

**GOVERNMENT OF PAKISTAN**

**NATIONAL TARIFF COMMISSION**



**APPLICATION  
FOR**

**SAFEGUARD MEASURES**

(Under The Safeguard Measures Ordinance, 2002)

**PART – A****GENERAL INFORMATION AND GUIDELINES****1. Legal Basis For Application Of Safeguard Measures**

Safeguard Measures Ordinance, 2002 (“the Ordinance”) and the Safeguard Measures Rules, 2002 (the “Rules”) framed thereunder give effect, in Pakistan, to the provisions of Article XIX of the GATT 1994, and to the Agreement on Safeguards.

1.2 Safeguard measures can be applied on an investigated product imported into Pakistan if, it is determined by the Commission pursuant to an investigation conducted by it in accordance with the provisions of the Ordinance that as a result of **unforeseen developments** (not unforeseeable) and of the effect of the **WTO obligations** assumed by Pakistan, the investigated product is being imported in **such increased quantities**, absolute or relative to domestic production, and under such conditions as to **cause serious injury** or **threat of serious injury** to domestic industry producing like or directly competitive products.

1.3 WTO Obligations under GATT 1994 primarily concern tariff concessions made in respect of the imported product, as reflected in the Pakistan’s Schedule of Concessions under Article II of GATT 1994. Safeguard measures could only be imposed on products, which are covered in Pakistan’s Schedule of Concessions. Please note that Pakistan’s Schedule of Concessions is available on NTC website.

1.4 The Agreement on Safeguards and the Ordinance both envisage certain procedures to be followed before any safeguard measure is taken. Similarly, it also requires the applicant to submit information pertaining to conditions set out in paragraph 1.2 above. To prepare an application in conformity with the Ordinance and the Rules, it is important that the applicant should follow the provisions set out therein.

**2. Domestic Industry**

Under Section 2(f) of the Ordinance, the “domestic industry” means the producers as a whole of products which are like or directly competitive with the investigated product, operating within Pakistan or those producers operating within Pakistan whose collective out put of like or directly competitive products constitutes a major proportion of the total production of such products in Pakistan.

**3. Serious Injury To Domestic Industry**

3.1 Serious injury or threat of serious injury or retardation of establishment of a domestic industry is determined by examining the relevant factors, such as profits and losses, production, productivity, capacity utilization, sales, employment, market share, investment, cash flow, growth, and others, which affect the health of the domestic industry. Serious injury to a domestic industry should be caused by the factors mentioned above to justify the imposition of safeguard measures (Please see Section 4 & 5 of the Ordinance).

3.2 Section 6 of the Ordinance provides that if serious injury or threat of serious injury is being caused by **factors other than increased imports** of an investigated product, such injury shall not be attributed to the increased imports.

4. Causal Link Between Increased Imports And Serious Injury

Safeguard measures shall only be taken when it is determined that serious injury or threat of serious injury to the domestic industry is caused by the increased imports of investigated product. The applicant should, therefore, pursuant to sub-rule 2(h) of Rule 3 of the Rules, elaborate, in the relevant paragraph of the questionnaire, the causal link between increased imports and serious injury caused to domestic industry.

5. Who May Apply For Safeguard Measures

Domestic producer(s), or an association of producers of like or directly competitive product may apply for the imposition of safeguard measure under the provisions of the Ordinance. Provided that the application should be submitted by or on behalf of the domestic industry producing like or directly competitive product in accordance with sub-section 1(a) of Section 7 of the Ordinance.

6. Confidential & Non-confidential Information

6.1 In terms of Section 14 of the Ordinance, all the information provided is required to be clearly marked either 'CONFIDENTIAL' or 'NON-CONFIDENTIAL' so as to enable the Commission to treat them accordingly. Applicant is requested to provide a non-confidential summary of any information supplied to the Commission on confidential basis. The non-confidential summary must contain sufficient detail to permit a reasonable understanding of the confidential information. Failure to provide a non-confidential summary may result in the information being disregarded by the Commission.

6.2 The non-confidential version of the application will be placed on a public file maintained under Section 15 of the Ordinance and will be available to the interested parties.

7. Failure to Disclose Correct Information

Any person who knowingly or willfully provides false, misleading or incorrect information to the Commission whether in an application received under this Ordinance or, otherwise in connection with an investigation under this Ordinance, shall be guilty of an offence under Section 40 of the Ordinance.

