

**NOTIFICATION UNDER ARTICLE 12.4 OF THE AGREEMENT ON
SAFEGUARDS BEFORE TAKING A PROVISIONAL SAFEGUARD
MEASURE REFERRED TO IN ARTICLE 6**

**INFORMATION TO BE NOTIFIED TO THE COMMITTEE WHERE
A SAFEGUARD INVESTIGATION IS TERMINATED
WITH NO SAFEGUARD MEASURE IMPOSED**

CHILE

The following communication, dated 10 July 2000, has been received from the Permanent Mission of Chile.

Chile hereby notifies two measures taken in connection with the investigation into socks, already notified to the WTO by Chile (G/SG/N/6/CHL/3):

I. PROVISIONAL SAFEGUARD MEASURE

The investigating authority decided to recommend the application of a provisional safeguard measure on imports of socks of synthetic fibres, as follows:

1. Description of the product

Socks of synthetic fibres, tariff heading 6115.9300.

2. Proposed provisional measure

The measure recommended is an *ad valorem* tariff surcharge of 13 per cent.

3. Proposed date of introduction of the measure

It is expected that it will come into effect during the first half of July 2000.

4. Bases for the preliminary determination of an increase in imports that has caused or threatens to cause serious injury

The increase in imports in 1998 and 1999 was taken into account. Imports in 1999 in comparison with 1998 increased by 61.9 per cent and in 1998 the increase was 70.3 per cent. According to the evidence and background material supplied by the applicant, in 1999 there was a decrease in production and domestic sales in comparison with 1998. Domestic prices of the product

fell by 11.7 per cent in 1999 in comparison with 1998, aggravating the drop of 17.1 per cent in 1998 in comparison with 1997. Although apparent consumption of socks of synthetic fibres showed an increase of 17.8 per cent in 1999 in comparison with 1998, the share of imports in apparent consumption of socks of synthetic fibres gradually increased from 32 per cent in 1997 to 45 per cent in 1998 and 62 per cent in 1999.

5. Bases for determining the existence of critical circumstances where delay would cause damage which it would be difficult to repair

The imports/domestic production ratio shows a sustained increase in recent years, rising to 151.2 per cent in 1999, almost twice the figure for 1998 (77.8 per cent), which in turn was higher than that in 1997 (44.5 per cent). This substantial increase in imports, which have to a significant extent replaced domestic production over a short period, and the share of imports in apparent consumption makes it necessary to adopt immediate measures to prevent imminent injury to domestic production.

II. TERMINATION OF THE INVESTIGATION

In its session 209, the investigating authority decided to terminate the investigation and not to recommend the application of measures on cotton socks, classified under tariff heading 6115.9200.
