

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

PAKISTAN

(Footwear)

The following communication, dated 17 June 2005, is being circulated at the request of the Delegation of Pakistan.

The National Tariff Commission (the "Commission") received an application for imposition of safeguard measures on imports of footwear being imported into Pakistan under the Safeguard Measures Ordinance 2002 (the "Ordinance") on 10 May 2005. The Applicant has alleged that serious injury is being caused to Pakistan's footwear manufacturing industry as a direct consequence of unforeseen developments and of the effects of WTO obligations assumed by Pakistan resulting in a sudden surge in imports of footwear products into Pakistan.

The Commission has determined that there is *prima facie* sufficient evidence to justify initiation of a safeguard investigation. The Commission has, therefore, decided to initiate a safeguard investigation under Section 9 of the Ordinance. A copy of the notice of initiation of investigation is enclosed.

In terms of Section 10(1) of the Ordinance and Article 12.1 of the Agreement on Safeguards, the Government of Pakistan is required to notify the initiation of investigation to the WTO Committee on Safeguards. It is therefore, requested that the initiation of investigation may kindly be notified.

SG C No. 1/2005/FW
National Tariff Commission
Government of Pakistan

NOTICE OF INITIATION OF SAFEGUARD INVESTIGATION AGAINST ALLEGED
SURGE IN IMPORTS OF FOOTWEAR INTO PAKISTAN

<u>Investigating Authority</u>	National Tariff Commission (the "Commission")
<u>Applicant</u>	The application has been submitted by Pakistan Footwear Manufactures Association (the "Applicant").
<u>Investigated Product</u>	The "investigated product" is footwear, classified under Pakistan Customs Tariff ("PCT") Headings 6401.1000 to 6405.9090 and is subject to 25% custom duty on its import. Footwear is understood here as described in PCT Headings 6401.1000 to 6405.9090. Footwear, whether manufactured locally or imported is used for the same purpose. There may be a variety of specifications of footwear depending on input used or design etc., but due to high degree of substitutability all footwear are considered as "like product" or "directly competitive product".
<u>Domestic Like Product</u>	The domestic like product, being the product produced in Pakistan having the same product description as of the investigated product, is also footwear, which is classified under the same PCT Headings as for the investigated product.
<u>Sources of Imports</u>	From all countries.

Application: The application was lodged by the Applicant on 10 May 2005 under Section 7 of the Safeguard Measures Ordinance 2002 (the "Ordinance"). The application alleges that there is a sudden surge in imports of the investigated product into Pakistan, which has caused and is causing serious injury to the domestic industry producing domestic like product. The Applicant has alleged that the domestic industry is injured on account of decrease in production, loss in market share, low capacity utilization, decrease in profits and negative effects on domestic sales.

Additional data was sought from the Applicant under Section 9(3) of the Ordinance after initial examination of the application. Additional time period of ten days was requested by the Applicant for provision of information, which was allowed by the Commission. For this reason the Commission extended the time period of thirty days of the date of receipt of application to initiate the investigation under Rule 5 of the Safeguard Measures Rules 2003 (the "Rules").

Initiation of Investigation: The Commission hereby initiates the investigation pursuant to Section 9 of the Ordinance. The investigation will determine pursuant to Section 3 of the Ordinance whether as a result of unforeseen developments and of the effect of WTO obligations assumed by Pakistan, the investigated product is being imported in such increased quantities, absolute or relative to domestic production, and under such conditions as to cause serious injury to the domestic industry. The Commission will consider application of provisional measure, if required, in terms of Section 12 of the Ordinance. The Commission may also, during the course of this investigation, require any further information/data, from any of the parties mentioned in Section 13 of the Ordinance, deemed necessary for the purposes of this investigation.

Investigation Schedule

Date of initiation of investigation:	The date of publication of this notice in the official Gazette in Pakistan.
Date by which parties may register as interested party in the investigation	Within 15 days of initiation of investigation
Date by which interested parties may request for hearing	Within 15 days of initiation of investigation
Date of submission of Report of Provisional Determination to the Federal Government	Within 45 days of initiation of investigation
Date of Decision by Federal Government on Report of Provisional Determination regarding application of a provisional measure	Within 15 days of receipt of report by the Commission
Date of submission of Final Report Determination to the Federal Government	Within four months of initiation of investigation
Date of Decision on Final Determination by Government on the Report of Final Determination	Within 30 days of receipt of report by the Commission

Interested Parties: Interested parties, as defined in Section 2(g) of the Ordinance, desiring to participate in the investigation shall indicate their interest to the Secretary, National Tariff Commission, State Life Building No.5, Blue Area, F 6/4, Islamabad, Tel: +9251-9202839 Fax: +9251-9221205. An interested party applying for registration with the Commission in this investigation should submit: the name, address, telephone number and fax number of the undertaking; its line of business and name of the person authorized to deal on behalf of the undertaking in the subject investigation.

Written Arguments: Interested parties may submit written arguments concerning any matter they consider relevant to the preliminary phase of investigation no later than twenty-one days before the date proposed for the determination regarding the application of a provisional measure.

In case a request for a hearing is not received by the Commission then any interested party may submit written arguments concerning any matter it considers relevant to the investigation no later than sixty days before the date proposed for final determination.

In case where a hearing is held, interested parties may submit written arguments and information (if any) not later than 10 days before the scheduled date of hearing. The scheduled date of any hearing shall be communicated to the interested parties.

All evidence and written arguments regarding this investigation should be submitted to the Secretary of the Commission at the above address.

Reliance on information available: Where any interested party refuses access to or otherwise does not provide the required information within the time limit prescribed or significantly impedes the investigation, determination by the Commission may be made on the basis of information available in accordance with Section 17 of the Ordinance.

Public File: In accordance with Section 15 of the Ordinance, the Commission has established and maintained a public file at the offices of the Commission, which is available to the interested parties for review and copying from Monday to Thursday between 1100 hours to 1300 hours throughout the investigation.

Further Information: For further information regarding this investigation please contact, Muhammad Hamood-ur-Rauf, Assistant Director Tel: +9251-9218962, Fax : +9251-9221205.

By order of the Commission.
