

**NON CONFIDENTIAL SUMMARY OF
APPLICATION FOR EXTENSION OF
THE SAFEGUARD MEASURE ON
IMPORTS OF CERTAIN ELECTRICAL
APPLIANCES**

(Unofficial Translation)

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SECTION ONE

1. DETAILS OF APPLICANT

The applicant is the professional association whose title and contact details are given below, which represents domestic producers.

| <i>TITLE/ADDRESS/TELEPHONE/FAX</i> | <i>CONTACT PERSON</i> |
|---|--|
| <p><i>SMALL DOMESTIC APPLIANCE INDUSTRIALISTS AND EXPORTERS ASSOCIATION (KESID)</i></p> <p><i>ADDRESS:</i> Krizantem Sok. No: 20 Levent 34330 Istanbul</p> <p><i>TELEPHONE:</i> 0 212 282 98 00</p> <p><i>FAX:</i> 0 212 282 98 09</p> | <p>Sabri ERDIL (Secretary General)</p> |

The applicant professional association represents a significant portion of domestic producers, which produce the subject product.

SECTION TWO

2. DETAILS OF SUBJECT PRODUCT

Details on the descriptions, uses, technical specifications and production and marketing of products subject to the safeguard measure application are provided in the following sections.

2.1. Description

Subject products are devices running on electrical power, which are specifically designed to facilitate personal and domestic chores carried out in daily life.

The descriptions of domestically produced and imported subject products are the same.

2.2. Uses

The subject electrical appliances are mostly used in homes, businesses, hotels and similar living spaces at non-industrial scale in the carrying out of food preparation, cleaning and personal care functions.

Appliances used for food preparation at homes (Group A) may be categorized into two groups as appliances used for processing food (Group A1) and appliances that perform the function of heating solids and liquids (Group A2). Group A1 includes grinders, mixers, blenders, choppers-slicers and composite appliances (complete sets-food processors) which incorporate more than one of these together. Group A2, on the other hand, comprises toasters. Recharged hand vacuums (Group B) are mostly used in homes and restaurants for cleaning purposes and hair dryers (Group C) are mostly used for personal care purposes in hotels and businesses providing personal care services.

2.3. Sub-Heading Numbers

The subject product is classified in the following codes according to the Turkish Customs Tariff Schedule published in early 2007.

| Group | Customs Code | Definition of Product |
|-------------|--------------------|-----------------------|
| Group A1 | 8509.40.00.00.11 | Food grinders |
| | 8509.40.00.00.12 | Mixers |
| | 8509.40.00.00.13 | Blenders |
| | 8509.40.00.00.15 | Complete sets |
| | 8509.40.00.00.19 | Others |
| Group A1.2* | 8509.80.00.00.11 | Mincing appliances |
| Group A2 | 8516.60.90.00.11 | Toasters |
| Group B | 8508.11.00.00.19 | Others |
| Group C | 8516.31.00.00.19** | Others |

*The imports of the products with Customs Code 8509.80.00.00.11 in Group A1 are kept in kilograms and the statistics on the imports of products with other Custom Codes are included in pieces. Thus, the products with Customs Code 8509.80.00.00.11 are shown separately in some of the calculations.

** Turkish Customs Tariff Code of the product was 8516.31.90.00.00 in the application, but it has changed in 2011 and the product is now classified under 8516.31.00.00.19.

2.4. Technical Specifications

Details of the basic components comprising the subject electrical appliances are given below.

Plastic and metal exterior: These are plastic and metal parts produced according to the function and the desired external design of the appliance. The plastic components are produced from thermoplastics and the main thermoplastics used are polypropylene (PP), acrylonitril-butadien-stryrene (ABS), styrene-acrylonitril (SAN), polyamide (PA), polybutyleneterephthalate (PBT) and polycarbonate (PC), which are heat resistant types. Some of these thermal plastics are procured domestically and some are imported from the Far East or Europe. The plastic parts produced by the injection moulding technique are colored by powdered paint added to the plastic raw material. Also, plastic parts may be colored by wet paint considering aesthetic elements after the production stage. The brand of the product is introduced on plastic components either by serigraphy or by silicone buffer machines. The metal parts of the product are made of aluminum DKP steel sheets or stainless steel. Metal raw materials are generally procured domestically or from Europe. Production of metal components is carried out by the pressing technique. Metal components are colored by electrostatic powder coating.

Motor: The subject electrical appliances may contain a motor depending on the function of the device. The features of the motors used in the subject appliances may vary depending on the function of the appliance. For example, the motors of electrical appliances used in the

kitchen have powers of generally between 400 Watt and 1000 Watt; these being AC motors running at 13,000 to 29,000 rpm. However, the power and rpm of the motors of for example, fruit and vegetable juice extractors are lower because of the function of the device. Furthermore, the motor power and rpm of certain electrical appliances used in the kitchen may be modified by electronic cards. Also, DC motors between 30 Watt and 60 Watt running on about 20,000 rpm are used in recharged hand vacuums. The motors of hair dryers run at 10 Watt and 12,000 to 17,000 rpm.

Resistance Mechanism: This is the part used for transforming electrical power into heat energy for producing heat in cases where the appliance needs heat to fulfill its function. Manufacturers wrap the resistance wire they procure on the appliance by winders. The technical specifications of the resistance mechanism may vary by the function of the electrical appliance.

Thermostat: This is the part, which has the function to prevent overheating of heating appliances and to ensure that the temperature of the appliance stays at a certain level. Bimetal thermostats are used to set the temperatures of products like waffle makers and deep fryers. The part used for breaking the electrical current at a certain temperature is called a thermal breaker.

