

**NOTIFICATION PURSUANT TO ARTICLE 12:1 A) OF THE AGREEMENT ON  
Safeguarding the Opening of an Investigation  
AND THE REASONS FOR THIS ACTION**

MADAGASCAR

*Plastic tableware, kitchenware, household items and packaging*

The following communication, dated April 17, 2026 and received on the same date, is distributed at the request of the delegation from Madagascar.

In accordance with Article 12.1 a) of the Safeguards Agreement, the Safeguards Committee is notified of the opening of a safeguard investigation into imports of plastic tableware, kitchenware, household and packaging articles into Madagascar.

**1. Indicate the date on which the investigation was opened**

April 15, 2026.

**2. Provide the precise name of the product in question**

Plastic tableware, kitchenware, household and packaging items.

HS code(s): 3924.10.00, 3924.90.10, 3924.90.90, 4823.69.00, 4823.70.00

**3. State the reasons why the investigation was opened, for example:**

- (i) Was the investigation opened following a request submitted by the branch of domestic production?**
- ii) Evidence on the basis of which the investigation was opened.**
- iii) Evidence, where applicable, of the existence of critical circumstances in which a delay would cause harm that would be difficult to repair.**

The evidence available to the ANMCC relating to the existence of an increase in imports, serious damage suffered by the national production branch of products similar and directly competing with the product in question, and the causal link, justifies the opening of an investigation.

**1.1 INCREASE IN IMPORTS**

**(i) Unforeseen developments in circumstances**

The increase in imports of the product in question stems from unforeseen circumstances, as defined in Article XIX of the GATT 1994, that arose after Madagascar's accession to the World Trade Organization. These circumstances have resulted in a significant concentration of trade flows originating from China, estimated at around 77% by 2025. This trend is part of a broader pattern.

The environment is characterized by the rapid expansion of global production capacity, particularly in China, coupled with structural overcapacity that favors low-priced exports. This has been exacerbated by the transformation of consumption patterns (e-commerce, fast food, takeaway), accelerated by the COVID-19 pandemic, as well as by the substitution of traditional materials with plastics. Furthermore, the optimization of logistics costs, notably through the importation of plastic products as supplementary cargo for heavier goods, has contributed to significantly reducing unit transport costs and strengthening the competitiveness of imports. All of these factors have led to a significant increase in imports and increased pressure on the domestic production sector.

#### **(ii) Change in absolute terms of imports**

Imports of the product in question experienced a significant overall increase during the study period. Compared to the base year 2021, they increased progressively by 24 points in 2022, 3 points in 2023, 43 points in 2024, and 33 points in 2025.

#### **(iii) Changes in relative terms of imports**

In relative terms compared to national production, imports have seen a significant and recent increase. The ratio rose from 46% in 2021 to 56% in 2022, before falling back to 40% in 2023. However, a marked reversal of this trend is observed from 2024 onwards, with the ratio reaching 58%, then 64% in 2025, its highest level over the period considered.

### **1.2 SERIOUS DAMAGE**

#### **(i) Production**

Despite initial growth culminating in a peak of 18 index points in 2023, national production experienced a sharp decline of 6 index points in 2025, falling below the base year level. This deterioration, marked by a break in momentum as early as 2024, underscores the sector's inability to optimize its production capacity, even with the addition of a new company during this period.

#### **(ii) Sales**

After a growth phase up to 2023 corresponding to 17 index points, sales in the national production sector fell by 25% to 13 index points in 2025, falling well below the initial level of 2021. This major deterioration reflects a sharp decline in demand for local products and a loss of outlets, directly weakening the sector's ability to sell its production and impacting its overall activity.

#### **(iii) Stocks**

Between 2021 and 2025, stocks of the products concerned jumped by 24%, moving from a phase of stability to massive accumulation from 2024 onwards. This significant increase reflects the difficulties of the national sector in selling its production in the face of competition from imports, signaling a growing imbalance in the market.

#### **(iv) National consumption**

Despite generally stable domestic consumption, the market is experiencing a major substitution effect. In four years, imports have captured an additional 10 percentage points of market share, rising from 31% to 41%, causing a similar decline in domestic production. This gradual displacement of local products, coupled with falling production and stockpiling, confirms a widespread deterioration in the economic health of the domestic production sector.

