



28 April 2014

(14-2568)

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Council for Trade in Goods
Committee on Safeguards

Original: Spanish

**NOTIFICATION UNDER ARTICLE 12.5 OF THE AGREEMENT
ON SAFEGUARDS ON THE RESULT OF
PRIOR CONSULTATIONS**

COLOMBIA

(Steel Wire Rod)

The following communication, dated 22 April 2014, is being circulated at the request of the delegation of Colombia.

1 PROVISION UNDER WHICH CONSULTATIONS WERE HELD

Article 12.3 of the Agreement on Safeguards, as stated in document **G/SG/N/8/COL/1** of 26 March 2014.

2 WTO DOCUMENTS THAT NOTIFIED THE SAFEGUARD ACTION REGARDING WHICH CONSULTATIONS WERE HELD UNDER ARTICLE 12.4

G/SG/N/8/COL/1.

3 MEMBERS INVOLVED IN THE CONSULTATIONS, AND TIME-PERIOD DURING WHICH CONSULTATIONS WERE HELD

Consultations with Mexico were held on 28 March 2014 via videoconference, at which representatives of the Mexican and Colombian Missions in Geneva were present.

4 RESULTS OF THE CONSULTATIONS

During the videoconference held on 28 March 2014 Colombia exchanged views with Mexico regarding the **exclusion of products**. The Sub-Directorate of Trade Practices (Colombian investigating authority, hereinafter SPC) explained that the National Customs and Excise Directorate had carried out in-depth studies and, owing to problems of recognition, had focused exclusively on carbon content.

As regards **notification dates**, the SPC indicated that Colombia had complied with the notification obligations under Article 12.1(a) and (b) and 12.4 of the Agreement on Safeguards. As shown in the table below, the notifications were processed and made within the relevant time-frames via the Permanent Mission of Colombia to the WTO, as soon as administratively feasible. It should be noted that there is no legal basis in the text of Article 12.1 of the Agreement on Safeguards to determine the exact time-frame for making notifications. The table below shows the exact dates on which the relevant notifications, communications and publications were issued.

| Product | Initiation | | File number | Publication in Official Journal | | Communication to Embassies –exporting governments | Communication to importers | Notification of initiation to WTO | Prior Provisional notification to WTO | Provisional measure | |
|--------------------------------|------------|--------------|-------------|---------------------------------|--------------|---|----------------------------|-----------------------------------|---------------------------------------|---------------------|--------------|
| | Resolution | Date | | No. | Date | | | | | Decree | Date |
| Bars and rods of iron or steel | 160 | 17 July 2013 | SA-01-51 | 48.856 | 19 July 2013 | 24 July 2013 | 24 July 2013 | 26 July 2013 | 12 Sep. 2013 | 2213 | 08 Oct. 2013 |

For the purposes of determining **likeness** and/or direct competitiveness, the Colombian investigating authority relied on all the information supplied in the investigation that related to physico-chemical characteristics, raw materials, production processes, presentation and uses. This was supported by input from the Domestic Goods Production Registration Group of the Ministry of Trade, Industry and Tourism, which is responsible for administering the National Producers Register. The input gave an idea of the likeness between the imported products and the domestic product at issue in the four investigations conducted.

In actual fact, even if there were differences in any respect, the characteristics of the domestic product are so similar to those of the imported products that, in practical terms, such differences would be impossible to identify at first glance.

The SPC also carried out a random review of import declarations, and none of them concerned imports of products in diameters other than those under investigation.

As regards the comments about the **analysis of imports and the injury analysis**, it should be pointed out that Colombia conducted its analyses pursuant to its domestic legislation, in conformity with Article 2.1 and 2.2 of the Agreement on Safeguards. Firstly, for the purposes of evaluating the trend in imports, the period of analysis was considered to be the period covering the years 2010, 2011 and 2012. It is important to clarify that a safeguard action seeks to remedy the adverse effects of a sudden increase in imports, and that the analyses should accordingly focus on developments in the last year of evaluation which is closest to the time of the request for and initiation of the investigation and for which full statistics are available. Thus, the trend in imports during the years 2010 and 2011 was taken as the historical reference, while the year 2012 was considered as the period for which it had to be determined whether imports had increased in such quantities and under such conditions as to cause or threaten to cause injury to the domestic industry.

Using the DIAN's (Colombian customs authority) database, the analyses reviewed the trend in the total volume of imports, regardless of origin. An analysis of volume by country of origin was also carried out in order to assess the shares of countries exporting to Colombia. This is not, by any manner of means, a discriminatory investigation.

As regards **representativeness**, the SPC ascertained, on the basis of the verification visit and the analysis by product line, that the shares of Acerías Paz del Río and DIACO were 77% and 23%, respectively.

So far, no document has been adduced to rebut the figures reported by the ANDI Chamber, which is the trade association that certified the statistical data concerning the representativeness of the sector's enterprises, or any evidence of other producers of steel products in Colombia accounting for more than 50% of domestic production and thus disproving representativeness.

As regards the **exclusion of imports from Mexico**, a review of safeguard commitments (Article 8-06 of the FTA between Mexico and Colombia) established that Mexico's exports to Colombia did not satisfy the requirements for exclusion from the definitive safeguard measure.

Lastly, as regards the issue of compensation, the SPC indicated that compensation depended on the duration of the measure, on which there was no information to share at the time that the consultations took place.

The Colombian authority further specified that it could not provide any precise information on the amount, duration and entry into force of the measure, because to date there was only a recommendation by the Customs, Tariffs and Foreign Trade Committee, which had to be submitted for final assessment by the Higher Council for Foreign Trade.

Colombia informed Mexico that the Higher Council would meet on 31 March 2014 and that the measure had yet to be defined in the form of a quota based on average imports over the past three years or a tariff.
