



17 July 2015

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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**

UKRAINE

(Flexible porous plates, blocks and sheets of polyurethane foams)

The following communication, dated 15 July 2015, is being circulated at the request of the Delegation of Ukraine.

Pursuant to Article 12.1(a) of the Agreement on Safeguards and using the format adopted by the Committee on Safeguards (G/SG/N/6), Ukraine hereby gives notification of the initiation of a safeguards investigatory process, as follows:

1. Investigation initiation date

On 7 July 2015 the investigation process was initiated in accordance with Decision of the Interdepartmental Commission of Foreign Trade of 03.07.2015 № SP – 332/2015/4442-06 "On initiation and conduction of safeguard investigation on import in Ukraine of the flexible porous plates, blocks and sheets of polyurethane foams regardless of country of origin and export".

2. Product subject to investigation

Flexible porous plates, blocks and sheets of polyurethane foams classified under UKTZED¹ codes 3921 13 10 19.

3. Reasons for the initiation of investigation

- i. The investigation has been initiated pursuant to the petition of the domestic industry in particular by "Interform" LLC, "Interform-Dnipro" LLC, "Interform-West" LLC, "Interform-M" LLC. Overall goods production of abovementioned companies in 2014 was 56 % of the total overall production of Ukraine.
- ii. The Commission has found such sufficient evidences: during 2014, in comparison to 2012, imports to Ukraine of product could cause the significant harm to national producers, namely:
 - imports of goods to Ukraine in 2014, comparing to 2012, increased by 7.1%, comparing to 2013 – by 6.6%.
 - imports share of consumption in 2014, comparing to 2012, increased by 5.8%, comparing to 2013 – by 7%;
 - imports volume of goods to Ukraine concerning the total production of goods in the country increased in 2014, comparing to 2012, by 7.1%, comparing to 2013 – by 10.2%.

¹ UKTZED is the Ukrainian Foreign Economic Activity Commodity Classification, based on Harmonized System 2007.

The analysis of the import prices dynamics, prices and cost prices of national producers showed that during the period considered import prices were significantly lower than the prices of the applicant, and in 2013 – below the production cost.

In such import conditions, national producers were forced to reduce prices, sales of goods on the domestic market, which worsened the socio-economic situation in 2014, in comparison with 2012, namely:

- during consumption growth in Ukraine by 1.2%, share of applicants in the domestic market decreased by 13.7%;
- volume of goods sales by the applicant on the Ukrainian domestic market decreased by 12.6%;
- volume of goods production decreased by 11.8%;
- capacity utilization decreased by 34%;
- profitability of goods sales in the domestic market declined by 66%;
- incomes from domestic products sales declined by 69%;
- labour productivity decreased by 4.4%;
- current ratio decreased to 50%;
- employment decreased by 7.7%;
- salary decreased by 16.2%.

4. The contact point for the investigation and the preferred means for corresponding

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Information Contact Point: Phone: +38044 521-13-93, 521-16-24; Fax +38044 226-26-29; e-mail: a-dump@me.gov.ua, aanovitskiy@me.gov.ua.

5. Deadlines and procedures for importers, exporters and other interested parties to present evidence

Notice of the Decision of the Interdepartmental Commission of Foreign Trade of 3 July 2015 № SP - 332/2015/4442-06 is published in "Uryadoviy Courier" as of 7 July 2015, No 120.

Within 30 days from the notice publication the Ministry of Economic Development and Trade of Ukraine carries out registration of interested parties and considers the requirements for conducting of hearings. In investigation initiation enquiry it is necessary to indicate: name, juridical address, fax and telephone number, e-mail and name of contact person.

Within 45 days from the notice publication the Ministry of Economic Development and Trade of Ukraine considers the written comments on the initiation of investigation. Information should be provided in Ukrainian or in original language, accompanied by the Ukrainian translation. If case the information is confidential, it is necessary to prepare and submit to the Ministry both confidential and non-confidential versions.
