



11 October 2024

(24-7138)

Page: 1/3

Original: English

**TÜRKİYE - MEASURES CONCERNING ELECTRIC VEHICLES
AND OTHER TYPES OF VEHICLES FROM CHINA**

REQUEST FOR CONSULTATIONS BY CHINA

The following communication, dated 8 October 2024, from the delegation of China to the delegation of Türkiye, is circulated to the Dispute Settlement Body in accordance with Article 4.4 of the DSU.

My authorities have instructed me to request consultations with the Government of the Republic of Türkiye ("Türkiye") pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes ("DSU"), Article XXIII of the General Agreement on Tariffs and Trade 1994 ("GATT 1994"), and Article 8 of the Agreement on Trade-Related Investment Measures ("TRIMS Agreement") with respect to various measures concerning electric vehicles ("EVs") and certain other types of vehicles originating in the People's Republic of China ("China"). These measures are protectionist and discriminate against EVs and other types of vehicles originating in China.

I. Identification of the Measures at Issue

A. Additional duties on EVs

Türkiye imposes additional duties of 40% ad valorem on the importation of EVs from China that fall under certain tariff lines, as set out in the measures listed below. The additional duties result in rates of duty greater than the rates of duty set out in Türkiye's schedule of concessions. Moreover, the additional duties do not apply to imports of EVs from other origins. The legal instruments through which Türkiye imposes the additional duties on imports of EVs from China include, inter alia, the following:

- Decision on the Application of Additional Customs Duty on Imports, Presidential Decision No. 3351, Official Gazette No. 31351, December 31, 2020;
- Decision on the Amendments to the Decision Regarding the Application of Additional Customs Tax on Imports, Presidential Decision No. 5902, Official Gazette No. 31906, July 28, 2022;
- Decision on the Amendments to the Decision Regarding the Application of Additional Customs Tax on Imports, Presidential Decision No. 6886, Official Gazette No. 32121, March 3, 2023; and
- Decision on the Amendments to the Decision Regarding the Application of Additional Customs Tax on Imports, Presidential Decision No. 8044, Official Gazette No. 32416, December 31, 2023.

B. Import permit certificate scheme

Türkiye requires an import permit certificate to import EVs and certain other types of vehicles from China falling under certain tariff lines, as set out in the measures listed below. The issuance of such certificate is subject to the fulfilment of several cumulative conditions. Imports of EVs and other types of vehicles originating in the European Union and Members with which Türkiye has a free trade

agreement are exempted from the import permit certificate requirement. The import permit certificate scheme is trade-restrictive and discriminatory.

The legal instruments through which Türkiye imposes the import permit certificate scheme include, inter alia, the following:

- Notification on the Importation of Certain Electric Vehicles (Import: 2023/22), Official Gazette No. 32384, November 29, 2023;
- Notification on the Importation of Certain Electric Vehicles (Import: 2024/22), Official Gazette No. 32416, December 12, 2023; and
- Notification on the Importation of Certain Electric and Externally Rechargeable Hybrid Vehicles (Import: 2024/22), Official Gazette No. 32668, September 20, 2024.

C. Additional duties on other types of vehicles and investment certificate exemption

Türkiye also imposes additional duties of 40% ad valorem or USD 7,000 per vehicle, whichever is higher, on the importation of other types of vehicles from China that fall under certain tariff lines, as set out in the measures listed below. The additional duties result in rates of duty greater than the rates of duty set out in Türkiye's schedule of concessions. Moreover, these additional duties do not apply to imports of like vehicles from other origins. Furthermore, Türkiye appears to offer an exemption from the additional duties imposed on other types of vehicles to imports benefitting from the customs duty exemption within the scope of the investment incentive certificate under Türkiye's investment incentives program.

The legal instruments through which Türkiye imposes the additional duties on imports of other types of vehicles from China and the investment certificate exemption include, inter alia, the following:

- Decision on the Application of Additional Customs Duty on Imports, Presidential Decision No. 3351, Official Gazette No. 31351, December 31, 2020;
- Decision on the Amendments to the Decision Regarding the Application of Additional Customs Tax on Imports, Presidential Decision No. 8639, Official Gazette No. 32570, June 8, 2024;

Decision on Amendments to the "Decision on Amendments to the Decision on the Application of Additional Customs Duty on Imports" Annex to the Presidential Decision No. 8639 dated June 7, 2024, Presidential Decision No. 8723, Official Gazette No. 32591, July 3, 2024; and

- Decision on Amendments to the "Decision on Amendments to the Decision on the Application of Additional Customs Duty on Imports" Annex to the Presidential Decision No. 8639 dated June 7, 2024, Presidential Decision No. 8724, Official Gazette No. 32593, July 5, 2024.¹

This request also covers any annexes or schedules thereto, amendments, supplements, replacements, renewals, extensions, successor, implementing measures or any other related measures.

II. Indication of the Legal Basis for the Complaint

The above measures appear to be inconsistent with the relevant provisions of the WTO covered agreements including:

1. Article I:1 of the GATT 1994, because by imposing additional duties and the import permit certificate scheme on imports of EVs and other types of vehicles originating in China, Türkiye fails to immediately and unconditionally accord to products originating in China advantages,

¹ Türkiye's investment incentive program was enacted on June 15, 2012, through Decree No. 2012/3305. The procedures related to this Decree were outlined in Regulation No. 2012/1. The Guide to State Incentives for Investments in Türkiye, updated in September 2024 and published by the Presidency of the Republic of Türkiye, provides additional information about the incentive program.

favours, privileges or immunities granted by Türkiye to like products originating in other Members.

2. Article II:1(a) and (b) of the GATT 1994, because by imposing additional duties on EVs and other types of vehicles originating in China, Türkiye accords to Chinese EVs and other types of vehicles treatment less favourable than that provided for in Türkiye's schedule and does not exempt those goods from ordinary customs duties or other duties or charges in excess of those set forth and provided in its schedule.
3. Article XI:1 of the GATT 1994, because the import permit certificate scheme instituted and maintained by Türkiye constitutes a prohibition or restriction other than duties, taxes or other charges on the importation of products from China.
4. Article III:4 of the GATT 1994, because the underlying requirements that must be fulfilled to obtain the import permit certificate fail to accord to EVs and other types of vehicles originating in China treatment no less favourable than that accorded to like products of national origin.
5. Article X:3(a) of the GATT 1994, because Türkiye does not administer its import permit certificate scheme in a uniform, impartial, and reasonable manner.
6. Article 2.1 of the TRIMS Agreement, in conjunction with Article 2.2 and the Illustrative List in the Annex to the TRIMS Agreement, because the import permit certificate scheme constitutes an investment measure related to trade in goods, which is inconsistent with the provisions of Article III or Article XI of the GATT 1994.
7. Article 2.1 of the TRIMS Agreement, in conjunction with Article 2.2 and the Illustrative List in the Annex to the TRIMS Agreement, because the investment incentive certificate exemption constitutes an investment measure related to trade in goods, which is inconsistent with the provisions of Article III or Article XI of the GATT 1994.

In addition, and as a consequence of the foregoing, the measures at issue appear to nullify or impair benefits accruing to China, directly or indirectly, under the cited agreements.

China reserves the right to raise additional measures and claims regarding the matters identified herein during the course of consultations and in any future request for the establishment of a panel.

China looks forward to receiving the reply of the Government of Türkiye to this request and to setting a mutually convenient date for consultations.
