

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

**HUNGARY**

The following communication, dated 21 January 2003, has been received from the Permanent Mission of Hungary.

Pursuant to Article 12.1(a) of the Agreement on Safeguards and the format of notifications under the Agreement as adopted by the Committee on Safeguards (G/SG/N/6), Hungary hereby notifies that her competent authorities have initiated a safeguard investigation as follows:

**1. Date of the investigation initiated**

**On 2 January 2003**, the Ministry of Economy and Transport initiated an investigation relating to serious injury to the domestic producers of like or directly competing products.

**2. Products subject to investigation**

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|------------|---|
| HS 3102.10 | Urea, whether or not in aqueous solution  |
| HS 3102.30 | Ammonium nitrate, whether or not in aqueous solution  |
| HS 3102.40 | Mixtures of ammonium nitrate with calcium carbonate or other inorganic non-fertilizing substances |
| HS 3102.80 | Mixtures of urea and ammonium nitrate in aqueous or ammoniac solution                             |

**3. Reasoning for the initiation of investigation**

The Hungarian producer of the products concerned informed the competent Hungarian authorities on a market situation of certain types of fertilizers that appears to call for safeguard measures. On the basis of the evidence available for the industry the Hungarian producers asked the authorities to start an investigation.

The Ministry of Economy and Transport obtained sufficient information that indicate a recent sharp increase in imports of products concerned both in absolute terms and relative to production and consumption and that the products concerned have been imported under such conditions as to cause or threaten to cause serious injury to domestic industry.

Imports from products classified within HS 3102.10 increased by 49 per cent in 2000/2001. Imports from products classified within HS 3102.40 increased by 2 per cent in 2000/2001, and it nearly tripled in the first nine months of 2002. Imports from products classified within HS 3102.30 increased by 73 per cent from 2000 and 2001. Imports from products classified within HS 3102.80

increased by 19 per cent in the same period. The illustrated growth in imports was registered in a period when the consumption decreased significantly or remained behind the growth rate of imports.

Employment of the domestic industry fell by 13.4 per cent.

On the basis of the relevant Hungarian legislation (Government Decree No. 113/1990 (XII.23)) and the evidence submitted, the authorities initiated an investigation in relation to products classified within HS 3102.10, HS 3102.30, HS 3102.40, HS 3102.80.

#### **4. Sources of information**

The public notice on the initiation of an investigation was published in the Economic and Employment Journal (No. 16) of the Ministry of Economy and Transport on 31 December 2002.

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