WORLD TRADE ORGANIZATION

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Committee on Safeguards

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

AUSTRALIA

(Certain Processed Fruit Products)

The following communication, dated 20 December 2013, is being circulated at the request of the Delegation of Australia.

In accordance with the formats for notifications adopted at the 6 May 1996 special meeting of the Committee on Safeguards for safeguard investigations that are terminated without imposing safeguard measures, Australia provides notification of a termination of a safeguard investigation due to a negative causation finding.

1 SPECIFY THE PRODUCT SUBJECT TO THE INVESTIGATION

Processed fruit products with the corresponding tariff subheadings of the Australian Customs Tariff as follows:

Citrus fruit	2008.30.00
Pears	2008.40.00
Apricots	2008.50.00
Peaches, including nectarines	2008.70.00
Mixtures	2008.97.00
Other	2008.99.00

2 IDENTIFY THE WTO DOCUMENT CONTAINING THE NOTIFICATION OF INITIATION

On 2 July 2013, Australia notified the Committee on Safeguards (WTO document G/SG/N/6/AUS/4, circulated 3 July 2013) of a reference to the Productivity Commission (the Commission) to initiate a safeguard investigation, and specifically to examine whether provisional measures may be justified. On 26 September 2013, Australia notified the Committee (WTO document G/SG/N/8/AUS/4, circulated on 30 September 2013) that the Commission had provided its accelerated report to the Government on 18 September 2013. The accelerated report indicated that provisional safeguard measures were not warranted for imports of certain processed fruit products.

3 SPECIFY THE DATE ON WHICH THE INVESTIGATION WAS TERMINATED

On 20 December 2013, the final report of the Productivity Commission's safeguard inquiry was released by the Government. The Government noted that the Commission found that safeguard measures against imports of certain processed fruit products are not warranted.

4 IDENTIFY THE REASON(S) FOR TERMINATION

The Productivity Commission found that safeguard measures are not warranted for processed citrus products because there is no domestic industry producing like or directly competitive products.

The Productivity Commission also found that safeguard measures are not warranted for 'other' processed fruit products. The domestically produced products that are like or directly competitive with the imported products are an insignificant part of the domestic industry's business. Therefore, the Commission found that there is little potential for imports of 'other' processed fruit products to be a contributor to any injury suffered by the industry.

The Productivity Commission found that there had not been an absolute or a relative increase in imports of apricots. It found that there had been both an absolute and relative increase in imports of fruit mixture products and an increase in imports only relative to domestic production for processed peaches and pears.

The Productivity Commission found that increased imports of processed pears, peaches and fruit mixtures have not caused serious injury to the domestic industry. The serious injury resulted from a combination of other factors including long-term reductions in consumer demand for processed fruit products, rising domestic production costs driven by declining economies of scale due to lower domestic demand and reduced export volumes, and domestic retailers promoting private label brand products that compete with the sole domestic producer and with each other, as well as to improve reliability of supply.

5 PROVIDE THE REFERENCE FOR THE PUBLISHED NOTICE OF TERMINATION

The Productivity Commission's final report (dated 12 December 2013) can be accessed electronically at the Commission's website: (http://www.pc.gov.au/projects/inquiry/fruit-safeguards).