



30 September 2013

(13-5216)

Page: 1/3

Committee on Safeguards

Original: English

**NOTIFICATION UNDER ARTICLE 12.1(B) OF THE AGREEMENT ON  
SAFEGUARDS ON FINDING SERIOUS INJURY OR THREAT  
THEREOF CAUSED BY INCREASED IMPORTS**

AUSTRALIA

*(Certain Processed Fruit Products)*

The following communication, dated 26 September 2013, is being circulated at the request of the Delegation of Australia.

---

Pursuant to Article 12.1(b) of the WTO Agreement on Safeguards, Australia provides notification of a preliminary determination on whether serious injury or threat thereof has been caused by increased imports of certain processed fruit products.

Further to Australia's notification of 3 July 2013 (G/SG/N/6/AUS/4) on a reference to the Productivity Commission (the Commission) to initiate a safeguard investigation, and specifically to examine whether provisional measures may be justified, the Productivity Commission provided its accelerated report to the Government on 18 September 2013.

The report was released by the Government on 26 September 2013 and can be accessed electronically at the Commission's website: <http://www.pc.gov.au/projects/inquiry/fruit-safeguards>.

The Commission's accelerated report (dated 18 September 2013) indicates that provisional safeguard measures are not warranted for imports of certain processed fruit.

**1 EVIDENCE OF SERIOUS INJURY OR THREAT THEREOF CAUSED BY INCREASED IMPORTS**

The Commission found that there is domestic production of processed pears, apricots, peaches and fruit mixture products.

The Commission concluded that provisional safeguard measures for processed citrus products are not warranted as there appears to be no domestic industry producing like or directly competitive products. It also concluded that provisional safeguard measures are not warranted for 'other' processed fruit products. The domestically produced products that are like or directly competitive with the imported products appear to be an insignificant part of the domestic industry's business. The Commission therefore concluded that there is little potential for imports of processed other fruit to be a contributor to any injury suffered by the domestic industry.

The Commission also determined that fresh fruit is not 'like or directly competitive' with the products under investigation.

Overall, the report found that markets for these products have been declining over time, resulting in hardship in the industry, including for upstream growers.

On the basis of evidence received by the Commission to date, the report found sufficient cumulative evidence of serious injury to the domestic processing industry. However, it concluded the injury to the domestic industry has not been caused by an increase in imports.

Rather, the injury has been caused by a combination of factors including reduced export volumes, rising production and labour costs of domestic production, declining economies of scale due substantially to reduced export volumes, reduced consumer demand and private label strategies of domestic retailers.

## **2 INFORMATION ON WHETHER THERE IS AN ABSOLUTE INCREASE IN IMPORTS OR AN INCREASE IN IMPORTS RELATIVE TO DOMESTIC PRODUCTION**

For processed pears, the report found a recent increase in import volumes but there did not appear to be clear evidence of a sufficiently large increase in the absolute volume of imports for processed pears. The report concluded that the evidence appeared insufficient to meet the WTO standard. The report found that there has been a substantial increase over time of imports relative to domestic production but recently at a slower rate than the longer term trend.

For processed apricots, the report found the WTO standard has not been met as imports have fallen in absolute terms and more recently, volumes have been steady. It also found the evidence of an increase in imports relative to domestic production to be inconsistent in recent periods.

For processed peaches, the import volumes relative to domestic production had increased but at a slower rate recently compared with the longer term trend. The report's preliminary assessment was that the evidence was not strong enough to meet the WTO standard.

For fruit mixture products, the report found that imports had increased in absolute and relative terms. The recent increase in import volumes may not be 'sudden enough' in terms of past trends but volumes have increased significantly. The increase in imports relative to domestic production has also been significant. The report's preliminary assessment was that the evidence may be sufficient to meet the WTO standard.

The report found that there is no compelling evidence of critical circumstances sufficient to justify the application of provisional safeguard measures.

## **3 PRECISE DESCRIPTION OF THE PRODUCT INVOLVED**

Processed fruit products with the corresponding tariff subheadings of the Australian Customs Tariff as follows:

Citrus fruit	2008.30.00
Pears	2008.40.00
Apricots	2008.50.00
Peaches, including nectarines	2008.70.00
Mixtures	2008.97.00
Other	2008.99.00

## **4 IF THE FINAL MEASURE REPLACES A PROVISIONAL MEASURE**

Not applicable.

## **5 PRECISE DESCRIPTION OF THE PROPOSED MEASURE**

Not applicable.

## **6 PROPOSED DATE OF INTRODUCTION OF THE MEASURE**

Not applicable.

## **7 EXPECTED DURATION OF THE MEASURE**

Not applicable.

**8 FOR A MEASURE WITH A DURATION OF MORE THAN THREE YEARS, THE PROPOSED DATE FOR THE REVIEW (UNDER ARTICLE 7.4) TO BE HELD NOT LATER THAN THE MID-TERM OF THE MEASURE, IF SUCH A DATE FOR THE REVIEW HAS ALREADY BEEN SCHEDULED**

Not applicable.

**9 IF THE EXPECTED DURATION IS OVER ONE YEAR, EXPECTED TIMETABLE FOR PROGRESSIVE LIBERALIZATION OF THE MEASURE**

Not applicable.

**10 IF THE NOTIFICATION RELATES ONLY TO A FINDING OF SERIOUS INJURY OR THREAT THEREOF, AND DOES NOT RELATE TO A DECISION TO APPLY TO EXTEND A SAFEGUARD MEASURE:**

**(I) DEADLINES FOR INTERESTED PARTIES TO COMMENT OR ANY OTHER PROCEDURES RELEVANT TO THE DECISION TO APPLY THE MEASURES, AND**

**(II) INFORMATION REGARDING PROCEDURES FOR PRIOR CONSULTATION WITH THOSE MEMBERS HAVING A SUBSTANTIAL INTEREST AS EXPORTERS OF THE PRODUCT CONCERNED.**

The final report by the Productivity Commission is to be provided to the Government by 20 December 2013 on whether safeguard measures are justified.

The Commission seeks comment from interested parties on its views on all aspects of the accelerated report, including further data on recent import trends, private label strategies and causation. Submissions are due by 25 October 2013.

The Commission will hold further public hearings to allow those responses to be heard. It will notify on its website its proposed scheduling and location of further public hearings.

**11 IF THE MEASURE IS BEING EXTENDED, ETC**

Not applicable.

**12 IF THE NOTIFICATION RELATES TO A DECISION TO APPLY OR EXTEND A SAFEGUARD MEASURE**

Not applicable.

**13 PUBLICLY AVAILABLE DOCUMENT(S) CONTAINING THE RELEVANT DECISION(S) MADE BY THE COMPETENT AUTHORITY.**

The Commission's accelerated report can be accessed electronically at its website: <http://www.pc.gov.au/projects/inquiry/fruit-safeguards>.

---