

WORLD TRADE ORGANIZATION

G/SG/N/6/ECU/1
28 January 1999

(99-0323)

Committee on Safeguards

Original: Spanish

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

ECUADOR

The following communication, dated 18 January 1999, has been received from the Permanent Mission of Ecuador.

In accordance with Article 12.1(a) of the Agreement on Safeguards, on instruction from my Government, I am hereby notifying that Ecuador has initiated an investigatory process relating to serious injury to domestic production of sandals.

The investigation was initiated on 12 January 1999, after Resolution No. 980006-A of the Ministry of Foreign Trade, Industrialization and Fisheries on the initiation of the investigation had been published in Official Journal No. 106 of the same date.

The products subject to investigation are all sandals covered by the following tariff headings in the Harmonized System:

6401.99.00	6402.20.00	6402.19.00	6402.99.00	6403.19.00	6403.20.00
6403.51.00	6403.59.00	6403.99.00	6404.11.00	6404.19.00	6405.10.00
6405.20.00	6405.90.10				

The investigation is being carried out at the request of the Ecuadorian company ARCASOL S.A. and the Footwear Manufacturers' Association (ASOFACAL), representing more than 50 per cent of domestic production of sandals, which submitted documents to the Ministry of Foreign Trade, Industrialization and Fisheries showing that imports of sandals into Ecuador were causing serious injury to production as a result of the marked decrease in domestic production, the rise in unemployment in the industry, under-utilization of installed production capacity, the closing of industries and workshops making sandals and the subsequent fall in the sector's profits.