

**Order**  
**of the Director of the Department of protection of the domestic market**  
**of Eurasian Economic Commission**

on September 28, 2012 № 10

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Department of protection of the domestic market of the Eurasian Economic Commission

"The start of a special protective investigation into the tissue ready-made fibers and yarns, mixed (unmixed) mainly or solely with cotton, imported the common customs territory of the Customs Union "

1. Grounds for initiating special safeguard investigation

According to the Agreement on the application of special protective, antidumping and countervailing measures against third countries from January 25, 2008 (hereinafter - Agreement), the Decision Board of Eurasian Economic Commission March 7, 2012 № 1 and on the basis of the review of the joint statement Ltd "Baltex" LLC, "Kids", JSC "Don-tex", JSC "Kursk factory technical fabrics", JSC "Mogotex" LLC, "Tchaikovsky Textile Company" (hereinafter referred to as the enterprise-applicants) by the Department to protect the domestic market of the Eurasian Economic Commission decided to launch a special investigation into the safety of tissues ready-made fibers and yarns, mixed (unmixed) mainly or solely with cotton, imported into the common customs territory of the Customs Union (hereinafter, the terms "fabric of synthetic fibers and filaments" and "Product").

The enterprises of the applicant for the period from 2009 to 2011 had an average of 58.9% in the total production of goods in the Customs Union, which meets the requirements of paragraph 3 of Article 29 of the Agreement, and allows us to consider the above-mentioned companies as economic branch of the Customs Union (hereinafter - the sector of the economy TC) within the meaning of Article 2 of the Agreement.

Under investigation are fabrics from fibers and yarns classified codes HS TC:

5407 10 001 0, 5407 10 009 0, 5407 30 000 0, 5407 42 000 0, 5407 43 000 0, 5407 44 000 0, 5407 52 000 0, 5407 53 000 0, 5407 54 000 0, 5407 61 300 0, 5407 61 500 0, 5407 61 900 0, 5407 69 900 0, 5407 72 000 0, 5407 73 000 0, 5407 74 000 0, 5407 82 000 0, 5407 83 000 0, 5407 84 000 0, 5407 92 000 0, 5407 93 000 0, 5407 94 000 0; 5408 10 000 0, 5408 32 000 0, 5408 33 000 0, 5408 34 000 0; 5512 19 100 0, 5512 19 900 0, 5512 29 100 0, 5512 29 900 0, 5512 99 100 0, 5512 99 900 0; 5513 21 000 0, 5513 23 100 0, 5513 23 900 0, 5513 29 000 0, 5513 31 000 0, 5513 39 000 0, 5513 41 000 0, 5513 49 000 0; 5514 21 000 0, 5514 22 000 0, 5514 23 000 0, 5514 29 000 0, 5514 30 100 0, 5514 30 300 0, 5514 30 500 0, 5514 30 900 0, 5514 41 000 0, 5514 42 000 0, 5514 43 000 0, 5514 49 000 0; 5515 11 300 0, 5515 11 900 0, 5515 12 300 0, 5515 12 900 0, 5515 19 300 0, 5515 19 900 0, 5515 21 300 0, 5515 21 900 0, 5515 29 000 0, 5515 91 300 0, 5515 91 900 0, 5515 99 400 0, 5515 99 800 0; 5516 12 000 0, 5516 13 000 0, 5516 14 000 0, 5516 22 000 0, 5516 23 100 0, 5516 23 900 0, 5516 24 000 0, 5516 42 000 0, 5516 43 000 0, 5516 44 000 0, 5516 92 000 0, 5516 93 000 0, 5516 94 000 0

Woven fabrics of synthetic fibers and filaments are defined in the application as a product that is like or directly competitive with respect to the tissues of the fibers and yarns imported into the common customs territory of the Customs Union (hereinafter - TT TC).

Contained in an application can state the following.

1. The presence of increased imports of textiles from fibers and yarns to TT TC.

The volume of imports of chemical fiber fabrics and threads on CT TC from 2009 to 2011 increased in absolute terms by 55.9% in relation to the volume of production for TT TS - by 63.9%.

The weighted average price of fabrics from fibers and yarns imported into TT TC for the same period remained at the same level.

