

5 July 2024

(24-4942)

Page: 1/4

Committee on Safeguards

Original: English

**NOTIFICATION UNDER ARTICLE 12.1 (A) OF THE AGREEMENT ON SAFEGUARDS
ON INITIATION OF AN INVESTIGATION AND THE REASONS FOR IT**

**NOTIFICATION PURSUANT TO ARTICLE 12.1(C)
OF THE AGREEMENT ON SAFEGUARDS**

GHANA

Matchets

The following communication, dated 24 June 2024 and received on 4 July 2024 is being circulated at the request of the delegation of Ghana.

**GAZETTE NOTICE
GHANA INTERNATIONAL TRADE COMMISSION**

**Notice of Determination
Safeguard Measure on Matchets**

WHEREAS under subregulation (3) of regulation 14 of the Ghana International Trade Commission (Safeguards) Regulations, 2020 (LI. 2426), the Ghana International Trade Commission is required to issue a report indicating the reasons for the final determination within seven days of the publication in the gazette.

WHEREAS under subregulation (5) of regulation 14 of the Ghana International Trade Commission (Safeguards) Regulations, 2020 (LI. 2426), the Commission may publish a summarized version of the report in the gazette and in the daily newspaper for circulation.

NOW THEREFORE, I, FRANK AGYEKUM, Executive Secretary to the Commission, do give notice of the final determination on safeguard measure in response to a petition filed by Crocodile Matchets Ghana Limited.

Agency: Ghana International Trade Commission
Action: Determination on Safeguard Investigation No. SGM-GITC/001/2024
HS Code: 8201401000

Determination: The Commission hereby gives notice of final determination on Safeguard Investigation No. SGM-GITC/001/2024 on imports of matchets pursuant to GITC Act, 2016 (Act 926) and GITC Safeguards Regulations, 2020 (LI. 2426). The Commission, upon its investigation, has recommended a safeguard measure of 65% quota on all imports of matchets annually. The 65% quota translates into a total of 1534.4 metric tonnes. An additional duty rate, i.e., safeguard duty of 25% is applicable to any matchet imported outside the quota limit. This safeguard measure would be in place for a period of 24 months subject to review.

Effective Date: 30/03/2024

For Further Information Contact: The Executive Secretary
Ghana International Trade Commission
2nd Floor, Ghana Free Zones Authority Building
GPS: GL-040 -2630
P.O. Box CT 6297, Cantonments, Accra
Email Address: info@gitc.gov.gh
Tel: 0302960298

Background: The Commission commenced this safeguard measure investigation on 29 September 2021 following receipt of a petition filed by Crocodile Matchets Ghana Limited, Plot 23/4 Heavy Industrial Area, Sanyo Road, P. O. Box CO 558, Terna, Ghana, to investigate the increasing imports of matchets onto the domestic market.

The Hearing of the Petition was held at the Commission's Secretariat on 14 December 2023 and the recommended Determination was subsequently submitted to the Minister of Trade & Industry.

By order of the Commission.

SIGNATURE

Secretary to the Commission:

Issued: 26/02/2024

EXECUTIVE SUMMARY
INVESTIGATION INTO A PETITION FILED BY CROCODILE MATCHETS
(GHANA) LIMITED NO. SGM-GITC/001/2024

On the 29th of September 2021, the Commission received a petition from Crocodile Matchets Ghana Limited (herein described as 'Petitioner') requesting for remedial measures for unfair trade practices relating to dumping, subsidization and increasing quantities of imported matchets which happened to counterfeited and substandard matchets.

Again, in October 2023, the Commission received a formal petition from Crocodile Matchet Limited concerning a surge in the imports of matchets which was affecting their market share and sales on the market that would require the imposition of safeguard measures.

Upon receipt of the Petition and initiation of the investigation, a complaint form was forwarded to the Petitioner to detail the causes of their complaint. Independent investigations conducted by the Commission supported by data provided by the Petitioner, through the complaint form, however, could not establish *prima facie* evidence of dumping and subsidization allegations.

On the other hand, there was evidence of increasing imports of matchets flooding the domestic market and in effect causing serious injury to the domestic industry; evidence which we found to have necessitated the application of safeguard measures to protect the industry's demise from such unfair trade practice(s).

The Commission having regard to the GITC Act 2016, Act 926, and the GITC (Safeguard Measures) Regulations, 2020 (LI 2426) therefore hereby recommends a safeguard measure of 65% quota on all imports of matchets beginning 30th March, 2024 to last for 24 months subject to review.

The 65% quota translates into a total of 1534.4 metric tonnes as against the current 2,365.85 metric tonnes of matchets imported annually. The remaining shortfall of 831.45 metric tonnes of matchet is what is expected to be compensated by Crocodile matchet to enable it to be competitive and restore its market share.

The Commission found out that the average import levels of matchets, for the period under investigation, originating from China was 1766.81 tonnes constituting 74.68%, and the 424.19 tonnes was calculated from Colombia constituting 17.93% whilst 26.02 tonnes was calculated from Brazil constituting 1.10% of all matchets imports to Ghana.

The Commission has determined that under the safeguard measure, import from China be limited to 1145.85 tonnes whilst imports from Colombia be quantitatively limited to 275.17 tonnes of matchets, per annum. In terms of Brazil, its imports constituted 1.10% of the market. This percentage was determined to be *de minimis* (negligible) because it fell below the 3% mark to attract any remedial measure as per World Trade Organization regulations.

The Commission further determines that all out-of-quota matchets, i.e. matchets brought outside the quota limit will attract an out-of-quota duty of 25% plus VAT. This will be in addition to the current statutory duty of 10% plus VAT, imposed on matchets imported into the country.

The issues of counterfeiting and standards as pertained in petition were referred to the appropriate national authorities, the Intellectual Property (IP) Office and Ghana Standard Authority, respectively for redress since these fall beyond the mandate of the Commission.

The Petitioner alleged that the influx of counterfeited matchets into the commerce of Ghana had seriously affected not only its brand name but its production and market share. To ascertain the trademark registration status of Crocodile Matchets Ghana Limited, the Commission liaised with the Intellectual Property (IP) Office of the Registrar General's Department.

The Intellectual Property (IP) Office confirmed that both Ralph Martindale & Co. UK and Chillington Tool Company Limited UK, had duly registered their trademark, although both had expired and are yet to be renewed. Notwithstanding, it was stated by the Intellectual Property Office that where a trademark for goods/service becomes well known in a particular sector of commerce, the said

trademark is to be recognized as such and the owners may not register the said mark or renew them further as it has gained a reputation in the channel of commerce.

The Commission therefore agrees with the view of the Intellectual Property Office that Crocodile Matchets Ghana Limited has the exclusive right to the crocodile trademark and therefore would be illegal for any other competitor to use this trademark.

Field surveys were undertaken in markets where retailers and wholesalers of matchets confirmed that imported matchets passed off with the logo/designs of "crocodile matchets" embossed on them were being sold at fairly "cheaper" (lower) prices than those produced by Crocodile Matchets Limited.

To establish the quality standards of the alleged imported matchets, the Commission engaged the Ghana Standards Authority (GSA) with samples for testing against its established parameters namely, dimensional, hardness, tensile strength and marking requirements.

The quality evaluation report by GSA established that all the imported matchets samples submitted for testing, including counterfeited and non-counterfeited ones, failed to meet the full requirements of the national standards.

In summary, this Determination epitomizes the commitment of the Commission to safeguarding our domestic industry against unfair practices in the commerce of trade.
