

The Secretariat General of the Cooperation Council for the Arab States of the Gulf (GCC)

*Bureau of Technical Secretariat for Anti Injurious Practices in International Trade*



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**This Official Gazette is issued by the GCC - Bureau of Technical Secretariat for Anti Injurious Practices in International Trade in accordance with GCC Common Law of Anti-Dumping, Countervailing Measures and Safeguards, and its Regulation (Amended)**

## **Notice:**

**Imposition of a provisional safeguard measure against the GCC imports of  
Ferro-silico-manganese  
(Ferro-silico-manganese)**

### **Subscription Fees**

Single Edition: 25 SAR or its equivalent.  
Yearly Subscription: 250 SAR or its equivalent.

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The Secretariat General of the Cooperation Council for  
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Secretariat-General



**Official Gazette**  
The GCC-Bureau of Technical  
Secretariat for Anti Injurious  
Practices in International Trade

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## Introduction

**In compliance with the basic objectives of the Cooperation Council for the Arab States of the Gulf, and in conformity with the objectives of the GCC Unified Economic Convention seeking to achieve economic integration among GCC member states, and aware of the crucial role played by GCC industries in the economies of the GCC member states, it becomes vital for the member states to take necessary measures against dumping, subsidy and increase of imports, which cause injury, threat of injury, or retardation to GCC industries.**

**Pursuant to Article 86 of the Rules of Implementation of the GCC Common Law on Antidumping, Countervailing Measures and Safeguards (Amended) which states, “The Technical Secretariat issues an Official Gazette where it publishes all publications required under this Common Law and its Rules of Implementation”. Hereby, GCC-Bureau of Technical Secretariat for Anti Injurious Practices in International Trade pleased to publish the Notice Volume No (9) of the Official Gazette of GCC- Bureau of Technical Secretariat for Anti-Injurious Practices in International Trade**





**The Secretariat General of the Cooperation Council for the Arab States of the Gulf (GCC)  
GCC- Bureau of Technical Secretariat for Anti Injurious Practices in International Trade**

**Imposition of a provisional safeguard measure  
against GCC imports of Ferro-silico-manganese**

In conformity with the GCC Common Law on Anti-Dumping, Countervailing and Safeguard Measures and its Rules of Implementation (Amended) (the Regulation), and upon the decision of the Permanent Committee for Anti Injurious Practices in International Trade (Permanent Committee) No. (2/2S/2016) to initiate a safeguard investigation against the Increase in GCC Imports of Ferro-Silico-Manganese<sup>(1)</sup> and the Permanent Committee's decision No. (3/2S/2016)) to impose a provisional safeguard measures against the GCC imports of the product under investigation pursuant to the provisions of Article (73) of the Regulation and Article (6) of the Agreement on Safeguards, the GCC bureau of technical secretariat for anti-injurious practices in international trade (GCC-TSAIP) announces that a provisional safeguard measures will be applied against GCC imports of the product under investigation according to the following:

**1. Product subject to the provisional safeguard measure**

Ferro-Silico-Manganese is the product under investigation which is classified under the GCC-Unified Tariff Code (72023000)

**2. Duration of provisional safeguard measures**

The provisional measures will be applied for (200) days

**3. Form of the provisional safeguard measures**

Provisional safeguard measures will take the form of tariff increase by (21%) of CIF value against GCC's imports of Ferro-silico-manganese.

**4. Basis of the preliminary determination**

**4.1 Increase in imports in absolute and relative terms**

The imports volume of Ferro-silico-manganese increased significantly in both absolute terms and relative to the production of the complainant industry during

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(1) Notice concerning the initiation of a safeguard investigation against the GCC imports of Ferro-silico-manganese, in the Official Gazette - Bureau of technical secretariat for anti-injurious practices in international trade volume (8).



the period 2012 – 2015. The imports according to the table below increased by 267.01% during 2015 compared to 2012. Relatively to the production, the imports increased during 2015 by 351.48% compared to 2012.

	2012	2013	2014	2015
<b>Imports Volume (ton)</b>	34,273.74	40,799.08	112,673.15	125,786.84
<b>Index</b>	100	119.04	328.74	367.01
<b>Imports/production ratio</b>	100	154.11	299.97	451.58

Accordingly, it is revealed to GCC-TSAIP the existence of a recent, sudden, sharp and significant increase in imports of Ferro-silico-manganese in both absolute terms and relative to the production.

#### 4. 2 Determination of serious injury

The following table shows the evolution of the imports volume and its impact on the most important economic and financial indicators of the complainant industry during the period 2012 -2015.

