

**NOTIFICATION UNDER ARTICLE 12.1(B) OF THE  
AGREEMENT ON SAFEGUARDS ON FINDING A SERIOUS INJURY  
OR THREAT THEREOF CAUSED BY INCREASED IMPORTS**

**NOTIFICATION PURSUANT TO ARTICLE 12.1(C)  
OF THE AGREEMENT ON SAFEGUARDS**

EGYPT

The following communication, dated 25 February 2000, has been received from the Permanent Mission of Egypt.

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With regard to WTO document No. G/SG/N/6/EGY/2 dated 24 September 1999, regarding notice of initiation of a safeguard investigation concerning imports of "Common Fluorescent Lamps", and pursuant to the above-referenced provisions of the Agreement on Safeguards, and in the light of the agreed format for notifications (G/SG/1, July 1996), the Arab Republic of Egypt provides the following notification to the Committee on Safeguards.

It is worth noting that none of the concerned Member countries had requested consultations in this regard in accordance with Article 12.5.

**I. NOTIFICATION UNDER ARTICLE 12.1(B) OF THE AGREEMENT ON  
SAFEGUARDS ON FINDING A SERIOUS INJURY OR THREAT THEREOF  
CAUSED BY INCREASED IMPORTS**

**1. Provide evidence of serious injury or threat thereof caused by increased imports**

The following is a summary of the conclusions reached during the investigation of serious injury:

- (a) Imports have increased significantly since 1997/98, both in absolute terms and in relation to production, and the rate of increase is accelerating from year to year.
- (b) There has been a significant decline in both production and sales during 1998/99.
- (c) The market share of the domestic industry declined significantly in 1998/99.
- (d) There has been a significant decline in capacity utilization in 1998/99.
- (e) Inventory increased significantly since 1997/98 and continued to increase in 1998/99 until it exceeded sales in five months.

- (f) Although profits were maintained during 1996/97 and 1997/98 there were losses in 1998/99.
- (g) The above-mentioned injury aspects occurred when there was an increase in imports.
- (h) Other causes of injury have been examined. There were a number of aspects of injury which management had not been addressing, including costs, investment in plant, equipment, and technology and marketing. It has been found that the injury factors existed before the large increase in imports. The sudden surge in imports has made the injury factors serious.

Actual injury was found not a threat of injury.

**2. Provide information on whether there is an absolute increase in imports or an increase in imports relative to domestic production**

There was an absolute increase in imports since 1996/97. Imports increased in 1997/1998 by 145 per cent compared to 1996/97. In 1998/99 the imports increased by 219 per cent compared to 1996/97 (i.e. more than triple the volume of imports in 1996/97). There has been an increase in imports relative to domestic production since 1996/97. Imports increased to 148 per cent in 1997/98 and to 262 per cent in 1998/99 compared to 1996/97.

**3. Provide a precise description of the product involved**

Common fluorescent lamps from 18 to 40 watts. These are classified under H.S. Tariff Heading No. 85 39 31 10.

**4. Provide a precise description of the measure**

The safeguard measure is to be over one year from the additional duty of 30 per cent.

**5. Provide the expected duration of the measure**

As noted in item 4 above, the measure calls for the imposition of an additional duty over one year.

**6. For a measure with a duration of more than 3 years, provide the proposed date for this review (under Article 7.4) to hold not later than mid-term of the measure, if such a date for review has already been scheduled**

Not applicable. Refer to item 5 above.

**7. If the expected duration is over one year, provide the expected timetable for progressive liberalization of the measure**

Not applicable.

**II. NOTIFICATION PURSUANT TO ARTICLE 12.1(C) ON THE AGREEMENT ON SAFEGUARDS UPON TAKING A DECISION TO APPLY OR EXTEND A SAFEGUARDS MEASURE**

**1. Provide evidence of serious injury or threat thereof caused by increased imports**

The following is a summary of the conclusions reached during the investigation of serious injury.

- (a) Imports have increased significantly since 1997/98, both in absolute terms and in relation to production, and the rate of increase is accelerating from year to year.
- (b) There has been a significant decline in both production and sales during 1998/99.
- (c) The market share of the domestic industry declined significantly in 1998/99.
- (d) There has been a significant decline in capacity utilization in 1998/99.
- (e) Inventory increased significantly since 1997/98 and continued to increase in 1998/99 until it exceeded sales in five months.
- (f) Although profits were maintained during 1996/97 and 1997/98 there were losses in 1998/99.
- (g) The above-mentioned injury aspects occurred when there was an increase in imports.
- (h) Other causes of injury have been examined. There were a number of aspects of injury which management had not been addressing, including costs, investment in plant, equipment, and technology and marketing. It has been found that the injury factors existed before the large increase in imports. The sudden surge in imports has made the injury factors serious.

In light of the above findings, it was concluded that the domestic industry had not addressed the problems of cost, investment and marketing, including packaging adequately over the period prior to the surge of imports. It was concluded that the imports of fluorescent lamps had changed the injury already being experienced to serious injury and this caused a significant overall impairment of its position. It was also concluded that actual injury had been found not a threat of injury.

**2. Provide information on whether there is an absolute increase in imports or an increase in imports relative to domestic production**

There was an absolute increase in imports since 1996/97. Imports increased in 1997/1998 by 145 per cent compared to 1996/97. In 1998/99 the imports increased by 219 per cent compared to 1996/97 (i.e. more than triple the volume of imports in 1996/97). There has been an increase in imports relative to domestic production since 1996/97. Imports increased to 148 per cent in 1997/98 and to 262 per cent in 1998/99 compared to 1996/97.

**3. Provide a precise description of the product involved**

Common fluorescent lamps from 18 to 40 watts. These are classified under H.S. Tariff Heading No. 85 39 31 10.

**4. Provide a precise description of the proposed measure**

The safeguard measure is to be over one year from the additional duty of 30 per cent.

**5. Provide the expected date of introduction**

The proposed date of introduction of the measure is 27 February 2000.

**6. Provide the expected duration of the measure**

The measure will be imposed over one year.

**7. For a measure with a duration of more than 3 years, provide the proposed date for this review (under Article 7.4) to hold not later than mid-term of the measure, if such a date for review has already been scheduled**

Not applicable.

**8. If the expected duration is over one year, provide the expected timetable for progressive liberalization of the measure**

Not applicable.

**9. If the measure is being extended, also provide: (i) evidence that the industry concerned is adjusting and that the safeguard measure continues to be necessary to prevent or remedy injury**

Not applicable.

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