

**NOTIFICATION OF LAWS, REGULATIONS AND ADMINISTRATIVE  
PROCEDURES RELATING TO SAFEGUARD MEASURES**

LATVIA

Supplement

The following communication, dated 17 July 2002, has been received from the Permanent Mission of Latvia.

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Republic of Latvia

Cabinet  
Regulation No. 212  
Adopted 27 June 2000

**Procedures for the Implementation of  
Measures for Safeguarding the Domestic Market**

Issued in accordance with Section 6,  
Paragraph three of the Law  
on Safeguards

**I. General Provisions**

1. These Regulations determine the procedures in accordance with which measures for the safeguarding of the domestic market shall be proposed and implemented.

**II. Proposing of an Investigation**

2. Submissions regarding the proposing of an investigation shall be addressed to the State Trade Defence Bureau (hereinafter –Bureau).

3. The following information shall be set out in the submission:

3.1. the name, address, telephone number, types of activities and registration number in the Enterprise Register, of the domestic producers or associations of producers – the proposer of the investigation and all the supporters of the investigation – as well as information regarding what volume of goods of the total production volume of the relevant goods is produced by the proposer of the investigation;

3.2. a document confirming that the submission is supported by the majority of the domestic producers or associations of producers. The submission shall be regarded as submitted by the domestic producers, or on behalf of them, only if it is supported by domestic producers whose total production volume exceeds 50 per cent of the total production volume of the domestic goods produced by such domestic producers as either support the submission or are against it. An investigation, however, may not be initiated if the producers who expressly support the submission produce less than 25 per cent of the total production volume;

3.3. a description of the domestic goods and their commodity code in accordance with the Harmonised Commodity Description and Coding System, as well as a technical description of the goods and the purposes for which the goods are to be utilised;

3.4. the description of the imported goods and their commodity code in accordance with the Harmonised Commodity Description and Coding System, as well as a technical description of the goods and the purposes for which the goods are to be utilised;

3.5. the states from which the goods are imported;

3.6. evidence that the domestic goods are like goods or directly competing with the imported goods, if the commodity codes of the Harmonised Commodity Description and Coding System for the domestic goods and imported goods are different;

3.7. the volume and value of the imported goods, setting out the data regarding the last three years before the day the submission is submitted, and the volume of the imported goods in the year the investigation is proposed;

3.8. the volume and value of the domestic goods, setting out the data regarding the last three years before the day the submission is submitted, and the volume of the domestic goods in the year the investigation is proposed;

3.9. grounds for the existence of serious injury or threat of serious injury and evidence that the volume of the imported goods was the cause of serious injury, or threat of serious injury, to domestic producers (market share, decrease of the volumes of sales, employment, productivity, capacity utilisation, adverse influence upon the price of the goods etc.); and

3.10. recommendations regarding promotion of the competitiveness of the relevant area of production (sector), which must be performed by domestic producers, if safeguard measures are applied.

3bis. If the information mentioned in Paragraph 3 of these Regulations could not be set out in its entirety, the submitter of the submission should set out the grounds why the entire information is not submitted. The Bureau shall assess whether the information set out in the submission is sufficient enough for the initiation of an investigation and, where necessary, request additional information in accordance with Section 5, Paragraph three of the Law on Safeguarding the Domestic Market.

[27 February 2001]

4. If the Bureau proposes an investigation on its own initiative, it shall be performed in accordance with Chapters IV, V, VI, VII and VIII of these Regulations.

### **III. Examination of the Submission**

5. After the receipt of the submission the Bureau shall assess its compliance with the requirements of Paragraph 3 of these Regulations.

6. Where necessary, the Bureau may request that the submitter of the submission provide additional information within 15 days.

7. In assessing the application, the Bureau may request the opinion of competent State institutions regarding the state of the relevant domestic production sector and the necessity of safeguard measures. The opinion shall be submitted to the Bureau within 14 days after it is requested.

8. The Bureau shall reject the submission, if:

8.1. the submission does not include all the information prescribed in Paragraph 3 of these Regulations, and the submitter has not, pursuant to a written request from the Bureau, within the specified time rectified the deficiencies referred to; or

8.2. there is not sufficient evidence for the initiation of an investigation.

