of average ocean freight and insurance charges to ship paper shopping bags from Turkey to the United States. Petitioner used the total Cost Insurance & Freight (“CIF) prices reported in the official U.S. import statistics for the Harmonized Tariff Schedule of the United States (“HTSUS”) statistical suffixes 4820.30.0040 and 4820.40.0040 (the HTSUS classifications that include paper shopping bags) and subtracted the total Customs Value (*i.e.*, Freight On Board (“FOB”) foreign port) to determine the Total Ocean Freight and Insurance Charges. Petitioner then divided the Total Ocean Freight and Insurance Charges by the Total Kilograms entered and converted to Metric Tons.

Petitioner valued foreign inland freight and foreign brokerage & handling charges using Turkish values published by the World Bank’s *Doing Business 2020: Turkey*. See **Exhibit IX-14**. **Exhibit IX-14** contains the calculation worksheet for both expenses in Turkey using the same methodologies described above with regard to the same expenses in the United States. To determine the freight charge from the plant to the port, Petitioner used the closest port to Oztas. Petitioner obtained the distance from the producer’s plant to the port from Google Maps.

Petitioner has not deducted banking charges for the transaction, as the pricing data did not disclose how the importer pays for the goods.

Petitioner deducted the aforementioned charges from the starting price in **Exhibit IX-11** to determine the Ex-Factory Price in Turkey.

## V. DUMPING MARGINS

Using the FOP cost models discussed above, Petitioner calculated dumping margins as summarized in **Exhibit IX-15**. As shown therein, the alleged dumping margin ranges from **12.51** to **45.29** percent.

**VI. MATERIAL INJURY AND THREAT OF MATERIAL INJURY TO THE DOMESTIC INDUSTRY**

Petitioner alleges that imports of paper shopping bags from Turkey sold at less than fair value are causing material injury and threaten to cause material injury to the domestic industry. The factual information in support of this allegation is provided to the Department and the Commission in Volume I of this petition.

**VII. CONCLUSION AND REQUEST FOR INVESTIGATION**

As demonstrated above, Turkish producers and exporters of paper shopping bags are selling the subject merchandise for less than fair value in the United States. Accordingly, Petitioner requests that the Department initiate an antidumping duty investigation on imports of paper shopping bags from Turkey.

Respectfully submitted,

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