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Committee on Safeguards

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

MOROCCO

Inner tubes for bicycles, mopeds, motorcycles and scooters

The following communication, dated and received on 17 October 2022, is being circulated at the request of the delegation of Morocco.

Pursuant to Article 12.1(a) of the Agreement on Safeguards, Morocco hereby notifies the initiation of a safeguard investigation concerning imports of inner tubes for bicycles, mopeds, motorcycles and scooters.

1. Date of initiation of the investigation

The Ministry of Industry and Trade (hereinafter the Ministry) has decided to initiate a safeguard investigation concerning imports of inner tubes for bicycles, mopeds, motorcycles and scooters, as from Monday, 3 October 2022.

A notice concerning the initiation of the investigation is available to the public on the Ministry's website: <http://www.mcinet.gov.ma/fr/avis-sauvegarde>.

2. Precise description of the product involved

The product under consideration can be defined as a rubber ring inserted into a bike or motorcycle tyre and inflated to make it both firm and elastic, thereby allowing for easy repairation in the event of a flat tyre.

According to the petitioner, the inner tube is composed of two parts: the circular tube made of elastic materials (either natural rubber, butyl rubber or latex) and the valve, which can be either screwed or welded. The product under consideration is imported into Morocco under the following national Harmonized System tariff headings: 4013.20.00.00; 4013.90.00.10; 4013.90.00.20.

3. Reasons for initiation of the investigation

The investigation was initiated by the Ministry following a petition submitted by the company SWALLOW TYRE DISTRIBUTION on behalf of the domestic industry producing inner tubes for bicycles, mopeds, motorcycles and scooters.

The petitioner alleges that the products in question have been imported into the Moroccan market in massive quantities, both in absolute terms and in relation to domestic production, as to cause serious injury to the domestic industry producing inner tubes for bicycles, mopeds, motorcycles and scooters.

Imports of inner tubes increased massively by 59.57% in absolute terms during the 2018-2021 review period, rising from 540,561 tonnes in 2018 to 862,579 tonnes in 2021.

At the same time, between 2018 and 2021, imports increased by 126.93% relative to domestic production.

This massive increase in imports appears to be the result of an unexpected development in circumstances caused by a number of factors, such as the strong growth in the use of two-wheeled vehicles as a mode of transport combined with the surprising and unexpected increase in imports of these vehicles over the past three years. Given the logical link between the use of two-wheeled vehicles and inner tubes, this use has resulted in a surprising increase in the demand for the product under investigation that has mainly benefited imports.

According to the claims made in the petition, the upsurge in imports of inner tubes has caused serious injury to the domestic industry, resulting in a drop in sales volumes, market share and financial performance.

4. Deadlines and procedures for importers, exporters and other interested parties to present evidence and views, including (i) deadlines and procedures for Members and exporters to identify themselves as interested parties, if so required, to participate in the investigation and (ii) the date of an intended hearing as provided for in Article 3.1

In order to gather the information required for its investigation, the Ministry will send questionnaires to the importers and domestic producers of the product at issue that were identified in the petition.

Other concerned parties wishing to receive a questionnaire and participate in the investigation should contact the Ministry by fax or email within 15 days of the date of initiation of the investigation (i.e. by 4 p.m. on Monday, 24 October 2022 at the latest).

Replies to the investigation questionnaires must reach the Ministry within the time limits indicated in the questionnaires. Any party requesting an extension of these time limits must show good cause.

Parties that believe the investigation concerns them have a period of 30 days from the date of initiation of the investigation (i.e. by 4 p.m. on Monday, 14 November 2022 at the latest) to make themselves known as interested parties.

In addition to their questionnaire replies, interested parties may also submit their views and comments on the initiation of the investigation, in writing, within 30 days of the date of initiation of the investigation (i.e. by 4 p.m. on Monday, 14 November 2022 at the latest), in confidential and non-confidential versions.

During the investigation, the Ministry shall be open to hearing the arguments of the various parties. Any request for a hearing shall be made in writing and be duly substantiated. This request shall contain the elements that the party concerned wishes to address.

If the Ministry agrees to hold a hearing, the party concerned shall be informed, in due course, of the date on which it will take place and the arrangements for the event.

5. Contact point for correspondence concerning the investigation

To request information about the investigation procedure, parties should contact the Ministry using the fax number or email address provided below:

Ministère de l'Industrie et du Commerce

Direction Générale du Commerce

Direction de la Défense et de la Réglementation Commerciale

Division de la Défense Commerciale

Parcelle 14, Business center, aile Nord bd Riad,

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Fax: +212 537. 72.71.50

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