

**NOTIFICATION UNDER ARTICLE 12.1(A) OF THE
AGREEMENT ON SAFEGUARDS ON INITIATION OF
AN INVESTIGATION AND THE REASONS FOR IT**

EGYPT

The following communication, dated 26 September 2000, has been received from the Permanent Mission of Egypt.

Pursuant to Article 12.1(a) of the Agreement on Safeguards, and in light of the notifications format under the Agreement as adopted by the respective Committee (G/SG/N/6, 7 February 1995), Egypt hereby notifies the initiation of the safeguard investigation as regards imports of powdered milk:

1. Date investigation was initiated

On 25 September 2000, the Ministry of Economy and Foreign Trade decided to proceed to initiate an investigation process regarding the imports of powdered milk.

2. Product subject to the investigation

Powdered milk: classified under tariff headings 04.2.10.91, 04.2.10.99, 04.2.21.91, 04.2.21.99, 04.2.29.91 and 04.2.29.99 of Egypt's harmonized tariff.

3. Reasons for initiation of the investigation

The investigation was initiated by the Ministry of Economy and Foreign Trade on the basis of a petition filed by the domestic industry, and on the information and evidence contained therein.

The Ministry of Economy and Foreign Trade has evidence of a substantial increase in the imports of powdered milk in absolute terms, which have caused and threaten to cause serious injury to the domestic industry.

Imports of powdered milk increased by 10 per cent in 1997 compared to 1996 and increased by 21 per cent in 1998 compared to 1996. Imports in subsequent years continued to increase to 89 per cent in 1999 compared to 1996 and recorded an increase of 66 per cent during the first six months of 2000 compared to the same period in 1996.

The evidence of serious injury showed that the domestic industry had recorded significant overall impairment. Returns on sales, average selling price, and return on investment of the industry had all declined seriously, and there was a substantial decline in profits.

A large and rising volume of imports had also been found to have caused serious injury.

Accordingly, the Ministry of Economy and Foreign Trade decided to initiate the investigation.

The initiation of the investigation was published in the Official Journal, which also indicated the following:

- (a) That the public hearing would be held on Wednesday, 25 October 2000, at 10 a.m. at the Anti-dumping, Subsidy and Safeguards Department premises.
- (b) That any party to the investigation wishing to be considered as an interested party, should submit its presentation in writing and make its views known by 16 October 2000.
- (c) That any party to the investigation who wishes to attend the hearing should register its interest at the Department by 18 October 2000.
- (d) That the Department's address for contact was given as:

Ministry of Economy and Foreign Trade
Foreign Trade Sector
Anti-Dumping, Subsidy & Safeguards Department
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