Cable: The subject appliances get the electrical power they require from the city grid. Certain appliances may use electrical power by storing it. In any case, a cable, which transmits the electrical power from the city grid to the appliance, is needed. The length and cross-section of the cable is determined according to the function of the appliance and the magnitude of the current.

On/Off mechanism: This is the part used for turning on, shutting down or for multi-stage temperature settings for the electrical current carried by the plugged cable.

Fan: These are fans with minimum two blades, generally made of plastic, used for moving hot or cold air regularly, depending on the function of the appliance.

Electronic circuit: This is a part that may be used for fulfillment of functions like setting temperature level and changing the rpm of the motor depending on the function of the appliance.

2.5. Production Process

The production of the subject product may be taken as a whole; comprising the pre-manufacturing processes, the manufacturing stage and the post-manufacturing processes, which includes all processes creating added value. In this context, the production process comprises mainly the following stages.

Design: The production process of the subject products starts with the design phase representing the process of planning for development of a new product. Product design may be done either by the research development departments of the manufacturer or may be outsourced. Although the subject appliances are products designed for contemplated use, decorative and aesthetic elements also play an important role in their designs as they are mostly used in home environments. Hence, products with numerous different designs fulfilling similar functions are being produced. Also, functional elements like generated power, consumed energy and safety features comprise yet another dimension of product design.

Production or procurement of main components: The firms either manufacture themselves or outsource the above listed main components used in production (plastic and metal parts, motor, heating mechanism, cable, etc.).

Assembly: This stage represents the assembly and turning into the final product of semi-finished goods and components and parts along the assembly line. Since materials used in the production of subject products are basically the same, firms may produce multiple products in an assembly line depending on their production planning.

Quality control: Finished products go through performance and function tests at the end of the production line like assembly compliance check, functional check, quality check and electrical resistance check. In addition, certain parts are tested before parts are assembled.

Packing: Products, the production of which are completed, are packed in styropor and boxes together with their user guides, service lists and warranty certificates and are placed in stocks.

Sale Operations: Some of the manufacturers produce brands with high recognition domestically and sell their products to the said brand owning firms. Other firms produce both other brands and also their own. Sales of kitchen products and those used for cleaning and personal care increase on special days like the new year and mother's day.

After-sale services: It is a statutory obligation that firms provide after-sale services for the subject products. In addition to this, certain firms provide such services at a level beyond statutory obligations in an attempt to strengthen the awareness of the consumers of the products and increasing the market share of such goods.

SECTION THREE

3. INCREASE OBSERVED IN IMPORTS OF SUBJECT PRODUCT

The data on the imports of the subject product by groups are given below and the import data by country is submitted attached to this document. The periodical statistics cover the January-June period. Besides, the imports of the products with Customs Code 8516.31.00.00.19 in Group C, for 2011; the imports of the products with Customs Code 8509.80.00.00.11 in Group A1, for the period under examination, are kept in kilograms and the statistics on the imports of products with other Custom Codes are included in pieces. In this context, the products the import statistics of which are kept in pieces have been designated as Group A1.1 and those with import statistics in kilograms are designated as Group A1.2 and the data on the imports of these products are given below.

3.1. Group A1

| Imports-Group A1.1 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011 (6) |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|-----------------|
| Pieces | 2.018.240 | 2.208.904 | 2.220.694 | 1.867.809 | 454.731 | 602.518 | 294.369 | 387.858 |
| Index | 100 | 109 | 110 | 93 | 23 | 30 | 100* | 132* |
| Ratio to Domestic Production % | 139 | 123 | 134 | 133 | 35 | 35 | 35 | 44 |
| Market Share % | 81 | 78 | 83 | 81 | 40 | 39 | 38 | 41 |

*Indexed according to the period 2010 January-June

It is observed that Group A1.1 imports, which were over 2,220,000 pieces in 2007, declined about 1,600,000 pieces in 2010 with a decrease of 73 %. Imports have increased by 32 % in 2011 January-June period compared to the same period in 2010. The ratio of imports to domestic production was % 139 in 2005, going down to 35 % in 2010, becoming 44 % in 2011 January-June period. It is observed that a decrease has taken place in the market share of imports in the period under examination.

| Imports-Group A1.2 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011 (6) |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|-----------------|
| Kg | 213.361 | 527.776 | 1.389.780 | 173.869 | 113.940 | 119.975 | 24.937 | 38.157 |
| Index | 100 | 247 | 651 | 81 | 53 | 56 | 100* | 153* |

*Indexed according to the period 2010 January-June

It is observed that the imports of Group A1.2, which was over 1,300,000 kilograms in 2007, decreased by 87 % and 92 % in 2008 and in 2009. It is increased of 5 % and has reached about 120,000 kilograms in 2010. Periodical imports have risen by 53 % in 2011 compared to 2010. Since import statistics are kept in kilograms and production statistics in pieces, the relative import and market share figures for this group are not provided.

3.2. Group A2

| Imports-Group A2 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011 (6) |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|-----------------|
| Pieces | 448.864 | 537.622 | 833.807 | 839.747 | 393.910 | 331.385 | 174.726 | 114.106 |
| Index | 100 | 120 | 186 | 187 | 88 | 74 | 100* | 65* |
| Ratio to Domestic Production % | 244 | 131 | 175 | 192 | 77 | 52 | 58 | 26 |
| Market Share % | 75 | 68 | 72 | 78 | 54 | 50 | 53 | 30 |

*Indexed according to the period 2010 January-June

It is observed that Group A2 imports, which were at their highest level of 839,000 pieces in 2008, decreased respectively by 53 % and 16 % in the following years. Imports have decreased in year 2011 January-June period by 35 % compared to the same period of 2010. It is observed that the ratio of imports to domestic production decreased to 52 % in 2010 from its 2005 level of 244 % and has gone down to 26 % in 2011 January-June period. There has been a decrease in the market share of imports during the period under examination as well.