**(v) Employment**

Although the workforce increased by 25 index points in 2025, this rise is completely out of step with the decline in economic activity. It stems from a desire to maintain jobs in the hope of a recovery, but inevitably leads to a drop in productivity and inefficient resource management. In reality, this increase in employment does not reflect any growth; it occurs within a context of overall deterioration and confirms the serious damage suffered by the domestic sector in the face of rising imports.

**(vi) Productivity**

Although productivity rose to 25 index points in 2025, this increase is artificial and disconnected from the economic reality of the sector. It does not reflect a structural improvement, as it occurs against a backdrop of falling production, sales, and market share. In short, this statistical increase is insufficient to offset the deterioration of other indicators and confirms the serious damage caused by the massive increase in imports.

**(i) Utilization of production capacity**

Despite an increase in production capacity, amounting to 22 index points in 2025, following the opening of a new unit in 2024, this increase is completely out of step with the actual decline in activity. This situation is leading to increasing underutilization of facilities. This imbalance between increased production capacity and shrinking market demand confirms the economic deterioration of the national sector.

**(ii) Results**

The branch's net results suffered a sharp fall, remaining well below the 2021 level despite a slight recovery in 2023 after the low point of 2022.

With a drop of 28 and 23 index points at the end of the period, this development confirms a persistent fragility of profitability and an inability to return to the initial balance.

**1.3 CAUSAL LINK****(i) Effects of increased imports**

The massive increase in imports, projected to reach an index of 133 in 2025, coincides directly with the decline in key indicators for the domestic sector: production and sales have collapsed, while inventories have surged by 24%. This clear substitution phenomenon has allowed imports to capture 10 percentage points of market share, rising from 31% to 41%, at the expense of local products.

This commercial exclusion, coupled with a persistently degraded profitability, demonstrates that the rise in imports is the determining cause of the serious damage suffered by the national production sector.

**(ii) Other factors of serious damage****(a) Internal competition**

The data indicates that domestic production is structurally incapable of meeting all domestic demand. Since it represents only a fraction of the market, competition between local producers is excluded as a cause of the harm suffered by the domestic sector.

**(b) Contraction of demand**

Since domestic consumption remained stable, or even showed slight growth until 2024, the deterioration of the domestic sector cannot be attributed to a decline in demand. As domestic consumption showed no signs of contraction, domestic demand cannot be considered the source of the damage.

**(c) Technology used and quality of the product considered**

Domestic production and imports utilize similar processes and components, thus offering comparable quality and direct competition. Therefore, neither the technology employed nor the quality of the products can justify the decline in the domestic sector's situation.

**4. Indicate a point of contact for the purposes of the investigation and specify the preferred means of correspondence. The point of contact would be responsible for answering questions relating to the procedures applicable to the investigation.**

Mr. Director General of the ANMCC  
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**5. Indicate the time limits and procedures for importers, exporters, and other interested parties to submit evidence and their views, including:**

- (i) the time limits and procedures for Members and exporters to identify themselves as interested parties, if necessary, to take part in the investigation and**
- (ii) the date on which a public hearing is scheduled in accordance with the provisions of Article 3.1. Note: At the time the investigation is opened, if the authority has not yet decided whether or not to hold such a hearing, or if the date of the hearing has not been set, Members should indicate under this item how this information would be made public. Members are not required to submit another notification simply because the proposed date has subsequently been changed.**

Interested parties must make themselves known to the ANMCC, the authority in charge of the investigation, within 30 days from the date of opening of the investigation, i.e. no later than May 15, 2026.

All information or comments that interested parties wish to communicate, as well as requests for a questionnaire, must be sent to the ANMCC no later than May 15, 2026.

Public hearings may be organized by the ANMCC, either at the request of interested parties or on its own initiative, to allow interested parties to present evidence and, in particular, to have the opportunity to respond to the statements of other parties and to make known their views, and to defend their interests.

Responses to the questionnaire and other relevant information that the parties wish to communicate must be sent to the ANMCC no later than May 29, 2026.

When responses to the questionnaire and any additional information requested from interested parties in the context of this investigation are not provided within the given time frame, decisions will be based on better information available.

The same applies to erroneous or incomplete information.

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