

WORLD TRADE ORGANIZATION

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Committee on Safeguards

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TRANSITIONAL PRODUCT-SPECIFIC SAFEGUARD ON IMPORTS OF TEXTILE PRODUCTS AND CLOTHING INTO PERU FROM THE PEOPLE'S REPUBLIC OF CHINA

The following communications, dated 30 December 2003, are being circulated at the request of the delegation of Peru.

Request for Consultations from Peru

The Permanent Mission of Peru to the United Nations Office and other International Organizations in Geneva presents its compliments to the Permanent Mission of the People's Republic of China to the WTO and has the honour to forward herewith a copy of the Supreme Decree No. 026-2003-MINCETUR, published in the Peruvian Official Gazette on 25 December 2003, that establishes the application of provisional safeguard measures to a list of textile products and clothing originated in the People's Republic of China within the framework of the Transitional Product-Specific Safeguard Mechanism contained in the Protocol of Accession of the People's Republic of China to the WTO (Paragraph 7 of Section 16).

In this regard, the Permanent Mission of Peru to the WTO kindly presents its request for bilateral consultations to the Honourable Government of the People's Republic of China with a view to seeking a mutually satisfactory solution.

Notification of Application of a Provisional Safeguard Measure

The Permanent Representation of Peru to the World Trade Organization presents its compliments to the Secretariat of the World Trade Organization (Rules Division) and transmits herewith a copy of Supreme Decree No. 026-2003-MINCETUR, published in the Official Journal, El Peruano, on 25 December 2003, by which the Government of Peru establishes, under paragraph 7 of Section 16 of the Protocol of Accession of the People's Republic of China to the WTO, the application of provisional transitional safeguard measures to the imports of made-up textile articles originating in the People's Republic of China as listed in Annex I to the said Decree. The provisional measures will be applied for a period of 200 days starting on the day following the publication of the Supreme Decree.

Pursuant to the cited paragraph of Section 16 of the Protocol of Accession of the People's Republic of China to the WTO, the Government of Peru has requested bilateral consultations with the Government of the People's Republic of China with a view to reaching a mutually satisfactory solution. A copy of that request is included herewith.

MINCETUR

Establishment of a Provisional Transitional Safeguard on Imports of Made-Up Textile Articles from the People's Republic of China

SUPREME DECREE NO. 026-2003-MINCETUR

WHEREAS:

By Legislative Resolution No. 26407, the Legislative incorporated into domestic law the Agreement Establishing the World Trade Organization (WTO) and the multilateral trade agreements contained in the Final Act of the Uruguay Round, signed in Marrakesh, Morocco, on 15 April 1994;

The Protocol of Accession of the People's Republic of China to the WTO establishes a transitional product-specific safeguard mechanism in Section 16, paragraph 7 of which provides that in critical circumstances, where delay would cause damage which it would be difficult to repair, the WTO Member so affected may take a provisional safeguard measure pursuant to a preliminary determination that imports from the People's Republic of China have caused or threaten to cause market disruption;

Supreme Decree No. 023-2003-MINCETUR established the procedure for adopting transitional safeguards under the rules and commitments accepted by the Members of the World Trade Organization;

In a letter of 10 October 2003, the *Sociedad Nacional de Industrias* requested of the Dumping and Subsidies Commission (*Comisión de Fiscalización de Dumping y Subsidios*) of the National Institute for the Defence of Competition and the Protection of Intellectual Property (*Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual* – INDECOPI), as investigating authority, the application of transitional safeguards on imports of made-up textile articles from the People's Republic of China;

Report No. 037-2003/CDS by the Dumping and Subsidies Commission of INDECOPI contained a preliminary determination of the existence of evidence justifying the imposition of provisional transitional safeguard measures on imports of made-up textile articles from the People's Republic of China, having found definite evidence that these imports were causing market disruptions in that subsector;

The cited report also determined that there were critical circumstances justifying the immediate application of provisional transitional safeguard measures, having shown that there was a significant increase in imports of made-up textile articles of Chinese origin during the current year, and that if this trend continued, it could cause damage that would be difficult to repair;