3.3. Group B

| Imports-Group B | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011 (6) |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|-----------------|
| Pieces | 400.501 | 493.538 | 558.201 | 714.341 | 209.921 | 327.373 | 143.938 | 240.403 |
| Index | 100 | 123 | 139 | 178 | 52 | 82 | 100* | 167* |
| Ratio to Domestic Production % | 285 | 444 | 544 | 912 | 264 | 191 | 213 | 359 |
| Market Share % | 81 | 86 | 89 | 93 | 76 | 68 | 71 | 80 |

*Indexed according to the period 2010 January-June

It is observed that Group B imports, which were at their highest level of 714,000 pieces in 2008, decreased by 71 % in 2009 and increased by 56 % in 2010. Imports have increased in

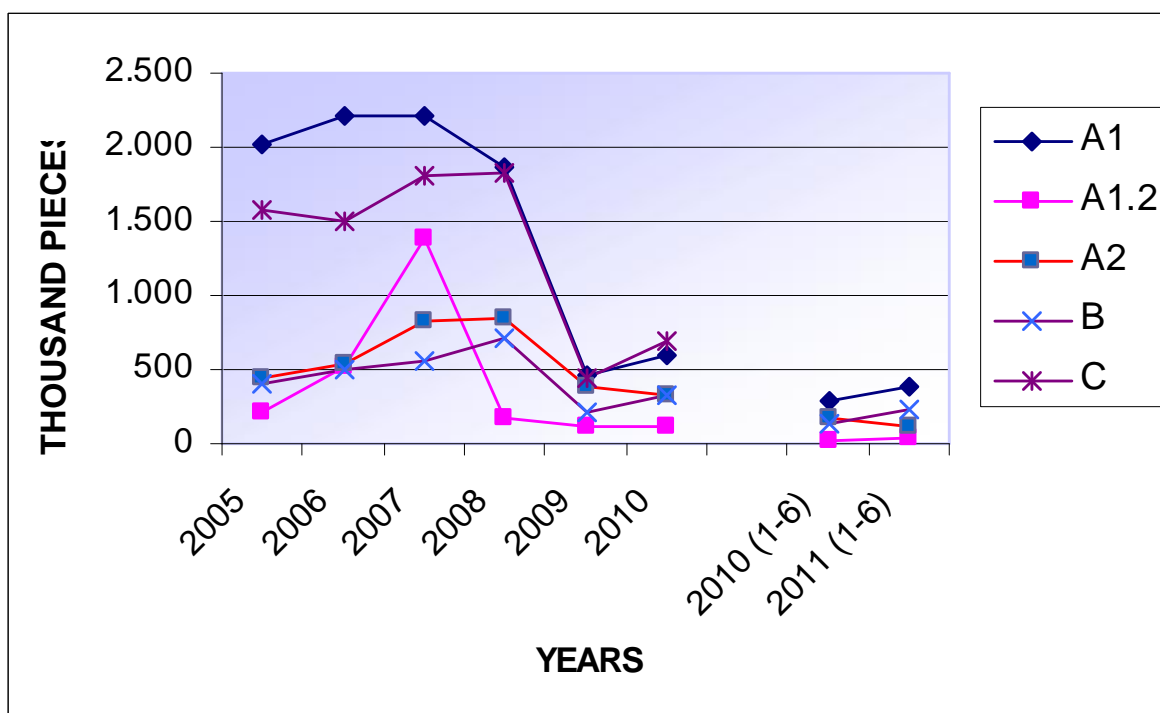
year 2011 January-June period by 67 % compared to the same period of 2010. It is observed that the ratio of imports to domestic production decreased to 191 % in 2010 from its 2005 level of 285 % and has gone up to 359 % in 2011 January-June period. The market share of imports fluctuated during the period under examination.

3.4. Group C

| Imports-Group C | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011 (6) (KG) |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|----------------------|
| Pieces | 1.584.290 | 1.483.334 | 1.798.332 | 1.835.716 | 445.002 | 693.194 | 337.952 | 515.147 |
| Index | 100 | 94 | 114 | 116 | 28 | 44 | - | - |
| Ratio to Domestic Production % | 1.199 | 1.888 | 3.619 | 4.745 | 238 | 97 | 125 | --- |
| Market Share % | 92 | 95 | 97 | 98 | 71 | 51 | 57 | --- |

It is observed that Group C imports, which were at their highest level of 1,835,000 pieces in 2008, decreased by 76 % and increased by 56 % in 2010. Since import statistics are kept in kilograms in 2011 comparison of imports, the relative import and market share figures January-June 2010 and 2011 for this group are not provided. It is observed that the ratio of imports to domestic production decreased to 97 % in 2010 from its 2005 level of 1,199 %. There has been a decrease in the market share of imports during the period under examination as well.

3.5. Conclusion



Upon an examination of the import statistics for 2005-2010 period for the subject product, it is observed that imports of all groups decreased after the application of current safeguard measure in 2008. For 2010 and 2011 January-June period, the imports of all groups increased other than Group A2.

SECTION FOUR

4. DETAILS OF DOMESTIC PRODUCTION

Details of domestic production presented in the application are shown below.

4.1. Group A1

| Consumption-Group A1.1 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011(6) |
|------------------------|------|------|------|------|------|------|----------|---------|
| Index | 100 | 114 | 107 | 93 | 45 | 63 | 100* | 122* |

*Indexed according to the period 2010 January-June

Since the import statistics of Group A1.2 is in kilograms, consumption figures are given for Group A1.1. Group A1.1's domestic consumption has continuously decreased from 2005 through 2009. It is observed that consumption started to increase in 2010 and in 2011 January-June period compared to the same period of the previous year, it has increased by 22 %.

| Production-Group A1 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011(6) |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|----------------|
| Index | 100 | 123 | 114 | 97 | 90 | 119 | 100* | 104* |

*Indexed according to the period 2010 January-June

Group A1 production increased by 23 % in 2006 with a drop of 8 % in 2007, 15 % in 2008, 7 % in 2009. It increased by 32 % in 2010 and a rise of 4 % has been observed in 2011 January-June period compared to the same period of 2010.

