

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

MADAGASCAR

Breakfast cereals and dry pastry products

The following communication, dated and received on 6 January 2026, is being circulated at the request of the delegation of Madagascar.

Pursuant to Article 12.1(a) of the Agreement on Safeguards, Madagascar hereby notifies the Committee on Safeguards of the initiation of an investigation in respect of imports of breakfast cereals and dry pastry products.

1. Date of initiation

The investigation was initiated on 24 December 2025, the date on which a public notice was published in two national newspapers authorized to receive legal notices: *Midi Madagasikara* and *L'Express de Madagascar*.

A notice concerning the initiation of the investigation was made available to the public on the website of the National Authority for Trade Remedies (ANMCC): <http://www.anmcc.mg>.

2. Product under consideration

Breakfast cereals and dry pastry products covered by the tariff subheadings: **110412, 190410, 190420, 190430, 190490, 190531, 190532 and 190590** of the Madagascar customs tariff. These codes are indicative and are subject to change.

3. Exporting countries

The main exporting countries are India and France.

4. Reasons justifying the initiation of the investigation

The evidence before the ANMCC, concerning the existence of increased imports, serious injury to the domestic industry that produces like or directly competitive products, and a causal link, justifies the initiation of the investigation.

4.1. UNFORESEEN CIRCUMSTANCES

The accession of Madagascar to the World Trade Organization (WTO) occurred in a context where access to international markets was largely restricted to traditional distribution channels. However, the expansion of e-commerce platforms has radically changed this dynamic, facilitating the entry of foreign products into the Malagasy market, far exceeding initial forecasts. This development, which was not foreseen at the time of accession, has significantly increased competition for local producers.

At the same time, global production capacity, particularly in the agri-food sector, has grown substantially. Major exporting countries, such as India, Bangladesh and several members of the European Union, have implemented export support policies in the form of financial incentives and production subsidies, such as those granted under the European Union's Common Agricultural Policy (CAP). This support has strengthened the competitiveness of exported products, leading to greater trade flows, including to Madagascar.

In addition, the COVID-19 pandemic has changed consumer behaviour globally, particularly with regard to food products, with growing demand for products considered healthier and less processed. Faced with sluggish demand in their traditional markets, the major international producers, in particular those of breakfast cereals and dry pastry products, have sought new opportunities. African markets, and particularly those of least developed countries, such as Madagascar, have become prime targets for selling off surplus production.

In short, these developments constitute unforeseen circumstances within the meaning of the WTO rules on safeguards, as a result of the rise of e-commerce, export support policies, and the impact of the health crisis, which have led to a sudden and significant increase in imports of products, such as breakfast cereals and dry pastry products, into Madagascar. This situation has caused an imbalance in the market, creating unfair competition for local producers, whose market share has fallen significantly. Economic losses and declining production underscore the negative impact on the competitiveness of Malagasy producers. Therefore, Madagascar is justified in using safeguard measures to protect its domestic production in the face of these unforeseen circumstances.

4.2. INCREASE IN IMPORTS

i. *Absolute change in imports*

Imports of the product in question have increased considerably during the period of investigation. Compared to the base year 2021, they rose by 30 index points in 2022, 35 points in 2023, and 71 points in 2024.

ii. *Relative change in imports*

In relative terms, compared to national production, imports of breakfast cereals and dry pastry products grew over the entire period of investigation. Compared to 2021, this increase was in the order of 55 points in 2022, 92 points in 2023, and 177 index points in 2024.

4.3. SERIOUS INJURY

i. Production

The volume of domestic production fell over the whole period of investigation in the face of increased imports. Compared to the base year, the decrease was in the order of 16 index points in 2022, 30 points in 2023, and 38 points in 2024.

ii. Sales and market share

a. Sales volume

Since 2022, the sales of the domestic industry have continued to fall. Compared to 2021, they dropped by 14 points in 2022, 29 points in 2023, and 36 index points in 2024.

b. Market share taken by imports

The market share of imports increased steadily during the period of investigation; growing by 40 index points in 2022, by 68 index points in 2023, and by 116 index points in 2024. Meanwhile, the market share held by the domestic industry shrank between 2022 and 2024, down by 7 index points, 11 index points and 19 index points, respectively.

iii. Employment and productivity

Faced with falling production and sales, the domestic industry was obliged to reduce its workforce in 2023. Nevertheless, productivity has declined, shrinking by 20 points in 2022, 26 points in 2023, and 34 points in 2024 compared to the reference year.

iv. Production capacity utilization

Despite production capacity remaining stable, its utilization rate has remained low and fell during the period of investigation. The rate thus saw a continuous decline of 16 index points in 2022, 32 points in 2023, and 41 points in 2024, compared to the base year.

v. **Inventories**

Despite the continuous and significant decline in production, the inventory level remained high throughout the period of investigation. Between 2021 and 2024, the inventory level dropped 27 points. However, this decrease appears relatively limited in the light of the sharp contraction in production volume, which shrank by almost half over the same period.

vi. **Profits and losses**

The financial performance of the domestic industry has worsened considerably since 2021. Compared to the base year, decreases of 11 points were recorded in 2022, 47 points in 2023, and 55 index points in 2024.

4.4. CAUSAL LINK

i. **Effect of increased imports**

The domestic industry stresses that the general deterioration of all their economic indicators is due to the steady increase in imports. Despite the efforts made, the situation has not changed. On the contrary, imports continue to dominate the domestic market and to make gains. Indeed, the data clearly show that all the indicators of the domestic industry are moving in the opposite direction to those of imports.

ii. **Other serious injury factors**

a. Domestic competition

The analysis shows that the domestic production capacity remains under-utilized, despite growing demand from the domestic market. Studies suggest that domestic competition is not the cause of the injury suffered by the domestic industry.

b. Contraction in demand

The domestic market shows no signs of falling demand for the product in question. On the contrary, breakfast cereals and dry pastry products remain daily staples. Domestic demand is growing steadily, driven by genuine popularity with consumers.

c. Technology used and product quality

There is no difference in the quality of the product of, or in the technology used by the domestic industry and imports. Local producers are equipped with state-of-the-art machinery, similar to that used by foreign producers. Moreover, as the basic ingredients are purchased from the same suppliers, the end quality remains exactly the same. For this reason, neither the technology used nor the quality of the product concerned can be considered a source of the injury.

5. Duration of the investigation

The investigation will last for around 9 to 12 months.

6. Further information

Interested parties must make themselves known to the ANMCC, the investigating authority, within a period of 30 days after the initiation of the investigation.

Any information or comments that interested parties may wish to submit, and requests for questionnaires, must be submitted in writing to the ANMCC within a period of 30 days after the initiation of the investigation.

The ANMCC may organize public hearings, either at the request of interested parties or *ex officio*, so as to enable interested parties to present evidence and, in particular, to have the opportunity to respond to the submissions of other parties, to make their views known, and to defend their interests.

Replies to the questionnaire and any other relevant information that the parties wish to submit must be sent to the ANMCC within 30 working days.

If the replies to the questionnaire and any additional information requested from the interested parties within the framework of this investigation is not provided within the specified time frame, decisions will be made on the basis of the best information available. This will also be the case if information is erroneous or incomplete.

7. Further information

Any requests for further information and correspondence relating to this investigation must be addressed to:

Monsieur Le Directeur Général de l'ANMCC (*Director-General of the ANMCC*)
Immeuble Maison des Produits, 67 Ha, Antananarivo 101 - Madagascar

Email: dq@anmcc.mg / dq.anmcc@gmail.com

Website: www.anmcc.mg
