

**NOTIFICATION UNDER ARTICLE 12.1(B) OF THE AGREEMENT ON
SAFEGUARDS ON FINDING A SERIOUS INJURY OR THREAT
THEREOF CAUSED BY INCREASED IMPORTS**

POLAND

The following communication, dated 17 July 2003, has been received from the Permanent Mission of Poland.

Pursuant to Article 12.1 (b) of the Agreement on Safeguards, Poland hereby submits notification upon making a finding of serious injury caused by increased imports.

1. Determination that increased imports have caused serious injury

(a) Increase in imports

During 1998-2000 the volume of imports decreased in absolute terms; however, within the first three quarters of 2001, there was an upward trend of imports which amounted to 57.2 per cent compared to the same period of 2000.

The share of imports in the domestic production during the investigation period rose by:

- 5.72 percentage points in 1999 compared with 1998,
- 0.68 percentage points in 2000 compared with 1999,
- 17.47 percentage points in the first three quarters of 2001 compared with the same period of 2000.

The share of imports in the domestic market during the investigation period rose by:

- 3.72 percentage points in 1999 compared with 1998,
- 0.4 percentage points in 2000 compared with 1999,
- 12.3 percentage points in the first three quarters of 2001 compared with the same period of 2000.

The average prices of the domestic product during the investigation period increased.

The results of the analysis indicate that, since 2000 the prices of imported calcium carbide has been lower than prices of the domestic like product. Price undercutting margin in the first three quarters of 2001 amounted to 3.4 per cent.

Imports of calcium carbide at lower prices resulted in price fall of the domestic product. Price underselling margin in the first three quarters of 2001 amounted to 9.8 per cent and 14.4 per cent in the same period of 2002.

(b) Serious injury

Based on analysis of the factors concerning the situation of domestic producer of the like product as indicated in Article 4.2 (a) of the Agreement on Safeguards, the investigating authority has determined:

- fall in the volume of domestic production (previous year = 100),
 - in 1998: 100,
 - in 1999: 62.76,
 - in 2000: 92.37,
 - in the first three quarters 2000: 100,
 - in the first three quarters 2001: 78.2 compared with the same period of 2000,
- fall in the domestic sales (previous year = 100),
 - in 1998: 100,
 - in 1999: 82.33,
 - in 2000: 90.72,
 - in the first three quarters of 2000: 100,
 - in the first three quarters 2001: 82.04 compared with the same period of 2000,
- fall of the productivity (previous year = 100),
 - in 1998: 100,
 - in 1999: 88.93,
 - in 2000: 102.05,
 - in the first three quarters 2000: 100,
 - in the first three quarters 2001: 88.7 compared with the same period of 2000,
- fall of the share of the domestic industry in the market (previous year = 100),
 - in 1998: 100,
 - in 1999: 95,
 - in 2000: 99,
 - in the first three quarters 2000: 100,
 - in the first three quarters 2001: 85 compared with the same period of 2000,
- decrease of employment in the production of calcium carbide by 25.2 per cent in the period 1998-2000 and by 11.7 per cent in the first three quarters of 2001 in relation to the same period of 2000,
- significant decline in profits; in 2001 domestic industry was suffering losses.

As a result of this analysis the Ministry of Economy, Labour and Social Policy stated that the domestic industry suffered an injury which is indicated by such economic indicators as: fall in the level of sales, production, productivity, decrease in the share in the domestic market, fall in employment and financial losses.

(c) Causation

On the basis of available information the investigating authority has made a determination that there is clear evidence of a causal link between the recent growth of imports of product under investigation and the injury caused to domestic producer. In the course of the investigation the Ministry of Economy, Labour and Social Policy found that sharp increase in imports of calcium carbide took place in 2001. The effective prices of imports, in the investigation period were lower than the domestic ones and thus have caused serious injury to the domestic industry.

To ensure that serious injury is not attributable to other factors than increase in imports, the investigating authority evaluated all relevant factors (including fall in exports) influencing the situation of that industry. In the course of the investigation Ministry of Economy, Labour and Social Policy has not found other factors which could cause injury to the domestic industry.

The investigating authority has established that worsening of the situation of the domestic producer of like product is directly attributable to increase in imports.

2. Product subject to investigation

Calcium carbide is classified under tariff item 2849 10 00 0 of the Polish Harmonized Tariff. Calcium carbide is obtained from burnt lime and coke electrothermally. That product is chiefly used for the production of acetylene, which basic application is welding.

Having regard data concerning the product submitted by the parties, particularly its chemical composition, its application and price, it is ascertained that calcium carbide made by domestic producer is like product to calcium carbide - subject to safeguard investigation.

3. Description of the measure

On the basis of the conclusions concerning injury and causal link Ministry of Economy, Labour and Social Policy intends to impose safeguard measure. The safeguard measure is proposed to consist of additional duty to be paid on imports exceeding certain quantities. The level of additional duty will be calculated on the basis of price underselling margin in recent period and will amount to 15 per cent.

The quantity of imports free from additional duty will be established on the basis of the average volume of imports of the product concerned in the years 1998-2000 (9,000 tons).

4. Date of introduction of the measure

The measure shall be introduced on 16 July 2003. The decision on final findings was published in the official journal "Monitor Polski" No 29, item 406 of 5 June 2003.

5. Duration of the measure

The safeguard measure will be applied up to 30 April 2004.

Period	The quantity of imports free from additional duty	Additional duty
16.07.2003 - 30.04.2004	7,188 tons	15%