1. The Committee on Anti-Dumping Practices ("the Committee") held a regular meeting on 27 April 1992.

2. The Committee adopted the following agenda:

A. Election of officers

B. Acceptance of the Agreement \(^1\) (Argentina, Colombia)

C. Examination of anti-dumping duty laws and/or regulations of Parties to the Agreement (ADP/1 and addenda)

(i) Poland (ADP/1/Add.20/Rev.1 and Suppl.1, and ADP/W/307 and 310)

(ii) Yugoslavia (ADP/1/Add.30 and ADP/W/293, 297 and 302)

(iii) Australia (ADP/1/Add.18/Rev.1/Suppl.3 and ADP/W/294 and 309; ADP/1/Add.18/Rev.1/Suppl.4 ADP/1/Add.18/Rev.1/Suppl.5 and ADP/68)

(iv) United States (ADP/1/Add.3/Rev.4 and ADP/1/Add.3/Rev.4/Suppl.3)

(v) Korea (ADP/1/Add.13/Rev.1/Suppl.1 and ADP/W/308)

(vi) EEC (ADP/1/Add.1/Rev.1, ADP/W/311, 312 and 313 and ADP/M/35, paragraph 63)

(vii) Hungary (ADP/M/35, paragraph 134 and ADP/W/306)

(viii) Laws and/or regulations of other Parties to the Agreement

\(^1\) The term "Agreement" hereinafter means Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade.
D. Semi-annual report of Mexico on anti-dumping actions taken during the period 1 January-30 June 1991 (ADP/62/Add.10)

E. Semi-annual reports of parties to the Agreement on anti-dumping actions taken during the period 1 July-31 December 1991 (ADP/70 and addenda)

F. Reports on all preliminary and final anti-dumping duty actions taken by the parties (ADP/W/305 and 314)


H. United States - Anti-dumping investigations of imports of certain circular welded steel pipes and tubes from Mexico and Brazil (ADP/M/35, paragraphs 125-132)

I. United States anti-dumping duties on stainless steel plate from Sweden - Request by Sweden for the establishment of a Panel under Article 15:5 of the Agreement (ADP/77)

J. Other business:

(i) United States - anti-dumping investigation of imports of steel wire rope from Mexico

(ii) United States - imposition of definitive anti-dumping duties on imports of flat panel displays from Japan

(iii) United States - anti-dumping proceedings on imports of portable electric typewriters

(iv) EEC - treatment of anti-dumping duties as a cost in refund procedures

(v) Australia - preliminary determination of dumping with respect to imports of high density polyethylene from Sweden

(vi) United States - anti-dumping proceedings on imports of magnesium, brass sheet and strip and nepheline syenite from Canada

(vii) Anti-dumping legislation of Israel

A. Election of Officers

3. The Committee elected Mr. Ashok Sajjanhar (India) as Chairman and elected Mr. Armando Ortega (Mexico) as Vice-Chairman.
B. Acceptance of the Agreement (Colombia, Argentina)

4. The Chairman drew the Committee's attention to document ADP/75 in which the Committee had been informed that on 1 April 1992 Colombia had accepted the Agreement, which would enter into force for Colombia on 1 May 1992.

5. The observer for Colombia said that the decision to accept the Agreement was an essential element in Colombia's current process of trade liberalization which had led to increased exposure of domestic producers to international competition and had made it necessary to take steps to defend domestic producers against unfair competitive practices. Colombia intended to apply its anti-dumping legislation in a responsible manner and to make a constructive contribution to the work of the Committee.

6. The Committee took note of the statement made by the observer of Colombia.

7. The Chairman, noting that in April 1991 Argentina had signed the Agreement ad referendum, requested the observer for Argentina to inform the Committee of the current status of the process of ratification of the Agreement by Argentina.

8. The observer for Argentina explained that as one of the Chambers of the National Congress had recently approved Argentina's acceptance of the Agreement, the ratification process was expected to be completed in the very near future.

9. The Committee took note of the statement made by the observer for Argentina.

C. Examination of anti-dumping laws and/or regulations of Parties to the Agreement (ADP/1 and addenda)

(i) Poland (Chapter 7 of the Customs Law of 29 December 1989, documents ADP/1/Add.20/Rev.1 and Suppl.1)

10. The Chairman recalled that the Committee had begun its examination of the anti-dumping legislation of Poland at the regular meeting held on 21 October 1991 (document ADP/M/35, paragraphs 6-20). At that meeting, the representative of Poland had responded to written questions submitted by the delegations of the United States and Australia in document ADP/W/300 and 301, respectively. The Committee had recently received written questions on the legislation from Poland from the delegations of the EEC and Canada (documents ADP/W/307 and 310). The delegation of Poland had provided written responses to these questions in documents ADP/W/318 and 319.