8. Filling the Questionnaire

8.1 The questionnaire is designed to assist Pakistani producers to provide essential data in tabulated form. The questionnaire should be filled out as completely as possible and documents supporting the answers, arguments or allegations should be attached as a separate set of exhibits. In case any information could not be provided, the efforts made to obtain such information may be mentioned.

8.2 The application needs to be in the form of a letter addressed to the Commission summarizing the information contained in the enclosed questionnaire and provides the applicant's reasoning and understanding of the data submitted in the questionnaire including the grounds on which the applicant believes that the increased imports of a product are causing serious injury to a Pakistani industry producing a like product or directly competitive product. The summary letter may contain tables or it may refer to the relevant tables in the questionnaire and it should be on the official letterhead of the applicant or his legal representative. The applicant can use its own choice with regard to the contents of descriptive application (letter or summary) but it must contain the information identified in the outline below, and include a table of contents and list of appendices.

**I. Introduction :**

Describe the desired action(s) with reference to the relevant Section(s) of the Ordinance.

**II. General Information :**

In terms of Rule 3 of the Rules, the following information/data is required to be contained in the questionnaire, namely:

- a) The name and address of the applicant(s) on whose behalf the application is made and his sales volume in Pakistan of the domestic like product.
- b) The names, addresses and sales volume in Pakistan of other Pakistani producers of the domestic like product.
- c) If other domestic producers are not applicants, information available regarding their support for or opposition to the application with evidence.
- d) A full description of the product to be investigated, including its uses, process of production, physical characteristics, and PCT numbers.
- e) A description of the "domestic like product or directly competitive product" (the product made in Pakistan is the same or most similar to the imported product).
- f) The names and addresses of foreign exporters and producers of the investigated product.
- g) The volume and value of imports of the investigated product for the three most recent years.
- h) The names & addresses of importers of investigated product.

**9. Pre-Application Counseling Facility**

The Commission has established a Pre-application Counseling Section (PACS) to assist, to the maximum extent possible, the applicant in the completion of the application form/ questionnaire and answer any other queries related to trade remedy laws. The applicant may contact Director, PACS for any assistance in this regard.

10. **Copies Required**

The applicant is required to submit this application / questionnaire in duplicate to the Commission.

11. **Case Processing Fee**

The prescribed fee in the form of Demand Draft/ Pay Order, in favour of the Commission, should also be attached. (First Schedule of the Rules)

12. The application is required to be submitted to:

**The Secretary**  
National Tariff Commission  
Ministry of Commerce  
Government of Pakistan  
4<sup>th</sup> Floor, State Life Building No 5,  
Jinnah Avenue,  
Blue Area, Islamabad.

**PART - B**

**DECLARATION**

I/ we hereby request the Commission to initiate an investigation in accordance with Section 9 of the Safeguard Measures Ordinance, 2002 (the “Ordinance”) in respect of the product identified at paragraph 3 of the questionnaire for imposition of appropriate safeguard measure(s).

In support of this application, I/ we attach evidence of:

- i) Increased imports, absolute or relative to domestic production; and*
- ii) Serious injury or threat of serious injury to the domestic industry producing like or directly competitive product;*
- iii) Causal link between increased imports and serious injury or threat of serious injury to the domestic industry.*

The evidence submitted includes all that is available to me/ us in relation to the information referred to in the Ordinance.

This application is submitted by or on behalf of the domestic industry in terms of Section 2 of the Ordinance.

I/We believe that the information contained in this application is adequate and accurate to the best of my/ our knowledge and belief.

