



2 October 2015

(15-5103)

Page: 1/2

**Council for Trade in Goods
Committee on Safeguards**

Original: English

**NOTIFICATION UNDER ARTICLE 12.5 OF THE AGREEMENT
ON SAFEGUARDS OF THE RESULTS OF A MID-TERM
REVIEW REFERRED TO IN ARTICLE 7.4**

VIET NAM

(Refined soybean oil and refined palm oil)

The following communication, dated 30 September 2015, is being circulated at the request of the Delegation of Viet Nam.

This notification is made pursuant to paragraph 5 of Article 12 of the Agreement on Safeguards, which sets forth that mid-term reviews, under paragraph 4 of Article 7, shall be notified to the Council for Trade in Goods, in conformity with the format established in document G/SG/1/Rev.1, dated 5 November 2009.

1 SPECIFY THE MEASURE AND THE PRODUCT SUBJECT TO THE MEASURE FOR WHICH THE MID-TERM REVIEW WAS CONDUCTED, AND PROVIDE REFERENCE TO THE WTO DOCUMENT THAT NOTIFIED THE SAFEGUARD MEASURE SUBJECT TO THE REVIEW

The measure is a tariff on imports of refined soybean oil and refined palm oil. Further details regarding the measure are set out in the notification on definitive measures: G/SG/N/10/VNM/1 dated 12 September 2013. The Subject Good under investigation is refined soybean oil and refined palm oil classified under HS codes 1507.90.90, 1511.90.91, 1511.90.92 and 1511.90.99 imported into Vietnam.

2 PROVIDE THE DATES OF INITIATION AND CONCLUSION OF THE REVIEW

On 26 December 2012, Vietnam Competition Authority hereafter referred as "the Investigating Authority" initiated an investigatory process relating to the definitive safeguard measure on imports of refined soybean oil and refined palm oil which had been imposed on 7 May 2013. In May 2015, the Investigating Authority started the review process and the conclusion of the review was issued on 10 August 2015.

3 DESCRIBE THE RESULTS OF THE REVIEW, PROVIDING SOME DETAIL ON THE BASIS FOR REACHING THOSE RESULTS

In order to review the situation of the domestic industry after the imposition of the safeguard measure, the analysis conducted by the Investigating Authority focused on data related to the period between 2013 and 2014.

Results of review of safeguard measures showed that imports of product under investigation continue to rise and cause injury to the domestic industry as follows:

- The increase of imports: in 2012, the volume of imports was 568.896 tons. In 2013, imports increased by 5.3% compared to 2012 and imports in 2014 were 666,596.04 tons (increased 11.3% compared to 2013). Thus, the growth rate of imports in the

period of review was 2 times higher than the growth rate compared to the previous period without official duties. During the review period, the growth rate of imports was equal to the growth rates of domestic sales (11.3%). However, if compared to the previous period, the growth rate of domestic sales volumes decreased significantly (from the increase of 42% in 2013 to just the increase of 11.3% in 2014), while the import volume has a higher growth rate (from the increase of 5.3% in 2013 to the increase of 11.3% in 2014).

The increase in imports as stated above is the cause of the injury to the domestic industry of Vietnam, specifically:

- Market share: market share of the domestic industry increased from 27% in 2012 to 33.4% in 2013 and just remained at this level in 2014;
- Production and capacity: production of domestic producers in 2014 increased 3.9% compared to 2013, capacity utilization increased by only 1%;
- Turnover: Turnover of domestic sales of the domestic industry increased 15.6% in 2014 compared to 2013 and turnover of total sales (including export sales) increased 15.8%. However, when compared to turnover of domestic sales which the domestic industry achieved in 2012, turnover of domestic sales of the domestic industry reduced 0.4% in 2014;
- Profit: although turnover of domestic sales and total turnover of the domestic industry in the review period increased, the domestic industry still suffered a loss. However, during the review period, this loss has decreased significantly, in particular loss from domestic sales fell 75% and loss from total sales (domestic and export) of the domestic industry also fell 75.1%;
- Price: domestic price for products produced domestically declined 2.8% in 2014 compared to 2013, higher than the decrease of 2.1% the import prices.

4 CONCLUSION

Based on the result of the mid-term review, the investigating authority recommends that the imposition of safeguard duty is still necessary and the pace of liberalization is unchanged.

**DIVISION FOR INVESTIGATION OF TRADE REMEDIES CASES
VIETNAM COMPETITION AUTHORITY – MINISTRY OF INDUSTRY AND TRADE**

Address: 25 Ngo Quyen Street, Hoan Kiem District, Hanoi, Vietnam

Phone: (+84 4) 222.05002 (ext: 1029)

Fax: (+84 4) 222.05003

Email: pvtm@moit.gov.vn