### **IV. Initiation of an Investigation**

9. An investigation shall be regarded as initiated, as of the day the decision on the initiation of an investigation is published in the newspaper *Latvijas Vēstnesis* [the official Gazette of the Government of Latvia].

10. The following information shall be set out in a decision regarding the initiation of an investigation:

10.1. a summary, prepared by the Bureau, in regard to the information received;

10.2. the deadline by which interested persons may express their views by submitting written information;

10.3. the deadline by which interested persons may submit an application regarding a hearing in accordance with Paragraph 14 of these Regulations; and

10.4. a statement as to where interested persons can submit the documents referred to in Sub-paragraphs 10.2 and 10.3.

### **V. Participation of Interested Persons in an Investigation**

11. During an investigation interested persons may submit, in writing, evidence and information that is important for the investigation.

12. Interested persons who have expressed their views in accordance with Sub-paragraph 10.2 of these Regulations, may become acquainted, during an investigation, with any information at the disposal of the Bureau, except restricted access information and confidential information. Interested persons have the right to express their views regarding the evidence and information at the disposal of the Bureau within the time period determined by the Bureau (which may not be less than 15 days and may not exceed 30 days).

## **VI. Hearings**

13. The Bureau may hear interested persons, if they have submitted, within the time period specified in the public notice, a written application in which the necessity of such a hearing is established.

14. During a hearing the parties shall express their views only in regard to such issues as have been specified and regarding which a summary has been submitted together with the application regarding the necessity of a hearing.

15. The Bureau shall send a notice regarding the time and place of the hearing to the respective interested persons and publish it in the newspaper *Latvijas Vēstnesis*.

## **VII. Conducting of Investigations**

16. In order to determine whether safeguard measures are necessary for the domestic market, the Bureau shall assess the following information:

16.1. the increase of imports of the relevant goods (in absolute and relative terms with respect to domestic production and consumption) in terms of quantity and value during the last three years prior to the day the submission is submitted;

16.2. circumstances under which the increase of imports of the relevant goods is taking place (price, quality, conditions of sale, market share of the imported goods and changes in the indicators of sale of the domestic goods – price, volume, quality, demand for domestic goods in the domestic market, unsold stocks etc.);

16.3. the adverse influence of the increase of imports of the relevant goods upon the domestic producer;

16.4. evaluation of the export capacity of each exporting state on the day the submission is submitted and in the immediate future;

16.5. the amount of losses, or the amount of expected losses, inflicted upon the domestic producers; and

16.6. the causal link between the imports of the relevant goods and the serious injury or threat of serious injury.

17. In determining the existence of a threat of serious injury, the Bureau shall assess whether the increasing volume of imports of the goods will cause serious injury to the domestic producers in the particular situation.

18. In determining the existence of a threat of serious injury, the Bureau shall take into account the following information:

- 18.1. increase of imports of the relevant goods;
- 18.2. exporting capacity of the exporting state during the investigation and in the near future; and
- 18.3. the possibility of the exporting capacity being utilised for the export of the relevant goods to Latvia.

19. If the requested information has not been submitted within the time period specified by the Bureau and the investigation is significantly delayed, the Bureau may take decisions on the basis of information available to it and as is at its disposal. If the Bureau determines that an interested person has provided incorrect or misleading information, such information shall not be taken into account and the decisions of the Bureau shall be taken in accordance with the information available to it and as is at its disposal.

### **VIII. Summary Report**

20. The Bureau shall prepare a summary report regarding the results of the investigation and include the following information in the report:

- 20.1. a description of the imported goods and their commodity code in accordance with the Harmonised Commodity Description and Coding System, as well as a technical description of the goods and the purposes for which the goods are to be utilised;
- 20.2. the exporting states regarding the relevant goods;
- 20.3. a description of the domestic goods and their commodity code in accordance with the Harmonised Commodity Description and Coding System, as well as a technical description of the goods and the purposes for which the goods are to be utilised; and
- 20.4. the recommended safeguard measures, if such are necessary, the duration of their application and a schedule for gradual liberalisation of the safeguard measures.