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010(6) | 2011(6) |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|----------------|
| Capacity (Thousand Pieces) | 1.924 | 2.163 | 3.145 | 3.145 | 3.470 | 3.870 | 1.935 | 1.935 |
| Capacity Utilization Rate (%) | 77 | 83 | 53 | 45 | 38 | 45 | 44 | 46 |

The yearly production capacity of domestic producers continued to rise in the period after the safeguard measure. Despite an increase in 2010 in capacity utilization rate, domestic producers still use less than half of their capacity.

| Domestic Sales-Group A1 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011(6) |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|----------------|
| Index | 100 | 130 | 97 | 95 | 141 | 202 | 100* | 115* |

*Indexed according to the period 2010 January-June

The domestic sales of Group A1 increased after the application of the current safeguard measure and reached the highest point in 2010. Six-month sales for 2011 have increased by 23 % behind that for the same period in 2010.

| Inventories | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Pieces | 56.425 | 62.140 | 32.955 | 35.548 | 23.524 | 144.569 |

Inventories of domestic producers increased significantly after 2009.

| Employment -Group A1 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011(6) |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|----------------|
| Index | 100 | 118 | 118 | 115 | 111 | 124 | 100* | 103* |

*Indexed according to the period 2010 January-June

Group A1 employment increased by 18 % in 2006 and remained relatively horizontal until 2010. It increased by 4 % in 2011 January-June period compared to the same period of 2010.

| Productivity-Group A1 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Index | 100 | 104 | 97 | 84 | 81 | 96 |

It is observed that work force productivity continuously decreased after 2006 in Group A1 production, but it started to increase in 2010.

| Profitability- Group A1 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| % | 1 | 0 | -2 | -2 | 0 | 1 |

It is observed that the profitability in the sales of Group A1 showed a decreasing trend until 2009 taking negative values in 2009 and 2010.

4.2. Group A2

| Consumption-Group A2 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011(6) |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|----------------|
| Index | 100 | 142 | 203 | 187 | 135 | 136 | 100* | 119* |

*Indexed according to the period 2010 January-June

The domestic consumption for Group A2 continuously decreased from 2007 until 2010. It is observed that consumption has risen by 19 % in 2011 January-June period, compared to the same period of the previous year.

| Production-Group A2 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011(6) |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|----------------|
| Index | 100 | 223 | 259 | 238 | 279 | 347 | 100* | 145* |

*Indexed according to the period 2010 January-June

Group A2 production continuously increased in the period under examination except for 2008. It is observed that production has risen by 45 % in 2011 January-June period, compared to the same period of the previous year.

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010(6) | 2011(6) |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|----------------|
| Capacity (Thousand Pieces) | 250 | 500 | 550 | 700 | 700 | 830 | 415 | 508 |
| Capacity Utilization Rate (%) | 74 | 82 | 87 | 62 | 73 | 77 | 72 | 86 |

The yearly production capacity of domestic producers increased in 2010. The capacity utilization rate continuously rose after the application of the current safeguard measure.

| Domestic Sales-Group A2 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011(6) |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|----------------|
| Index | 100 | 207 | 255 | 188 | 275 | 320 | 100* | 164* |

*Indexed according to the period 2010 January-June

The domestic sales of Group A2 increased after the application of the current safeguard measure and reached the highest point in 2010. Six-month sales for 2011 have increased by 64 % behind that for the same period in 2010.

| Inventories | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Pieces | 8.944 | 14.032 | 13.341 | 79.405 | 29.864 | 77.623 |

Inventories of domestic producers increased after 2009.

| Employment -Group A2 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011(6) |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|----------------|
| Index | 100 | 224 | 217 | 217 | 301 | 344 | 100* | 119* |

*Indexed according to the period 2010 January-June

Group A2 employment increased by 124 % in 2006 and remained relatively horizontal until 2009. It increased by 19 % in 2011 January-June period compared to the same period of 2010.

| Productivity-Group A2 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Index | 100 | 99 | 119 | 109 | 93 | 101 |

In Group A2 production, work force productivity was in a fluctuating trend in the period under examination, reaching its highest value in 2007.

| Profitability-Group A2 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| % | 2 | 1 | 5 | 5 | 4 | 7 |

It is observed that the profitability in the sales of Group A2 showed a fluctuating trend in the period under examination, reaching its highest value in 2010.

4.3. Group B

| Consumption-Group B | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011(6) |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|----------------|
| Index | 100 | 117 | 100 | 122 | 44 | 77 | 100* | 147* |

The domestic consumption for Group B continuously fluctuated from 2005 until 2010. It is observed that consumption has risen by 47 % in 2011 January-June period, compared to the same period of the previous year.

| Production-Group B | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011(6) |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|----------------|
| Index | 100 | 79 | 73 | 56 | 57 | 122 | 100* | 99* |

*Indexed according to the period 2010 January-June

Group B production increased after the application of the current safeguard measure in 2008. It is observed that production has decreased by 1 % in 2011 January-June period, compared to the same period of the previous year.