The Multisectoral Commission, in its session of 19 December 2003, considered that a market disruption in the made-up textiles sector as a result of increased imports of made-up textiles from the People's Republic of China had been established;

Bearing in mind the export capacity of the People's Republic of China, both existing and potential, and the analysis conducted by the investigating authority, the Multisectoral Commission determined that any delay in the adoption of a safeguard measure could result in injury which it would be difficult to repair in the said subsector, and that consequently, it was necessary to apply, immediately, a provisional transitional safeguard measure to certain made-up textile articles from the People's Republic of China;

In accordance with Legislative Resolution No. 26407, the Protocol of Accession of the People's Republic of China and Supreme Decree No. 023-2003-MINCETUR;

IT IS HEREBY DECREED:

Article 1 – Establishment of a provisional transitional safeguard

A provisional transitional safeguard shall be applied to imports of made-up textile articles from the People's Republic of China as listed in Annex I, which forms an integral part of this Supreme Decree.

Article 2 – Arrangements for application

The amount of the provisional transitional safeguard provided for in Article 1 of this Supreme Decree shall reflect the difference between the c.i.f. import price and the maximum surcharge mentioned in Annex I.

The safeguard measure shall not be applied to products whose c.i.f. import price is higher than the value of the maximum surcharge indicated in Annex I.

Article 3 – Duration of the provisional transitional safeguard measure

The safeguard referred to in the preceding article shall have a duration of 200 days starting from the day following the publication of this Supreme Decree.

Done at Government House, Lima, on the twenty-third day of the month of December of the year 2003.

ALEJANDRO TOLEDO
Constitutional President of the Republic

ALFREDO FERRERO
Minister of Foreign Trade and Tourism

MANUEL RODRÍGUEZ CUADROS
Minister of Foreign Affairs

JAIME QUIJANDRÍA SALMÓN
Ministry of the Economy and Finance

JAVIER REÁTEGUI ROSSELLÓ
Minister of Production

Annex I

CATEGORY	TARIFF SUBHEADING	MAXIMUM SURCHARGE (US\$/KG)
A: Suits, ensembles	6203230000 6204230000 6203120000 6104230000 6203220000 6103230000 6203290000	23.94
B: Great-coats and the like	6201130000 6203330000 6203320000 6204320000 6204330000 6104330000 6201930000 6103330000 6202930000 6202130000 6114200000 6114300000 6210400000 6201920000 6201120000	30.82
C: Blouses, shirts	6205200000 6109100039 6205300000 6206300000 6206400000 6109100049 6105209000 6109100031 6105201000 6105100041	25.86

CATEGORY	TARIFF SUBHEADING	MAXIMUM SURCHARGE (US\$/KG)
D: Trousers and shorts	6204620000 6203420019 6203420011 6203430000 6204630000 6203420012 6203420029 6104630000 6104620000 6103420000 6203420030 6103430000	18.07
E: Dresses and skirts	6204520000 6204530000 6204430000 6104530000 6204420000 6104420000 6104430000 6204590000 6104520000 6204490000 6104590000 6204510000	35.22
F: Underwear	6212100000 6109909000 6109901000 6108210000 6108220000 6212200000 6208220000 6208920000 6207210000 6108320000 6212900000 6212300000	22.8
G: Stockings, tights, socks and pantyhose	6115939000 6115920000 6115190000 6115932000	8.86

CATEGORY	TARIFF SUBHEADING	MAXIMUM SURCHARGE (US\$/KG)
H: Sportswear and accessories	6211330000 6116930000 6211110000 6215200000 6211430000 6214300000 6210200000 6112120000 6112410000 6211420000 6117100000 6211320000 6213200000 6216000090 6117909000	26.39
I: Babies' garments	6111300000 6209200000 6111200000 6209300000	14.69
S: Sweaters	6110309000 6110301000 6110200030 6110110090 6110200090 6110190090 6110900000	33.83
C1: Towels	6302600000	6.18
C2 and C2*: Sheets and other bedlinen	6302320000 6302390000 6302220000 6302310000 6302290000 6302210000 6302109000	5.56