11. The representative of Poland observed that in a report by the Director-General of GATT to the Council it had been noted that Poland had recently initiated twenty-four anti-dumping investigations. In fact, only
two investigations had been initiated involving imports of the twelve member States of the EEC. These two investigations had been terminated after it had been concluded that there was insufficient evidence of dumping and injury to warrant the imposition of anti-dumping measures.

12. The representatives of the EEC and Canada thanked the delegation of Poland for the written answers to the questions raised by their delegations in documents ADP/W/307 and 310 and indicated that they wished to have an opportunity to study these answers and revert to the legislation of Poland at the next regular meeting.

13. With regard to the two investigations referred to by the representative of Poland, the representative of the EEC recalled that at the regular meeting in October 1991 the representative of Poland had undertaken to provide his delegation with the notices of the initiation and termination of these investigations. So far, his delegation had not received such notices.

14. The Committee took note of the statements made and agreed to revert to the legislation of Poland in documents ADP/1/Add.20/Rev.1 and Suppl.1 at its next regular meeting. The Chairman suggested that delegations wishing to raise further questions on the Polish legislation do so in written form well in advance of the next regular meeting in order that the delegation of Poland could provide written responses in time.

(ii) Yugoslavia (Article 75 of the Law on Foreign Trade Transactions, document ADP/1/Add.30)

15. The Chairman recalled that at the regular meeting held in April 1991 the Committee had begun its examination of the provisions in Article 75 of the Law on Foreign Trade Transactions. Written questions on these provisions had been submitted subsequent to that meeting by the delegations of Canada, Hong Kong and Australia (documents ADP/W/297, 293 and 302). At its meeting in October 1991 the Committee had taken note of the difficulties facing the delegation of Yugoslavia in responding to these questions at that time and had agreed to revert to the legislation of Yugoslavia at a future meeting.

16. The representative of Yugoslavia said that the Agreement, after ratification, became a law in Yugoslavia. Apart from the Agreement, the only domestic regulation relating to anti-dumping is Article 75 of the Law on Foreign Trade Transactions, which was notified to the Committee. All proceedings eventually initiated pursuant to Article 75 had to be conducted directly on the basis of the provisions of the Agreement. Yugoslavia had never initiated any anti-dumping action nor were any envisaged in the foreseeable future. The Yugoslav authorities felt that some administrative guidelines on procedural matters should be developed before the actual initiation of anti-dumping actions. Because of other priorities, this had not yet been done.
17. The Committee took note of the statement made by the representative of Yugoslavia and agreed to revert to this matter at a future meeting.

(iii) Australia

18. The Chairman drew the Committee's attention to three documents concerning the anti-dumping legislation of Australia. Firstly, document ADP/1/Add.18/Rev.1/Suppl.3 contained the text of the Customs Legislation (Anti-Dumping) Amendment Act 1989 and of the Customs Tariff (Anti-Dumping) Amendment Act 1989. Secondly, document ADP/1/Add.18/Rev.1/Suppl.4 and Corr.1 contained the text of the Trade Practices (Misuse of Trans-Tasman Market Power) Act 1990. This Act amended provisions of the Australian competition law following the removal of the application of anti-dumping measures from trade between Australia and New Zealand. Finally, document ADP/1/Add.18/Rev.1/Suppl.5 contained the text of amendments to the Australian Customs Regulations and to the Customs Act 1901. The Chairman noted that in respect of this last document the Committee had in October 1991 received a communication from the delegation of the EEC (document ADP/68).

Customs Legislation (Anti-Dumping) Amendment Act 1989 and Customs tariff (Anti-Dumping) Amendment Act 1989 (ADP/1/Add.18/Rev.1/Suppl.3)

19. The Chairman noted that in document ADP/W/309 the delegation of Australia had provided written answers to questions raised by the delegation of Canada in document ADP/W/294.

20. The representative of Canada thanked the delegation of Australia for the responses it had provided in document ADP/W/309. In respect of the first item addressed in these responses, concerning the requirement of a security in case of a breach of an undertaking, he requested the representative of Australia to indicate exactly at what time in such a situation a preliminary determination would be made.

21. The representative of Australia said that the provisions of the Customs Act referred to in the first item of his delegation's responses to Canada's questions authorized the imposition of a security as soon as it was established that an undertaking had been breached. The investigation would then continue at the stage at which it had been when the undertaking had been accepted. Thus, if an undertaking had been accepted during a preliminary investigation, the resumed investigation would first lead to a preliminary determination and proceed from there. However, the more normal situation was that a price undertaking was accepted only after a preliminary determination had been made. If in such a situation an undertaking was breached this would give rise to the immediate imposition of securities and the original investigation would continue and proceed to a final determination.
22. The Committee took note of the statements made and concluded its examination of the provisions of the Australian anti-dumping legislation circulated in document ADP/1/Add.18/Rev.1/Suppl.3.