Signature: \_\_\_\_\_

Applicant Name(s): \_\_\_\_\_

Title/ Position: \_\_\_\_\_

Address(es): \_\_\_\_\_

Date: \_\_\_\_\_

**PART-C**

**APPLICANT QUESTIONNAIRE**  
**(FOR APPLICATION UNDER THE SAFEGUARD MEASURES ORDINANCE 2002)**

**1. IDENTIFICATION**

- 1.1 Application is from
- (i) A single company  
or
  - (ii) An Association  
or
  - (iii) Jointly from the whole industry

*Note: If the answer to (ii) or (iii) is affirmative, the information required in this questionnaire regarding domestic industry needs to be provided in respect of each member of the association or each unit of the joint applicants of the whole industry,*

a) **Identification of the Applicant**

- Name:
- Address:
- Telephone no:
- Fax No:
- E-mail address:

b) **Name(s) of the applicant's authorized officer or legal representative to deal with the case**

- Name:
- Designation:
- Address:
- Telephone no:
- Fax no:
- E-mail address:

- c) **Mention your accounting year (e.g. July1999-June2000).**  
*(Please provide the balance sheets of last three years and the list of directors)*

**2. IDENTIFICATION OF DOMESTIC INDUSTRY**

“Domestic Industry means the domestic producers as a whole of products which are like or directly competitive with investigated product, operating within Pakistan or those producers operating within Pakistan whose collective output of like or directly competitive products constitutes a major proportion of the total production of such products in Pakistan.”

- 2.1 List details of all domestic producers (including the applicant) of the like product in the format given below:

**Table I**  
**DOMESTIC PRODUCER OF THE LIKE PRODUCT**

S. No	Name	Tel& Fax	Authorized Officer	Quantity Of The Like Product (During Last One Year)		Sales Value In Rs (000)	Share In Domestic Production		Supporting/ Opposing The Application
				Produced	Sold		Quantity	% age	

2.2 Provide details of an industrial association (if any) including producers of the domestic like product.

2.3 Describe any known relationship the interested party(s) to this application may have with the foreign exporter or producer, or with a Pakistani importer of the product under consideration.

### 3. IDENTIFICATION OF PRODUCT

The investigation under the Ordinance can be initiated only if the domestic industry is producing a product which is a like product or directly competitive product to the imported product.

The Ordinance defines a “Like Product” to mean a product which is alike in all respects to the investigated product or, in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the investigated product.

Describe both the domestic product as well as the investigated product in sufficient detail for proper comparison and understanding of the products.

#### 3.1 Domestically Produced Product

- i. Complete description of the product:
- ii. PCT classification:
- iii. Details of domestic taxes (*Sales Tax, Central Excise Duty or any other taxes*)
- iv. Specific grade/ type/ model:
- v. Major uses:
- vi. Is the imported product exactly the same as the domestic product?
- vii. If there are any differences between the imported product and the domestic product, please describe them in detail.
- viii. Any comments about information given above that will assist the Commission in understanding the nature of the imported product and the differences between the imported product and domestic like product.



### 3.2 Imported Product

- i. Complete description of the product:
- ii. PCT classification:
- iii. Details of import taxes (*Custom Duty/ Regulatory Duty, Sales Tax, Central Excise Duty*):
- iv. Specific grade/ type/ model:
- v. Major uses:

3.3 Are there any major differences in the product imported from different sources? If so please elaborate those in detail.

### 4. IDENTIFICATION OF FOREIGN PRODUCERS/EXPORTERS

Give details of producers/ exporters who are producing/ exporting imported product in the following format:

**Table II**  
**PRODUCERS/ EXPORTERS OF THE IMPORTED PRODUCT**

Name	Producer/ Exporter	Country	Address	Tel & Fax No	E-mail

### 5. IDENTIFICATION OF IMPORTERS

Give details of importers of investigated product in the following format:

**Table III**  
**IMPORTERS OF THE IMPORTED PRODUCT**

Name	Address	Tel & Fax No	E-mail

### 6 INFORMATION ON IMPORTS

6.1 The information on imports is required to be submitted for three complete fiscal years preceding the request and any more recent partial data by country of origin. Such information may kindly be provided in the format given in Annex-I. The country-wise analysis of this information may kindly be given in Annex-II.

6.2 The Ordinance requires that for application of safeguard measures, there should be an increase in imports either in absolute terms or relative to domestic production. The data on imports relative to domestic production may be given in Annex -III.

6.3 The law also requires that the increase in imports should be a result of unforeseen developments and of the effect of WTO obligations assumed by Pakistan including any concession in tariff rates. Please comment on these aspects with the help of data and evidence.

