



JOINT STATEMENT

Objection to Decision Number 2017/9750 by the Republic of Turkey on Import Duties on Tractors Imported into Turkey

April 2017

On behalf of their affected member companies, CEMA, AEM and JAMMA would like to reiterate their strong concerns about Decision Number 2017/9750 by the Republic of Turkey on import duties on tractors imported into Turkey.

Decision Number 2017/9750 foresees a new 21% duty on non-EU farm machinery imported on tractors. These measures risk depriving Turkish farmers from access to affordable, state-of-the-art farm machinery.

By discouraging foreign investment and commitment, the increased import duties will hamper trade flow, competition, and product choice in Turkey. Ultimately, the decision will negatively affect innovation and competitiveness of Turkish farm machinery manufacturers.

→ **CEMA, AEM and JAMMA call on Turkey to review and withdraw Decision Number 2017/9750 to avoid any new duties on imported farm machinery.**

Significant employment & investment in Turkey by affected companies

- The affected U.S., European, and Japanese farm machinery producers, who import some of their agricultural machinery from the EU and elsewhere into Turkey, are actively involved in bringing new technologies and equipment to the Turkish market to help Turkey maintain its competitive edge in agricultural production in an increasingly competitive world market.
- These companies have a strong commitment to Turkey and have heavily invested or plan to invest in Turkey, in order to make available the very latest farm machinery technology to Turkish farmers.
- The affected companies present more than 5,000 jobs in Turkey and, in the past 5 years, have invested more than EUR 225 million in the country.

Market distortion threatens to destroy a mutually beneficial trade situation (and could negatively affect export of Turkish farm machinery components)

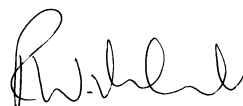
- A level-playing field is essential to maintain the mutually beneficial trade of farm machines and farm machinery components between Turkey, the U.S., the EU, and Japan.
- For imported tractors, the sudden measure will have an immediate negative effect on production and importation of tractors. The measure will also hurt Turkish tractor dealers who have heavily invested in the stable market, and Turkish farmers now forced to pay higher prices for agricultural machinery.
- In turn, the measure will negatively affect the growing export of Turkish produced farm machinery components. The affected companies have played a key role in helping to expand the use of Turkish made components across the entire globe. As part of the increasing global integration of supply chains and production processes, many companies provide components from suppliers in Turkey to factories across the world. The aggregate value of Turkish-sourced components in international farm machinery production is high, around EUR 500-700 million.
- Furthermore, this type of decision could lead to additional duties placed on Turkish machinery exported into other markets resulting in lost profits for Turkish companies.
- Growth in the Turkish agriculture sector can only be sustained in the long term if Turkish producers can fairly access foreign machinery, and Turkish machinery manufacturers and agricultural producers can fairly sell their goods and produce into the globe market.

On behalf of the world's agricultural machinery manufacturers, we kindly ask that Decision Number 2017/9750 be withdrawn to prevent damage to the Turkish agricultural sector.

Sincerely,



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Association of Equipment Manufacturers (AEM)



Richard W. Markwell
President
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Eiichiro Kinoshita
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CEMA – European Agricultural Machinery is the association representing the European agricultural machinery industry. With 10 national member associations, the CEMA network represents both large multinational companies as well as the numerous European SMEs active in this sector. CEMA represents more than 4,500 manufacturers, generating an aggregated annual turnover of more than EUR 28 billion. 135,000 people are directly employed in the sector, with a further 125,000 people working in distribution and maintenance

Association of Equipment Manufacturers (AEM) is the North American-based international trade group providing innovative business development resources to advance the off-road equipment manufacturing industry in the global marketplace. AEM membership comprises more than 950 companies and more than 200 product lines in the agriculture, construction, forestry, mining and utility sectors worldwide. AEM is headquartered in Milwaukee, Wisconsin, with offices in the world capitals of Washington, D.C.; Ottawa, Canada; and Beijing, China.

Japan Agricultural Machinery Manufacturers Association (JAMMA) is the association representing the Japanese agricultural machinery industry. JAMMA is comprised more than 70 member companies that are contributing to the sound development of farmers in the world through providing high quality machines. JAMMA is headquartered in Tokyo.