Trade Practices (Misuse of Trans-Tasman Market Power) Act 1990 (document ADP/1/Add.18/Rev.1/Suppl.4)

23. The Chairman recalled that at the regular meeting held in August 1991 the delegations of Canada and the EEC had raised a number of questions on this Act.

24. The representative of Australia said that his delegation unfortunately was not in a position to respond to these questions at this stage but he expected to be able to do so in the very near future. He noted that one major issue raised by Canada was whether New Zealand and Australia now had identical competition laws, following the replacement of anti-dumping measures by competition law proceedings to deal with instances of price determination in trade between New Zealand and Australia. As had been explained by the representative of New Zealand at a recent meeting, this was not the case.

25. The representatives of the EEC and Canada indicated that their delegations remained interested in receiving written responses from the delegation of Australia to the questions which they had raised in April 1991.

26. The Committee took note of the statements made and agreed to revert to document ADP/1/Add.18/Rev.1/Suppl.4 at its next regular meeting.

Amendments to the Australian Customs Regulations and to the Customs Act of 1901 (document ADP/1/Add.18/Rev.1/Suppl.5)

27. The Chairman noted that the Committee had had a first discussion of these amendments at its regular meeting held on 21 October 1992 (ADP/M/35, paragraphs 34-42). On that occasion, the Committee had noted a communication from the delegation of the EEC (document ADP/68) in respect of new Article 269 T (4A) of the Customs Act 1901 on the definition of the term "domestic industry".

28. The representative of the EEC said that it had been the understanding of his delegation that Australia would respond formally to the communication from the EEC in document ADP/68. So far, his delegation had not received such a formal response.

29. The representative of Australia noted that in document ADP/68 the EEC had indicated that in its view the provision in Article 269 T (4A) of the Customs Act relating to "upstream" agricultural industries was inconsistent with the "Subsidies Code". While this communication had been circulated to the members of the Committee on Anti-Dumping Practices, it had not made

1 Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement.
any references to the Agreement. There had been subsequent communications on this matter in the Committee on Subsidies and Countervailing Measures. On 16 January and 9 March the EEC had requested consultations with Australia under Articles 3 and 16 of the Subsidies Code (document SCM/145). In a paper submitted to the Committee on Subsidies and Countervailing Measures (SCM/W/259) had responded to that request and to the issues raised by the EEC in ADP/68. He suggested that it might be useful if this paper were also circulated in this Committee.

30. The representative of the EEC considered that the suggestion to circulate the communication from Australia in SCM/W/259 in this Committee was appropriate.

31. The representative of Hong Kong considered that the amendment to the Australian Customs Act 1901 regarding the definition of the term "domestic industry" might be in violation of relevant provisions of the Agreement. He welcomed the suggestion to circulate in this Committee the paper presented on this matter by Australia to the Committee on Subsidies and Countervailing Measures.

32. The representative of Singapore reserved her delegation's right to make comments on this matter at a later stage.

33. The Chairman said that, as suggested by Australia, document SCM/W/259 would be circulated to the members of the Committee.

34. The Committee took note of the statements made and agreed to revert to the recent amendments to the Australian legislation reproduced in document ADP/1/Add.18/Rev.1/Suppl.5 at its next regular meeting.

(iv) United States

35. The Chairman noted that with respect to the anti-dumping legislation of the United States the Committee had two documents before it. Firstly, document ADP/1/Add.3/Rev.4 contained the text of amendments made by the Omnibus Trade and Competitiveness Act of 1988 and the United States-Canada Free Trade Agreement Implementation Act of 1988. Secondly, document ADP/1/Add.3/Rev.4/Suppl.3 contained the text of amendments to certain regulations of the United States International Trade Commission (USITC)

Amendments to the anti-dumping provisions of the Tariff Act of 1930 resulting from the Omnibus Trade and Competitiveness Act of 1988 and from the United States-Canada Free Trade Agreement Implementation Act of 1988 (document ADP/1/Add.3/Rev.4)

36. The Chairman recalled that these amendments had been under discussion in the Committee for quite some time. At the regular meeting in October 1991, the representative of Singapore had indicated that her delegation would submit further written questions on these amendments in advance of the next regular meeting of the Committee. No such questions had been received, however. He asked whether the representative of Singapore wished to raise specific questions on these amendments at this time.
37. The representative of Singapore regretted that her delegation had not been able to submit further specific questions on the anti-dumping provisions in the Omnibus Trade and Competitiveness Act of 1988. However, this did not mean that her delegation considered that the Committee's examination of these provisions had been satisfactory. Her delegation continued to believe that certain aspects of these provisions were inconsistent with the Agreement. However, if the Committee so decided, her delegation was prepared to accept that the Committee's examination of these provisions had been taken as far as possible. She reserved her delegation's right to raise additional questions on the provisions of the Omnibus Act at a later stage in light of the implementation of this legislation.