7. DETERMINATION OF SERIOUS INJURY

7.1 For the determination of serious injury to the domestic industry a number of factors need to be assessed, which include, volume of domestic production, its market share, cost to make & sell for the domestic product etc. Data in this regard may be provided in the following formats:

**Table IV**  
**MARKET SHARE OF THE DOMESTIC INDUSTRY**

Period	Total Domestic Production	Total Imports	Market Share		Increase / (Decrease) in Market Share of Domestic Production
			Domestic Production	Imports	
1	2	3	4	5	6
Year I					
Year II					
Year III					
Current Year Actual/ Estimates					

Note: - Detailed comments on increase/ decrease in market share of domestic industry specially how it can be attributed to increase in imports either in absolute terms or relative to domestic production

## 7.2 Cost to make &amp; sell.

**Table V**  
**COST TO MAKE & SELL OF THE APPLICANT**

Factors of Production	Current Year			Last Year			The Year Before Last Year*		
	Fixed Cost	Variable Cost	Total	Fixed Cost	Variable Cost	Total	Fixed Cost	Variable Cost	Total
1. Raw material cost net of inventory adjustment									
2. Packing material cost									
3. Manufacturing salaries & wages									
4. Manufacturing overheads									
(i) Stores, spares/supplies									
(ii) Electricity									
(iii) Gas/fuel									
(iv) Repair & maintenance									
(v) Depreciation									
(vi) Misc/other expenses									
5. Inventory adjustment of semi-finished goods									
6. Less income of by-products									
7. (a) Cost of goods manufactured (1 to 6)									
(b) Qty manufactured (Tonne/Lit/No. etc)									
8. (a) Inventory adjustment of finished goods									
(b) Qty of goods adjusted (Tonne, lit no. etc)									
9. (a) Manufacturing cost of goods sold (7+ or -8)									
(b) Qty of goods sold (Tonne, Lit/No. etc)									
10. Administrative expenses									
11. Selling & distribution expenses									
12. Financial expenses									
13. Less other income (indicate nature)									
14. Cost to make & sell (9 to 13)									
15. Profit/(loss) (16-14)									
16. Ex-factory sales (net of discount/commission) excluding taxes/duties.									
17. Sales tax @									
18. Central excise duty @									
19. Ex-factory sales including taxes/duties (16 to 18)									
20. Whole seller's profit/commission									
21. Additional sales tax on whole sales price									
22. Whole sales price including all taxes									
23. Retailer's profit/ commission									
24. Additional sales tax on retail price									
25. Retail price including all taxes									

?? Information should be provided as per report of audited accounts.

Note: If the applicant is producing more than one product, the information above for each domestic like product may be given separately.

7.3 Give changes in capacity utilization of domestic industry over the last three years

**Table VI**  
**CAPACITY UTILIZATION OF DOMESTIC INDUSTRY**

	<b>Year I</b>	<b>Year II</b>	<b>Year III</b>	<b>Most Recent Period</b>
Installed capacity				
Domestic production				
Total domestic demand				

Note: - Give detailed comments on changes in capacity utilization of domestic industry including its link to increased imports either here or in summary submissions.

7.4 Give changes in production and sales of the domestic industry in the table given below:

**Table VII**  
**PRODUCTION AND SALES OF THE DOMESTIC INDUSTRY**

		<b>Domestic Production</b>	<b>Sales of the Product</b>		
		<b>Quantity</b>	<b>Quantity</b>	<b>Value</b>	<b>Increase/ (decrease)</b>
Year I	Quarter I				
	Quarter II				
	Quarter III				
	Quarter IV				
Year II	Quarter I				
	Quarter II				
	Quarter III				
	Quarter IV				
Year III	Quarter I				
	Quarter II				
	Quarter III				
	Quarter IV				
Current year estimates	Quarter I				
	Quarter II				
	Quarter III				
	Quarter IV				

7.5 The position of profit and loss may be given in the following table: -

**Table VIII**  
**PROFIT AND LOSS POSITION**

	<b>Profit / (Loss)</b>	
	<b>Total</b>	<b>Per unit</b>
Year I		
Year II		
Year III		
Current year (estimates)		

7.6 Describe the condition of domestic industry, using profits, sales, production, capacity utilization, employment or any other objective measures of its condition. Describe changes in the relevant indicators over the three most recent years, with special reference to the situation before and after the start of serious injury.