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010(6) | 2011(6) |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|----------------|
| Capacity (Thousand Pieces) | 196 | 200 | 200 | 200 | 200 | 200 | 100 | 100 |
| Capacity Utilization Rate (%) | 72 | 56 | 51 | 39 | 40 | 85 | 68 | 67 |

The yearly production capacity of domestic producers remained constant after 2005. The capacity utilization rate continuously rose after the application of the current safeguard measure.

| Domestic Sales-Group B | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011(6) |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|----------------|
| Index | 100 | 89 | 75 | 55 | 70 | 167 | 100* | 99* |

*Indexed according to the period 2010 January-June

The domestic sales of Group B increased after the application of the current safeguard measure and reached the highest point in 2010. Six-month sales for 2011 have decreased by 1 % behind that for the same period in 2010.

| Inventories | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Pieces | 7.264 | 3.296 | 2.097 | 2.285 | 4.088 | 1.494 |

Inventories of domestic producers decreased after 2009.

| Employment-Group B | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011(6) |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|----------------|
| Index | 100 | 78 | 72 | 63 | 63 | 116 | 100* | 100* |

*Indexed according to the period 2010 January-June

Group B employment decreased by 22 % in 2006 and remained relatively horizontal until 2010. It has remained the same for the six-month periods.

| Productivity-Group B | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Index | 100 | 101 | 102 | 89 | 91 | 105 |

It is observed that work force productivity ran a similar course overall in the period under examination except for 2008 and 2009.

| Profitability-Group B | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| % | 26 | 20 | 9 | 7 | -5 | 16 |

The profitability in Group B sales decreased in the period under examination except for 2010, reaching a negative value in 2009.

4.4. Group C

| Consumption-Group C | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011(6) |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|----------------|
| Index | 100 | 92 | 108 | 109 | 37 | 79 | -- | -- |

The domestic consumption for Group C continuously fluctuated from 2005 until 2010. Since, the imports of the products with Customs Code 8516.31.00.00.19 in Group C are kept in kilograms in 2011 and the previous import statistics are kept in pieces, six-month comparison of this group is not provided.

| Production-Group C | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (1-6) | 2011 (1-6) |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------------|-------------------|
| Index | 100 | 59 | 38 | 29 | 141 | 541 | 100* | 239* |

*Indexed according to the period 2010 January-June

Group C production increased after the application of the current safeguard measure in 2008 and reached its highest point in 2010. It is observed that production has increased by 139 % in 2011 January-June period, compared to the same period of the previous year.

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010(6) | 2011(6) |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|----------------|
| Capacity (Thousand Pieces) | 1.250 | 1.250 | 1.250 | 1.250 | 1.400 | 1.840 | 920 | 1.275 |
| Capacity Utilization Rate (%) | 11 | 6 | 4 | 3 | 13 | 39 | 29 | 51 |

The yearly production capacity of domestic producers increased after the application of the current safeguard measure. The capacity utilization rate continuously rose after the said measure.

| Domestic Sales-Group C | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011(6) |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|----------------|
| Index | 100 | 66 | 40 | 31 | 142 | 509 | 100* | 197* |

*Indexed according to the period 2010 January-June

The domestic sales of Group C increased after the application of the current safeguard measure and reached the highest point in 2010. Six-month sales for 2011 have increased by 97 % behind that for the same period in 2010.

| Inventories | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Pieces | 14.212 | 7.570 | 5.732 | 4.272 | 6.968 | 44.643 |

Inventories of domestic producers increased after 2008.

| Employment-Group C | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 (6) | 2011(6) |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|----------------|
| Index | 100 | 86 | 73 | 67 | 96 | 218 | 100* | 232* |

*Indexed according to the period 2010 January-June

Group C employment decreased by 14 % in 2006 and started to increase after the application of the current safeguard measure in 2008. It is observed that employment has increased by 132 % in 2011 January-June period, compared to the same period of the previous year.

| Productivity-Group C | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Index | 100 | 69 | 51 | 43 | 147 | 248 |

It is observed that work force productivity in Group C production fell from 2005 through 2008. Productivity reached its highest level in 2010.

| Profitability-Group C | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| % | 18 | 6 | 7 | -15 | 7 | 9 |

An analysis of the profitability in Group C sales in the period under examination shows that profitability retreated to its lowest level in 2008.

SECTION FIVE

5. CONCLUSION

Safeguard measure started to be applied on the imports of subject goods starting from 01/11/2008. While imports figure decreased significantly after this date, it started to increase in 2010 again.

Some economic figures of domestic producers indicate a positive trend after 2008. However, capacity utilization rate and market share demonstrate that domestic production couldn't complete its positioning in the market yet. In the period in which safeguard measure has been in force, some producers started to produce with their own brands or to use domestic producers for their brands. On this basis, it can be stated that domestic producers need additional time to secure their positions.

On the other hand, the above mentioned electrical appliances consume some time to design and to switch to a mass production. Thus, it is claimed in the application that to design and to produce such products need at least 1,5 years to be competitive. Further, it is also stated that domestic producers need to gain an economies of scale to be competitive and the current 3-year safeguard measure is not sufficient to fulfill these objectives.