	2012	2013	2014	2015
<b>Production volume</b>	100	77.24	109.59	81.29
<b>Sales volume</b>	100	90.96	120.76	91.53
<b>GCC market index</b>	100	100.72	186.42	181.22
<b>Market share of the domestic sales</b>	100	90.31	64.77	50.51
<b>Market share of imports</b>	100	118.19	176.34	202.52
<b>Profit &amp; Loss</b>	100	43.92	32.56	(-225.92)
<b>Inventory volume</b>	100	117.21	123.96	144.63
<b>Employees</b>	100	93.49	92.09	60.93
<b>Return on investment</b>	100	43.93	33.05	(-247)
<b>Cash flow</b>	100	(-260.90)	(-74.10)	(-411.16)



It is determined that the relative and absolute increase in imports caused a serious injury to the complainant industry and that the delay in taking action would cause damage that would be difficult to repair. The above table shows the most important aspects of the serious injury as follows:

- Decline in volume of production and capacity utilization during 2015 by 18.17% compared to 2012.
- Decline in domestic sales during 2015 by 8.47% compared to 2012 despite of the GCC market growth, and a decline in its market share by 49.49% during the same period.
- Increase in inventory volume during 2015 by 44, 63% compared to 2012.
- Deterioration of the cash flow by (-511.16) % during 2015 compared to 2012.
- Deterioration of the profitability of the industry and its ROI during the period 2012-2015 respectively by (-325.92) % and (-347) %.
- Decline in employment by 39.07% during 2015 compared to 2012.

#### **4.3 Causal link**

GCC-TSAIP examined the causal link between the increase in imports and the serious injury caused to the complainant industry by studying known factors other than imports which might contribute to the serious injury, such as export performance, contraction in demand or changes in the patterns of consumption, developments in technology and trade restrictive practices, and has concluded the following:

- The serious injury suffered by the GCC industry coincided with the recent, sharp, sudden and significant increase in imports of Ferro-silico-manganese in both absolute terms and relative to the production.
- Other factors such as contraction in demand and changes in the patterns of consumption, trade restrictive practices, developments in technology or export performance didn't contribute in the serious injury on the complainant industry, and this injury is due to the increase in imports under complaint.

Accordingly, it became clear to GCC-TSAIP that there are sufficient evidence of the existence of a causal link between the increase in imports and the serious injury on the domestic industry.



#### **4.4 Critical circumstances**

When examining the injury indicators, GCC-TSAIP found that there is an overall deterioration of economic indicators and worsening of financial crises of the complainant industry during the period 2012- 2015. The data showed a significant decline in production and sales volume as well as a significant increase in inventory volume, prompting the GCC industry to sell at low prices not covering its cost of production, which contributed to the accumulation of the debt in the short term and the inability of the company to meet its financial obligations. This is in addition to the board of Directors decision dated 02/05/2015 about the suspension of production and the closure of the plant in case no solution is found.

Accordingly, it is revealed to GCC-TSAIP through the data and the evidence submitted in the complaint that there are critical circumstances which may lead the complainant industry to bankruptcy and plant closure and layoffs, and that any delay of adopting a provisional safeguard measure would cause damage which it would be difficult to repair. This situation requires the application of the provisions of Article (6) of the Agreement on Safeguards and Article (73) of the Regulation, in order to remedy the serious injury faced by the complainant industry.

#### **5. Developing countries exempted from the provisional safeguard measure**

In accordance with the requirements of Special and Differential Treatment provisions' for developing countries members of WTO and pursuant to the provisions of article (76) of the Regulation, provisional safeguard measures will not apply against the imports of Ferro-silico-manganese originating in the following developing countries members of WTO:

Afghanistan; Albania; Angola; Antigua and Barbuda; Argentina; Armenia; Bangladesh; Barbados; Belize; Benin; Bolivia, Plurinational State of; Botswana; Brazil; Brunei Darussalam; Burkina Faso; Burundi; Cabo Verde; Cambodia; Cameroon; Central African Republic; Chad; Chile; China; Chinese Taipei; Colombia; Congo; Congo, Democratic Republic of The; Costa Rica; Côte D'Ivoire; Croatia;





Cuba; Djibouti; Dominica; Dominican Republic; Ecuador; Egypt; El Salvador; Fiji; Gabon; The Gambia; Georgia; Ghana; Grenada; Guatemala; Guinea; Guinea-Bissau; Guyana; Haiti; Honduras; Hong Kong, China; Indonesia; Jamaica; Jordan; Kenya; Korea, Republic of; Kyrgyz Republic; Lao People's Democratic Republic; Lesotho; Macao, China; Macedonia, The Former Yugoslav Republic of; Madagascar; Malawi; Malaysia; Maldives; Mali; Mauritania; Mauritius; Mexico; Moldova, Republic of; Mongolia; Montenegro; Morocco; Mozambique; Myanmar; Namibia; Nepal; Nicaragua; Niger; Nigeria; Pakistan; Panama; Papua New Guinea; Paraguay; Peru; Philippines; Rwanda; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and The Grenadines; Samoa; Senegal; Sierra Leone; Singapore; Solomon Islands; South Africa; Sri Lanka; Suriname; Swaziland; Tajikistan; Tanzania; Thailand; Togo; Tonga; Trinidad and Tobago; Tunisia; Turkey; Uganda; Uruguay; Vanuatu; Venezuela, Bolivarian Republic of; Viet Nam; Yemen; Zambia; and Zimbabwe.

