TRADE POLICY REVIEW OF TURKEY- QUESTIONS FROM THE EU

Law No. 7255 published on 4 November 2020 in the Turkish Official Gazette (T.C. Resmi Gazete)\textsuperscript{[1]} establishes:

\textbf{ARTICLE 12} – The following paragraph has been added to Article 6 of the Law No. 4733: "Producers of tobacco products are required to produce for the purpose of supplying to the domestic market within a calendar year and they import; cigarettes, hookah tobacco products, wrapped shredded tobacco products and the total tobacco used in the categories of pipe tobacco products must be at least thirty percent must be tobacco produced in Turkey. The president has announced that as for this percentage he is authorized to increase it up to forty-five."

\textbf{ARTICLE 14} – The following provisional article has been added to the Law No. 4733: "PROVISIONAL ARTICLE 9 – The rate specified in the twelfth paragraph of Article 6 is for the year 2022 seventeen percent, twenty-one percent for 2023, and twenty-five percent for 2024. In case of violation, the administrative sanction specified in subparagraph (d) of the fifth paragraph of Article 8 shall be applied." (original text in Turkish) (emphasis added)

\textbf{Question:} Could Türkiye confirm whether the LCR for tobacco products is still in force?

\textbf{Question:} Could Türkiye provide more information about the functioning of such local content requirement, including methodology used in calculation of the local tobacco content, whether there are exceptions, exemptions, or waivers?

\textbf{Question:} What type of analysis has Türkiye conducted in order to determine the need of that local requirement and the level of thirty percent?

\textbf{Question:} Under what conditions may the President determine that an increase is needed up to forty five percent?

\textbf{Question:} What is the rationale and justification for this requirement?

\textbf{Question:} What are the sanctions applicable for not complying with this requirement? Are the sanctions limited to those of the administrative nature? If not, what other sanctions would be applicable?

\textbf{Question:} How many persons (individuals or juridical) have been sanctioning for not observing this requirement?

\textbf{Question:} Was this new requirement notified to any WTO body, such as the Committee on Trade-Related Investment Measures? If so, Could Türkiye provide the relevant notifications? If not, what where the grounds for not notifying the measures at issue?

\textbf{Question:} Could Türkiye assess application of minimum local tobacco usage requirement in terms of the WTO’s basic principles of national treatment, non-discrimination, predictability, and free trade?

\textbf{Question:} Is Türkiye planning to correct this situation since it seems to be in contradiction of WTO principles?

\textbf{Question:} Should more local content requirements in other industries be expected from Türkiye? Is this an initial sign of further requirements/restrictions?

\textsuperscript{[1]} https://www.resmigazete.gov.tr