ITEMS 1, 2, 3

Initiative relating to anti-dumping actions

It has been generally recognized that initiatives relating to anti-dumping actions should normally come from injured domestic producers. In certain cases, however, governments could, quite conceivably, take such initiatives.

As regards the application of anti-dumping duties in the interests of third countries, the group is of the opinion that the initiative should normally come from the country concerned.

The pre-selection system

The best method should consist in determining, in respect of each import, whether the two conditions laid down in Article VI are met, before envisaging the application of anti-dumping measures. This would imply a determination as to whether: (a) the import value is less than the normal value, (b) material injury to domestic production is being caused or threatened.

However, it is hardly necessary to stress that such a method would make for considerable difficulty from the practical point of view, in that, in general, it would not be possible to determine, in particular, whether injury is being caused.

Failing such method, the pre-selection system followed by many countries seems to be the most appropriate. In particular the pre-selection system makes it possible to assess whether complaints lodged by domestic producers or suspicions of injury on the part of the domestic authorities are justified. Provided the pre-selection system is applied at the highest possible level, the number of cases where anti-dumping measures are effectively introduced may be materially reduced. Furthermore, this system offers the additional advantage of involving a certain amount of publicity, which is necessary for international trade.
It has generally been recognized that anti-dumping measures adopted after the pre-selection formalities have been gone through should be directed only against such firms as have been found to engage in dumping practices or at most against those countries where such enterprises are located.

In any case, where an anti-dumping measure affecting a specific item is applicable either to imports from a given country or imports from all countries it should be clearly indicated that the anti-dumping duty will only be levied in respect of those imports for which the import value is found, at the time the measure is effectively carried out, to be less than the normal value.

**Basic price systems**

Prior to discussing this problem the group of experts thought it necessary to reaffirm the following:

1. anti-dumping duties should never be used for the purpose of ensuring normal protection for the domestic industry - such protection should normally be accorded through tariff measures;

2. the imposition of anti-dumping duties can be envisaged only:
   a. where imports cause or threaten material injury to a domestic industry - this finding to be made by the governmental authorities and,
   b. where the products concerned are also imported at a price involving dumping - a finding which may be made by the customs authorities.

In view of the foregoing, the majority of the group did not favour the adoption of a system of basic prices which, in practice, might not easily be reconciled to the above mentioned principles.

It has been recognized, however, that such a system does not necessarily conflict with the principles of Article VI of the General Agreement, but should be part of a pre-selection system. Some members of the group were even of the opinion that the basic price system might be considered to be an improvement compared with the standard pre-selection system, in that it offers the advantage of eliminating any threatened application of an anti-dumping duty in respect of products imported at a price in excess of the basic price. In any case, the
view was held that the basic price system cannot operate satisfactorily unless (a) the basic price is not in excess of the lowest normal price in one of the supplying countries, and (b) domestic importers or foreign exporters have an opportunity to produce evidence that their products although selling at prices less than the basic prices are not being sold at dumping prices. For this purpose, a simple and equitable procedure should be laid down.