**Table IX**  
**INDUSTRIAL INDICATORS**

S.No	Particulars	Year I	Year II	Year III	Current Year
1.	Price per unit of imported product				
2.	Volume of import				
3.	Price per unit of domestic like product				
4.	Domestic sales of like product of domestic industry				
5.	Employment in domestic industry				
6.	Market share of domestic industry Vs imports				

7.7 Give the position on the employment by the industry in the following format: -

**Table X**  
**EMPLOYMENT POSITION**

		Number of Employees		
		Unskilled	Skilled	Managerial
Year I				
	Quarter I			
	Quarter II			
	Quarter III			
	Quarter IV			
Year II				
	Quarter I			
	Quarter II			
	Quarter III			
	Quarter IV			
Year III				
	Quarter I			
	Quarter II			
	Quarter III			
	Quarter IV			
Current year estimates				
	Quarter I			
	Quarter II			
	Quarter III			
	Quarter IV			

7.8 Indicate factors other than increased imports that might have caused injury to the industry in an appropriate form and supported with evidence.

8 THREAT OF MATERIAL INJURY

Please give information on factors that cause threat of serious injury as provided for in Section 5 of the Ordinance in an appropriate form. The information may be substantiated with adequate evidence.

9. CAUSAL LINK BETWEEN INCREASED IMPORTS AND SERIOUS INJURY

Elaborate the causal link between increased imports and serious injury caused to domestic industry.

10. ADJUSTMENT PERIOD

10.1 Article 7 of the Agreement on Safeguard Measures requires that where the safeguard measure applied is for a period over one year, it is to be progressively liberalized. The applicant shall provide information with regard to the period of safeguard measure, its progressive liberalization and adjustment by the industry (See Section 32 & 33 of the Ordinance).

10.2 In case the period in 10.1 above is more than one year, give your opinion on liberalization of safeguard measures and the period requested for it.

10.3 Enumerate the steps to be taken by the industry during the adjustment period.

10.4 Any policy interventions required by the Government to facilitate adjustment.

**ANNEXURE I****IMPORT TREND OF THE INVESTIGATED PRODUCTS**Qty : Units/Nos etc  
Value: Rupee

Year	Quarter I		Quarter II		Quarter III		Quarter IV	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Year I								
Name of Country								
A								
B								
C								
D								
Total								
Year II								
Name of Country								
A								
B								
C								
D								
Total								
Year III								
Name of Country								
A								
B								
C								
D								
Total								
Current Year								
Name of Country								
A								
B								
C								
D								
Total								

**Source:**

**ANNEXURE II**

**ANALYSIS OF THE IMPORTS**

Qty: Units/Nos etc  
Value: Rupees

Total Imports Year	Quarter I				Quarter II				Quarter III				Quarter IV							
	Qty	Val	Increase/ (decrease) over previous quarter	Increase/ (decrease) over same quarter previous year	Qty	Val	Increase/ (decrease) over previous quarter	Increase/ (decrease) over same quarter of previous year	Qty	Val	Increase/ (decrease) over previous quarter	Increase/ (decrease) over same quarter of previous year	Qty	Val	Increase/ (decrease) over previous quarter	Increase/ (decrease) over same quarter of previous year				
Country Name			Qty	Val	Qty	Val			Qty	Val	Qty	Val			Qty	Val	Qty	Val	Qty	Val
1999-00																				
2000-01																				
2001-02																				
Current Year																				
Country Name																				
1999-00																				
2000-01																				
2001-02																				
Current Year																				
Country Name																				
1999-00																				
2000-01																				
2001-02																				
Current Year																				
Country Name																				
1999-00																				
2000-01																				
2001-02																				
Current Year																				

Source:



**ANNEXURE III****COMPARISON OF DOMESTIC PRODUCTION AND THE IMPORTS**

Period		Total Imports (Qty)	Domestic Production (Qty)	Imports as percent of Domestic Production	Increase in imports over previous quarter	
					Absolute	Relative to Domestic Production
<b>Year I</b>	Quarter I					
	Quarter II					
	Quarter III					
	Quarter IV					
<b>Year II</b>	Quarter I					
	Quarter II					
	Quarter III					
	Quarter IV					
<b>Year III</b>	Quarter I					
	Quarter II					
	Quarter III					
	Quarter IV					
<b>Current Year</b>	Quarter I					
	Quarter II					
	Quarter III					
	Quarter IV					

Source