Consequently, rapidly increasing imports continue to cause serious injury while domestic producers are still in adjustment process. Within this circumstance, domestic producers demand the extension of current safeguard measure and inception of a safeguard investigation for extension. In addition, a provisional measure should be applied during the investigation period.

| | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------|--|--|--|--|----|-----|------|------|-----|-------|------|------|-----|--------|---------|------|----|-----|------|------|--|--|--|--|
| HONG-KONG | | | | | 28 | 393 | 14,0 | 0,00 | 104 | 1.526 | 14,7 | 0,00 | 241 | 5.620 | 23,3 | 0,00 | 10 | 138 | 13,8 | 0,00 | | | | |
| SWITZERLAND | | | | | | | | | | | | | 16 | 20.499 | 1.281,2 | 0,00 | | | | | | | | |

| | 2005 | | | | 2006 | | | | 2007 | | | | 2008 | | | | 2009 | | | | 2010 | | | | |
|----------------------|----------------|------------------|------------|-------------|----------------|------------------|------------|-------------|----------------|------------------|------------|-------------|----------------|------------------|-------------|-------------|----------------|------------------|-------------|-------------|---------------|------------------|-------------|-------------|------|
| 850940000013 | PIECES | \$ | U.P. | PIECES % | PIECES | \$ | U.P. | PIECES % | PIECES | \$ | U.P. | PIECES % | PIECES | \$ | U.P. | PIECES % | PIECES | \$ | U.P. | PIECES % | PIECES | \$ | U.P. | PIECES % | |
| ALL COUNTRIES | 979.730 | 7.909.937 | 8,1 | 1,00 | 978.075 | 9.452.360 | 9,7 | 1,00 | 628.246 | 5.834.177 | 9,3 | 1,00 | 559.383 | 6.710.179 | 12,0 | 1,00 | 118.017 | 2.111.853 | 17,9 | 1,00 | 78.812 | 1.613.649 | 20,5 | 1,00 | |
| CHINA | 812.555 | 4.304.856 | 5,3 | 0,83 | 735.072 | 4.771.235 | 6,5 | 0,75 | 568.221 | 3.904.985 | 6,9 | 0,90 | 511.111 | 5.215.123 | 10,2 | 0,91 | 32.036 | 456.939 | 14,3 | 0,27 | 46.702 | 756.763 | 16,2 | 0,59 | |
| POLAND | | | | | | | | | 4.832 | 58.475 | 12,1 | 0,01 | 14.298 | 181.375 | 12,7 | 0,03 | 49.950 | 694.660 | 13,9 | 0,42 | 15.270 | 244.340 | 16,0 | 0,19 | |
| SLOVENIA | 21.437 | 401.279 | 18,7 | 0,02 | 67.709 | 1.017.138 | 15,0 | 0,07 | 18.292 | 600.169 | 32,8 | 0,03 | 13.880 | 539.128 | 38,8 | 0,02 | 34.884 | 832.434 | 23,9 | 0,30 | 12.780 | 398.882 | 31,2 | 0,16 | |
| EGYPT | | | | | | | | | | | | | | | | | | | | | | 1.500 | 27.770 | 18,5 | 0,02 |
| FRANCE | 77.112 | 1.429.492 | 18,5 | 0,08 | 50.877 | 958.648 | 18,8 | 0,05 | 9.517 | 360.293 | 37,9 | 0,02 | 17.981 | 485.148 | 27,0 | 0,03 | 853 | 65.734 | 77,1 | 0,01 | 989 | 23.436 | 23,7 | 0,01 | |
| GERMANY | 1.895 | 56.631 | 29,9 | 0,00 | 4.506 | 142.390 | 31,6 | 0,00 | 1 | 586 | 586,0 | 0,00 | 117 | 10.443 | 89,3 | 0,00 | 48 | 824 | 17,2 | 0,00 | 969 | 11.390 | 11,8 | 0,01 | |
| USA | 1.637 | 236.822 | 144,7 | 0,00 | 1.219 | 181.466 | 148,9 | 0,00 | 1.932 | 263.063 | 136,2 | 0,00 | 514 | 221.289 | 430,5 | 0,00 | 193 | 46.495 | 240,9 | 0,00 | 291 | 95.854 | 329,4 | 0,00 | |
| ITALY | 55 | 10.517 | 191,2 | 0,00 | 158 | 13.962 | 88,4 | 0,00 | 103 | 21.212 | 205,9 | 0,00 | 166 | 21.931 | 132,1 | 0,00 | 46 | 10.499 | 228,2 | 0,00 | 109 | 29.973 | 275,0 | 0,00 | |
| IRAN | | | | | | | | | | | | | | | | | | | | | | 100 | 2.885 | 28,9 | 0,00 |
| BELGIUM | | | | | | | | | | | | | | | | | | | | | | 60 | 1.522 | 25,4 | 0,00 |
| ENGLAND | 155 | 5.735 | 37,0 | 0,00 | 92 | 5.745 | 62,4 | 0,00 | | | | | 4 | 5.088 | 1.272,0 | 0,00 | 7 | 4.268 | 609,7 | 0,00 | 30 | 19.758 | 658,6 | 0,00 | |
| SWITZERLAND | 11 | 760 | 69,1 | 0,00 | 150 | 9.287 | 61,9 | 0,00 | | | | | | | | | | | | | | 12 | 1.076 | 89,7 | 0,00 |
| BRAZIL | 1.344 | 21.332 | 15,9 | 0,00 | 1.703 | 35.265 | 20,7 | 0,00 | 648 | 21.331 | 32,9 | 0,00 | 360 | 12.016 | 33,4 | 0,00 | | | | | | | | | |
| CZECH REP. | 333 | 9.866 | 29,6 | 0,00 | | | | | | | | | | | | | | | | | | | | | |
| SPAIN | 63.196 | 1.432.647 | 22,7 | 0,06 | 80.905 | 2.091.181 | 25,8 | 0,08 | 24.268 | 586.595 | 24,2 | 0,04 | 225 | 2.179 | 9,7 | 0,00 | | | | | | | | | |
| HOLLAND | | | | | 2 | 109 | 54,5 | 0,00 | 4 | 1.660 | 415,0 | 0,00 | 4 | 1.881 | 470,3 | 0,00 | | | | | | | | | |
| HONG-KONG | | | | | 34.248 | 144.602 | 4,2 | 0,04 | 8 | 402 | 50,3 | 0,00 | 84 | 4.228 | 50,3 | 0,00 | | | | | | | | | |
| ROMANYA | | | | | 110 | 2.162 | 19,7 | 0,00 | | | | | | | | | | | | | | | | | |
| JORDAN | | | | | 274 | 10.618 | 38,8 | 0,00 | | | | | | | | | | | | | | | | | |
| IRELAND | | | | | 1.050 | 68.552 | 65,3 | 0,00 | | | | | | | | | | | | | | | | | |
| COLOMBIA | | | | | | | | | 60 | 543 | 9,1 | 0,00 | 25 | 458 | 18,3 | 0,00 | | | | | | | | | |
| HUNGARY | | | | | | | | | 360 | 14.863 | 41,3 | 0,00 | 110 | 3.673 | 33,4 | 0,00 | | | | | | | | | |
| INDONESIA | | | | | | | | | | | | | 504 | 6.219 | 12,3 | 0,00 | | | | | | | | | |