21. If the Bureau recommends, in the summary report regarding the results of the investigation, that safeguard measures be determined, the report shall be submitted, in accordance with prescribed procedures, for examination in the Cabinet.

### **IX. Provisional Measure**

22. The Bureau may, not later than 30 days after the initiation of an investigation, take a decision regarding the existence of critical circumstances and the necessity of provisional measures. The Bureau shall submit, in accordance with prescribed procedures, the decision regarding the necessity of provisional measure for examination in the Cabinet.

23. Notification of the necessity of provisional measures shall be published in the newspaper *Latvijas Vēstnesis*, and the following information shall be set out therein:

23.1. a description and the code of the imported goods in accordance with the Harmonised Commodity Description and Coding System;

23.2. the grounds regarding the necessity of provisional measures;

23.3. the provisional measures determined; and

23.4. the duration of application of the provisional measures.

24. If imports of the relevant goods no longer cause serious injury or threat of serious injury to the domestic producers, the Bureau shall decide as to a recommendation regarding revocation of the provisional measures.

## **X. Safeguard Measures**

25. In the summary report the Bureau shall recommend the most appropriate safeguard measures in the given situation.

26. If the Bureau recommends that an import quota be determined, it shall simultaneously provide information regarding the amount of the allowable annual import quota. The recommended quotas may not be less than the average level of imports during the three last calendar years, regarding which there is information available from the Central Statistics Bureau, except in cases when another amount of the import quota is necessary in order to prevent serious injury.

27. In recommending annual import quotas, the Bureau shall take into account the following factors:

27.1. how the traditional flow of goods will be maintained;

27.2. the volume of goods being exported in accordance with contracts which were entered into before the coming into effect of the safeguard measures (if the Bureau has at its disposal information regarding such contracts); and

27.3. the necessity to avoid jeopardising the attainment of the purpose of the quota implementation.

28. The annual import quotas shall be apportioned in consultation with all the exporting states of the relevant goods, which have significant interests in the exportation of the relevant goods to Latvia.

29. If an agreement regarding apportionment of the annual import quota cannot be reached in accordance with the procedures prescribed in Paragraph 28 of these Regulations, the quotas shall be apportioned proportionately to the share of each supplier in the total volume of imports before the application of safeguard measures. If the Bureau determines that the imports of the relevant goods from a certain state has disproportionately increased during the last three years in relation to the total imports of the goods, a different amount of quotas may be determined.

## **XI. Extending Time Periods for and Monitoring of Safeguard Measures**

30. In order to extend the time period of safeguard measures, the Bureau shall perform a new investigation in accordance with these Regulations.

31. The Bureau shall recommend that the time period of safeguard measures be extended in the following cases:

31.1. it is determined during the investigation that it is necessary to maintain the safeguard measures in order to prevent serious injury or threat of serious injury; or

31.2. the Bureau has at its disposal information that the domestic producers are taking significant measures in order to promote competitiveness.

32. The Bureau shall annually examine the efficiency of the safeguard measures and decide on the possibilities of liberalisation of the safeguard measures.

33. In examining the efficiency of the safeguard measures, the Bureau shall evaluate:

33.1. the effectiveness of the safeguard measures applied;

33.2. how liberalisation of the safeguard measures will affect the competitiveness of the domestic producers; and

33.3. other relevant circumstances.

34. The Bureau has the right to request from the domestic producers necessary information regarding the state of the relevant area of production (sector) after the implementation of the safeguard measures and the measures that have been taken in order to promote competitiveness in accordance with Sub-paragraph 3.10 of these Regulations.

## **XII. Closing Provision**

35. The Cabinet Regulation No. 176 of 11 May 1999, Procedures in accordance with which Measures for Safeguarding the Domestic Market are to be Implemented (*Latvijas Vēstnesis*, 1999, No. 159/160) is repealed.

Prime Minister

A. Bērziņš

Minister for Economics

A. Kalvītis

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