Paragraph 1

New Zealand has proposed (L/270/Add.1) that the following be inserted after the first sentence:

"Accordingly contracting parties shall refrain from action which would cause or encourage dumping of this kind."

Paragraph 1(a)

The United Kingdom has proposed (W.9/68) that sub-paragraph (a) be amended, if necessary, to provide against dumping via third countries.

Paragraph 1(b)

Czechoslovakia has proposed (W.9/86/Rev.1) the following changes in sub-paragraph (b):

"(b) in the absence of such domestic price or when the price in the domestic market is fixed by the State, is less than either:

(i) the average comparable prices for the like product for export by any third country to the country in question in the ordinary course of trade, or;

(ii) in the absence of such prices, the average comparable price for the like product for export by the country in question to any third country in the ordinary course of trade, or,

(iii) the cost of production of the product in the country of origin plus a reasonable addition for selling cost and profit.

Due allowance shall be made ... (rest unchanged)."

Spec/70/55
Paragraph 3

New Zealand has proposed (L/270/Add.1) that the present paragraph 3 be replaced by the following:

"3. (a) For the purpose of this Article the term 'countervailing duty' shall be understood to mean a special duty levied to offset any bounty or subsidy bestowed, directly or indirectly, upon the manufacture, production or export of any merchandise.

(b) Countervailing duty may be levied on the product of the territory of any contracting party imported into the territory of another contracting party of an amount not in excess of the estimated bounty or subsidy determined to have been granted, directly or indirectly, on the manufacture, production or export of such product in the country of origin or exportation, including any special subsidy to the transportation of a particular product.

(c) Where a countervailing duty would, for legislative or other reasons, be difficult to apply or would be inadequate to offset the effects of the granting of a bounty or subsidy referred to in sub-paragraph (a) of this paragraph a contracting party may in addition to or in lieu of such countervailing duty impose quantitative restrictions on the importation of such commodity provided that any contracting party taking such action shall report the matter promptly to the CONTRACTING PARTIES and to the contracting party from whose territory the product was imported."

Paragraph 4

Denmark (L/273), Norway (L/276) and Sweden (L/275) propose the following amendments in the last four lines of the paragraph:

"... by reason of the exemption of such product from customs duties or indirect taxes actually borne by the like product, or actually
borne by the material going into the manufacture of the like product, when destined for consumption in the country of origin or exportation, or by reason of the refund of such customs duties or indirect taxes."

The United Kingdom has proposed (U.9/68) that an interpretative note to paragraph 4 should be added as follows:

"'Duties or taxes borne by the like product' mean duties or taxes levied on or in respect of the product itself at any stage in its production or distribution; the phrase does not include duties or taxes levied, e.g., on the salaries or wages of those making or selling the product or on the profits arising out of the manufacture or distribution of the product."

Germany has proposed (L/261/Add.1) that the following be added to paragraph 4:

"... except if the refund exceeds the charges borne by the like product when destined for consumption in the country of origin or exportation. In the latter case the excess amount shall be deemed to be a subsidy within the meaning of paragraph 3 above."

Paragraph 6

New Zealand has proposed (L/270/Add.1) that the present paragraph 6 be replaced by the following:

"6. (a) Except as provided in sub-paragraph (b) of this paragraph, a contracting party shall not levy any anti-dumping or countervailing duty or impose quantitative restrictions as provided for in sub-paragraph (c) of paragraph 3 of this Article on the importation of any product of the territory of another contracting party unless it determines that the effect of the dumping or subsidization, as the case may be, is such as to cause or threaten material injury to an established domestic industry or is such as to retard materially the establishment of a domestic industry. The CONTRACTING PARTIES may waive the requirements of this paragraph so as to permit a contracting party to levy an anti-dumping or countervailing duty on the importation of any product for the purpose
of offsetting dumping or subsidization which causes or threatens material injury to an industry in the territory of another contracting party exporting the product concerned to the territory of the importing contracting party.

(b) A contracting party may levy an anti-dumping or countervailing duty or impose quantitative restrictions as provided for in sub-paragraph (c) of paragraph 3 of this Article on the importation of any product for the purpose of offsetting dumping or subsidization which causes or threatens material injury to an industry in the territory of another contracting party exporting the product concerned to the territory of the importing contracting party; provided that any such action shall be reported promptly to the CONTRACTING PARTIES and to the contracting party from whose territory the product was imported."

The Netherlands Delegation, on behalf of the Benelux countries, has proposed during the discussion in Review Working Party III that the second part of paragraph 6 be amended so as to provide for the mandatory imposition of anti-dumping or countervailing duties by importing contracting parties on imports into their territories of products which are being sold at subsidized or dumping prices where such sales cause or threaten to cause injury to the export interests of other contracting parties.