| | 2005 | | | | 2006 | | | | 2007 | | | | 2008 | | | | 2009 | | | | 2010 | | | | |
|----------------------|---------------|------------------|-------------|-------------|----------------|------------------|-------------|-------------|----------------|-------------------|-------------|-------------|----------------|-------------------|-------------|-------------|----------------|------------------|-------------|-------------|----------------|------------------|-------------|-------------|------|
| 850940000015 | PIECES | \$ | U.P. | PIECES % | PIECES | \$ | U.P. | PIECES % | PIECES | \$ | U.P. | PIECES % | PIECES | \$ | U.P. | PIECES % | PIECES | \$ | U.P. | PIECES % | PIECES | \$ | U.P. | PIECES % | |
| ALL COUNTRIES | 92.218 | 1.922.618 | 20,8 | 1,00 | 224.445 | 4.201.472 | 18,7 | 1,00 | 678.954 | 11.683.363 | 17,2 | 1,00 | 573.973 | 12.046.783 | 21,0 | 1,00 | 199.568 | 5.760.046 | 28,9 | 1,00 | 300.999 | 9.297.686 | 30,9 | 1,00 | |
| CHINA | 74.938 | 1.209.969 | 16,1 | 0,81 | 206.154 | 3.398.901 | 16,5 | 0,92 | 620.065 | 9.778.325 | 15,8 | 0,91 | 450.447 | 7.987.365 | 17,7 | 0,78 | 104.970 | 2.159.351 | 20,6 | 0,53 | 161.249 | 3.985.768 | 24,7 | 0,54 | |
| POLAND | | | | | 40 | 1.811 | 45,3 | 0,00 | 41.022 | 1.097.298 | 26,7 | 0,06 | 80.394 | 2.340.696 | 29,1 | 0,14 | 79.086 | 2.809.094 | 35,5 | 0,40 | 88.086 | 2.789.582 | 31,7 | 0,29 | |
| SLOVENIA | 8.109 | 304.289 | 37,5 | 0,09 | 6.210 | 253.917 | 40,9 | 0,03 | 3.942 | 227.945 | 57,8 | 0,01 | 3.635 | 244.459 | 67,3 | 0,01 | 4.725 | 339.916 | 71,9 | 0,02 | 25.776 | 1.191.684 | 46,2 | 0,09 | |
| CZECH REP. | 216 | 6.156 | 28,5 | 0,00 | | | | | | | | | | | | | | | | | | 16.836 | 522.079 | 31,0 | 0,06 |

| | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------|-------|---------|-------|------|-------|---------|-------|------|-------|---------|-------|------|--------|-----------|-------|------|--------|---------|-------|------|-------|---------|-------|------|
| FRANCE | 7.297 | 342.239 | 46,9 | 0,08 | 7.026 | 370.241 | 52,7 | 0,03 | 7.090 | 357.539 | 50,4 | 0,01 | 37.510 | 1.278.004 | 34,1 | 0,07 | 10.201 | 306.971 | 30,1 | 0,05 | 4.119 | 263.838 | 64,1 | 0,01 |
| EGYPT | | | | | | | | | | | | | | | | | | | | | 2.000 | 103.519 | 51,8 | 0,01 |
| USA | | | | | | | | | | | | | 563 | 128.856 | 228,9 | 0,00 | 580 | 143.725 | 247,8 | 0,00 | 1.309 | 311.834 | 238,2 | 0,00 |
| GERMANY | 1.120 | 39.354 | 35,1 | 0,01 | 4.623 | 151.366 | 32,7 | 0,02 | 109 | 4.788 | 43,9 | 0,00 | 24 | 3.986 | 166,1 | 0,00 | | | | | 843 | 76.279 | 90,5 | 0,00 |
| HUNGARY | | | | | | | | | 2.114 | 91.625 | 43,3 | 0,00 | 652 | 36.556 | 56,1 | 0,00 | | | | | 616 | 34.423 | 55,9 | 0,00 |
| SPAIN | 456 | 10.023 | 22,0 | 0,00 | | | | | 4.582 | 121.774 | 26,6 | 0,01 | 198 | 3.367 | 17,0 | 0,00 | | | | | 160 | 16.198 | 101,2 | 0,00 |
| ENGLAND | 29 | 8.565 | 295,3 | 0,00 | | | | | | | | | | | | | | | | | 3 | 627 | 209,0 | 0,00 |
| ITALY | 1 | 407 | 407,0 | 0,00 | 386 | 20.622 | 53,4 | 0,00 | 6 | 3.014 | 502,3 | 0,00 | 26 | 5.561 | 213,9 | 0,00 | | | | | 2 | 1.855 | 927,5 | 0,00 |
| GREECE | 52 | 1.616 | 31,1 | 0,00 | | | | | | | | | | | | | | | | | | | | |
| SWITZERLAND | | | | | 6 | 4.614 | 769,0 | 0,00 | | | | | | | | | | | | | | | | |
| HONG-KONG | | | | | | | | | 4 | 689 | 172,3 | 0,00 | | | | | | | | | | | | |
| PORTUGAL | | | | | | | | | 20 | 366 | 18,3 | 0,00 | | | | | | | | | | | | |
| BRAZIL | | | | | | | | | | | | | 524 | 17.933 | 34,2 | 0,00 | | | | | | | | |
| AUSTRIA | | | | | | | | | | | | | | | | | 5 | 733 | 146,6 | 0,00 | | | | |
| SWEDEN | | | | | | | | | | | | | | | | | 1 | 256 | 256,0 | 0,00 | | | | |