2. A serious harm industries TC.

To TT TC consumption of tissue fibers and yarns for the period from 2009 to 2011 increased by 46.2%, while the volume of production and sales of goods vehicle manufacturers for the period decreased by 4.7% and 14.5% respectively, and the share of their production to consumption to TT TC fell by 5.8 percentage points.

In the economic sector CU from 2009 to 2011 was negative for most of the dynamics of production and economic indicators:

- Production of fabrics from fibers and yarns declined by 14.9%;
- Sales of fabrics from fibers and yarns declined by 18.6% while reducing the share of economic sector produced goods in the market TC TC by 4.1 percentage points;
- The degree of capacity utilization of the applicant companies declined by 5.6 percentage points;
- The share of inventory based on the volume of production increased by 2 percentage points, despite a decline in inventories by 3.0%;
- The number of personnel involved in the production of goods decreased by 15.8%.

Also experienced a slight increase in labor productivity by 1.4% due to reduced headcount.

In addition, the enterprises of the sector of the economy has been a marginal increase in vehicle sales profitability by 3.9 percentage points, and the corresponding increase in income and an increase in investments for the development of production and cost reduction.

According to the business of the applicant, these measures are related to the influence of exchange rate of the national currency in the performance of some enterprises of the sector of the economy in general and the TC did not affect the position of the TC industries in the market.

3. Existence of a causal link between increased imports and serious injury vehicle industries.

During the period from 2009 to 2011 increase in imports of textiles from fibers and yarns to TT TC accompanied by the displacement of the Goods Vehicle manufacturers.

The volume of imports of chemical fiber fabrics and threads on CT TC from 2009 to 2011 increased by 55.9%, the main increase in imports of goods was observed in 2010 - by 55.8%.

Simultaneously, the share of products by manufacturer vehicle to vehicle market declined by 5.8 percentage points. With the sharp increase in imports in 2010, the share of vehicle manufacturers fell by 5.4 percentage points, despite the increase in the consumption of goods by 46.7%.

Throughout this period, the prices of imported fabrics from fibers and yarns were below the producer price of the applicant, the difference between the prices increased by 1.3 times, which had a negative impact on the price competitiveness of goods produced by economic sector vehicle, led to a decrease in its share of the vehicle market and the deterioration of production and economic indicators.

Enterprise-applicants did not have information about other factors that could have a negative impact on the sector of the economy along with increased vehicle imports.

The availability of evidence of the above facts, in accordance with the Agreement is the basis for the decision to initiate a special investigation into the safety of tissues ready-made fibers and yarns, mixed (unmixed) mainly or solely with cotton, imported to the TT TC.

## 2. Stakeholder rights and the timing of their implementation

The date of commencement of the investigation is the publication date of this notice, the official website of the Eurasian Economic Commission.

Interested persons specified in Article 36 of the Agreement, may, within 90 calendar days from the date of initiation of the investigation submitted to the Department to protect the domestic market of the Eurasian Economic Commission for comments and information related to the investigation (in writing, in Russian, in a confidential and non-confidential version).

To be able to familiarize with non-confidential investigation records of participation in public hearings and negotiations, the stakeholders in accordance with paragraph 5 of Article 30 of the Agreement, within 30 calendar days from the date of initiation of the investigation may declare his intention to seek membership status of the investigation.

Participants in the investigation within 60 calendar days from the date of initiation of the investigation, may apply for a public hearing as provided in Article 34 of the Agreement.

## 3. The confidentiality of the information

For confidential information received during the investigation into the Department to protect the domestic market from the Eurasian Economic Commission and stakeholders involved in the investigation will be to apply the provisions on the use and protection of confidential information and proprietary information of limited distribution in the body responsible for the investigation, the Board approved the decision of the Eurasian Economic Commission on March 7, 2012 № 1.

## 4. Contact Information

Interested parties may submit their comments and information related to the investigation at the following address:

Department of Protection of the internal market of the Eurasian Economic Commission

119121, Smolensky Boulevard, 3/5, Moscow, Russian Federation.

Contact phones: +7 (495) 604 40 38 # 1272, # 1292, # 1308.