



28 October 2013

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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**

SEPARATE CUSTOMS TERRITORY OF
TAIWAN, PENGHU, KINMEN AND MATSU

(High Density Polyethylene (HDPE) and Linear Low Density Polyethylene (LLDPE))

The following communication, dated 25 October 2013, is being circulated at the request of the Delegation of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu¹.

Pursuant to Article 12.1(a) of the WTO Agreement on Safeguards, the Permanent Mission of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu notifies that a safeguards investigation has been initiated as follows.

1. Specify the date when the investigation was initiated

18 October 2013.

2. Provide the precise description of the product involved

The products concerned are high density polyethylene (HDPE) and linear low density polyethylene (LLDPE), currently classified under the C.C.C. Code 3901200000 and 3901100010 respectively.

3. Provide the reasons for the initiation of investigation

- (i) The petition was filed with the Ministry of Economic Affairs (MOEA) by Taiwan Synthetic Resins Manufacturers Association on behalf of the domestic industry.
- (ii) Evidence on the basis of which the investigation was initiated.

For HDPE, the petition shows that the imports have increased over the period of 2009 to 2012, which are 62,189 tons to 79,883 tons, and mainly came from Saudi Arabia (27.7%), Singapore (12.4%), Iran (10.3%), Thailand (9.5%), Kuwait (8.4%), Qatar (8.2%) in 2012. During the period of 2009 to 2012, the increased imports, particularly from the major imports with low prices, have caused the sales of domestic industry to decrease from 265,710 tons to 251,739 tons. For the same period, the market share has declined from 81% to 76%, and capacity utilization has dropped from 92% to 75%. The profits of domestic industry turned to the losses in 2012.

For LLDPE, the petition shows that the imports have increased over the period of 2009 to 2012, which are 62,341 tons to 121,053 tons, and mainly came from Saudi Arabia (49.1%), Thailand (11.7%), Qatar (10.2%), Japan (6.6%), United States (4.6%), Iran (3.8%) in 2012. During the period of 2009 to 2012, the increased imports, particularly from the major imports with low prices,

¹ A copy of the Public Notice has been submitted electronically. To consult this document please contact Ms. Budd (hilary.budd@wto.org) or Ms. Naville (delphine.naville@wto.org) of the Rules Division.

have caused the sales of domestic industry to decrease from 118,572 tons to 79,672 tons. For the same period, the market share has declined from 66% to 40%, and the capacity utilization has dropped from 80% to 45%. As for the profitability, the operation income has been negative since 2011.

4. Provide a point of contact for the investigation and identify the preferred means for corresponding. The point of contact would be available to respond to enquiries relating to the procedures applicable to the investigation

International Trade Commission, Ministry of Economic Affairs.

8F, No. 317, Songjiang Rd., Jhongshan District,
Taipei City 10483, Taiwan, R.O.C.

Telephone: 886-2-2506-6670

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5. Provide the deadlines and procedures for importers, exporters and other interested parties to present evidence and their 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 public hearing as provided for in Article 3.1.

- (i) All interested parties wishing to participate in the investigation must make themselves known by filling out a registration form and sending it back to the International Trade Commission(hereinafter referred to the ITC) within 20 days after the date of the initiation. The registration form can be found on the ITC's website: www.moeaitc.gov.tw.
 - (ii) The date of public hearing has not yet been decided. The information will be notified to known interest parties and posted on the ITC's website.
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