| | 2005 | | | | 2006 | | | | 2007 | | | | 2008 | | | | 2009 | | | | 2010 | | | |
|----------------------|----------------|------------------|-------------|-------------|----------------|------------------|-------------|-------------|----------------|------------------|-------------|-------------|----------------|------------------|-------------|-------------|---------------|----------------|-------------|-------------|---------------|------------------|-------------|-------------|
| 850940000019 | PIECES | \$ | U.P. | PIECES % | PIECES | \$ | U.P. | PIECES % | PIECES | \$ | U.P. | PIECES % | PIECES | \$ | U.P. | PIECES % | PIECES | \$ | U.P. | PIECES % | PIECES | \$ | U.P. | PIECES % |
| ALL COUNTRIES | 139.047 | 2.220.655 | 16,0 | 1,00 | 203.473 | 3.805.693 | 18,7 | 1,00 | 194.360 | 3.530.234 | 18,2 | 1,00 | 208.150 | 3.381.624 | 16,2 | 1,00 | 22.205 | 396.920 | 17,9 | 1,00 | 62.150 | 1.099.150 | 17,7 | 1,00 |
| CHINA | 98.997 | 1.110.179 | 11,2 | 0,71 | 177.663 | 2.943.336 | 16,6 | 0,87 | 187.719 | 3.091.180 | 16,5 | 0,97 | 199.137 | 3.139.401 | 15,8 | 0,96 | 20.484 | 334.871 | 16,3 | 0,92 | 42.895 | 716.395 | 16,7 | 0,69 |
| SLOVENIA | 1.552 | 85.524 | 55,1 | 0,01 | 2.521 | 150.670 | 59,8 | 0,01 | 3.326 | 231.635 | 69,6 | 0,02 | 90 | 5.888 | 65,4 | 0,00 | | | | 0,00 | 18.706 | 350.890 | 18,8 | 0,30 |
| GERMANY | 114 | 2.150 | 18,9 | 0,00 | 623 | 14.225 | 22,8 | 0,00 | 479 | 10.643 | 22,2 | 0,00 | 131 | 2.615 | 20,0 | 0,00 | 49 | 6.176 | 126,0 | 0,00 | 241 | 5.252 | 21,8 | 0,00 |
| SLOVAKIA | | | | | | | | | | | | | | | | | | | | | 204 | 4.709 | 23,1 | 0,00 |
| SPAIN | 1.920 | 19.220 | 10,0 | 0,01 | 746 | 49.383 | 66,2 | 0,00 | | | | | | | | | | | | | 81 | 13.892 | 171,5 | 0,00 |
| ITALY | 31 | 9.992 | 322,3 | 0,00 | 526 | 24.897 | 47,3 | 0,00 | 2.067 | 155.684 | 75,3 | 0,01 | 98 | 4.609 | 47,0 | 0,00 | 6 | 4.108 | 684,7 | 0,00 | 20 | 6.650 | 332,5 | 0,00 |
| ENGLAND | | | | | 170 | 16.746 | 98,5 | 0,00 | 61 | 1.853 | 30,4 | 0,00 | 24 | 2.972 | 123,8 | 0,00 | | | | | 2 | 780 | 390,0 | 0,00 |
| INDIA | | | | | | | | | | | | | | | | | | | | | 1 | 582 | 582,0 | 0,00 |
| USA | 1 | 1.139 | 1.139,0 | 0,00 | 1 | 5.311 | 5.311,0 | 0,00 | 2 | 6.138 | 3.069,0 | 0,00 | 5 | 29.425 | 5.885,0 | 0,00 | | | | | | | | |
| FRANCE | 28.025 | 651.248 | 23,2 | 0,20 | 18.307 | 527.835 | 28,8 | 0,09 | 629 | 12.859 | 20,4 | 0,00 | 8.633 | 193.591 | 22,4 | 0,04 | 126 | 22.743 | 180,5 | 0,01 | | | | |
| NORWAY | 2 | 1.894 | 947,0 | 0,00 | | | | | | | | | | | | | | | | | | | | |
| POLAND | 8.009 | 325.216 | 40,6 | 0,06 | | | | | | | | | | | | | | | | | | | | |
| CZECH REP. | 396 | 14.093 | 35,6 | 0,00 | 304 | 17.195 | 56,6 | 0,00 | | | | | | | | | | | | | | | | |
| S. KOREA | | | | | 1 | 750 | 750,0 | 0,00 | | | | | | | | | | | | | | | | |
| HONG-KONG | | | | | 2.148 | 32.220 | 15,0 | 0,01 | 15 | 293 | 19,5 | 0,00 | 30 | 574 | 19,1 | 0,00 | | | | | | | | |
| HUNGARY | | | | | 2 | 4.374 | 2.187,0 | 0,00 | 1 | 111 | 111,0 | 0,00 | | | | | | | | | | | | |
| EGYPT | | | | | 458 | 18.631 | 40,7 | 0,00 | | | | | | | | | | | | | | | | |
| SWITZERLAND | | | | | 3 | 120 | 40,0 | 0,00 | | | | | | | | | | | | | | | | |

