

**NOTIFICATION UNDER ARTICLE 12.4 OF THE AGREEMENT ON  
SAFEGUARDS BEFORE TAKING A PROVISIONAL SAFEGUARDS  
MEASURE REFERRED TO IN ARTICLE 6**

**BULGARIA**

The following communication, dated 27 November 2000, has been received from the Permanent Mission of Bulgaria.

Pursuant to Article 12.4 of the WTO Agreement on Safeguards and taking into account the approved format for notifications under that Article (document G/SG/1), the Republic of Bulgaria hereby notifies its decision to take a provisional safeguard measure under Article 6 of the Agreement on Safeguards.

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

<u>Tariff No.</u>	<u>Description</u>
3102. 30 90 0	Ammonium nitrate, other than in aqueous solution

**2. The proposed provisional safeguard measure**

Increase of the customs duty on imports of ammonium nitrate classified under tariff number 3102 30 90 0 to 40 per cent.

**3. Proposed date of introduction of the provisional safeguard measure**

28 November 2000.

**4. Expected duration of the provisional safeguard measure**

The provisional safeguard measure is to be imposed for a period up to 200 days, during which the investigation will proceed further.

**5. Preliminary determination that increased imports have caused or are threatening to cause serious injury**

Imports of ammonium nitrate in 1997, 1998, 1999 and the first eight months of 2000

<b>Year</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>Jan-Aug. 2000*</b>
Tonnes	0.2	0.05	21,959	16,940

\* Preliminary data, based on customs declarations

A substantial increase in imports of ammonium nitrate has been recorded in 1999 and the first eight months of 2000. This increase has been followed by a 17 per cent decline in the volume of domestically produced ammonium nitrate. Production capacity utilization decreased.

The number of people employed in the relevant industry fell by 20 per cent in 1999 as compared to 1998, and by 40 per cent in 2000 as compared to 1998.

The market share of imported ammonium nitrate is growing and affecting negatively Bulgarian producers' sales diminishing their market share.

There is a significant revenue loss for the domestic industry.

Continuation of this import trend would lead to a considerable decline in the domestic production and would impair the domestic industry.

**6. Determination of critical circumstances where delay would cause damage which would be difficult to repair**

In view of the evidence submitted, the current developments are considered to constitute critical circumstances in the meaning of Article 6 of the Agreement on Safeguards.

An increase in imports threatens to cause serious injury to an important branch of the Bulgarian chemical industry that would lead to serious social problems.

Due to the seasonal character of consumption a significant increase of imports is expected in the autumn.

An immediate introduction of the provisional safeguard measure is considered necessary in order to prevent even greater damages that would be difficult to repair.

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