38. The Chairman observed that it was normal practice in the Committee that the views expressed during the examination of the legislation of a Party were recorded in the minutes of the meetings of the Committee. A conclusion of the Committee's examination of the legislation of a Party did not mean that the Committee had somehow approved that legislation and was without prejudice to the right of other Parties to revert to that legislation under the item "laws or regulations of other Parties", which was regularly inscribed in the agenda of the regular meetings of the Committee.

39. The Committee took note of the statements made and concluded its examination of the amendments to the United States anti-dumping legislation reproduced in document ADP/1/Add.3/Rev.4.

Revised regulations of the USITC (document ADP/1/Add.3/Rev.4/Suppl.5)

40. The Chairman noted that these amendments to the USITC regulations had been introduced by the representative of the United States at the regular meeting of the Committee on 21 October 1991 (ADP/M/35, paragraphs 55-58).

41. No comments were made on the revised USITC regulations. The Chairman said that the Committee had conducted its examination of these regulations.

(v) Korea (Amendment of the Presidential Decree of the Korean Customs Act on Anti-Dumping and Countervailing Duty, document ADP/1/Add.13/Rev.1/Suppl.1)

42. The Chairman recalled that the Committee had continued its discussion of these amendments to the Korean anti-dumping legislation at its regular meeting held on 21 October 1991 (document ADP/M/35, paragraphs 59-62). The delegation of the EEC had submitted further questions on these amendments in document ADP/W/308, to which the delegation of Korea had responded in document ADP/W/316.

43. The representative of Korea noted that the first question raised by the EEC in document ADP/W/308 related to Article 4:8 of the Presidential Decree which provided that anti-dumping duties and undertakings would expire after three years after they had entered into force, "unless the
applied period is fixed". The EEC had requested a clarification of the extent of discretion enjoyed by the Minister to define the period of application of anti-dumping measures and had asked in how many cases the Minister, in exercising this discretion, had imposed anti-dumping duties for a period of more than three years. The representative of Korea said that so far this provision had been applied in two cases in which the duration of the anti-dumping measures taken had been limited to a period of two years. There had been no case in which this provision had been used as a basis for the extension of the duration of an anti-dumping measure beyond the normal period of three years. Thus, there was no need to be concerned about the discretion enjoyed by the Minister of Finance under Article 4:8 with regard to the duration of anti-dumping measures. The second question raised by the delegation of the EEC in document ADP/W/308 concerned the length of the period for recovery of costs in the provision of the Presidential Decree dealing with the conditions under which home market prices below cost of production could be disregarded for the purpose of the establishment of the normal value. The representative of Korea said that, since the provision in question had not yet been applied, it was not possible to give an answer to the specific question raised by the EEC. He noted that there was no specific rule on this matter in the current Agreement and that his delegation expected that the Uruguay Round negotiations on anti-dumping would address this question.

44. The representative of the EEC said that his delegation needed some more time to study the responses provided by the delegation of Korea in document ADP/W/316.

45. The Committee took note of the statements made and agreed to revert at its next meeting to the amendments to the Korean anti-dumping legislation notified in document ADP/1/Add.1/Rev.1/Suppl.1.


46. The Chairman recalled that at the regular meeting on 21 October 1991 he had requested the delegation of the EEC to respond in writing to questions which had been raised by the delegations of Japan, Singapore and Hong Kong in documents ADP/W/252, 255 and 260, respectively. The EEC had recently submitted its responses to these questions in documents ADP/W/311, 312 and 313.

47. The representative of Japan said that, the answers given by the EEC in document ADP/W/311 were disappointing and had not changed his delegation's view that the EEC's practice in respect of the treatment of anti-dumping duties as a cost in refund procedures and in respect of adjustments for differences in indirect selling expenses and levels of trade between home market sales and export sales was inconsistent with the Agreement. Nevertheless, while his delegation was not satisfied with these answers, it could agree to conclude the Committee's examination of the EEC Regulation on the understanding that Japan reserved its right to have recourse to consultations and dispute settlement with respect to these issues.
48. The representative of Singapore said that her delegation was not satisfied with the responses provided by the delegation of the EEC in document ADP/W/312. The views of her delegation on the consistency of the EEC Regulation with the Agreement, as expressed in documents ADP/W/215 and ADP/W/255, continued to be valid. Her delegation had no further specific questions to ask at this stage but this should not be taken to mean that it considered that the Committee's examination of the EEC Regulation has been concluded in a satisfactory manner. However, she was prepared to accept that the Committee had taken this examination as far as possible at this stage. She concluded by reserving her delegation's right to submit additional questions on the EEC Regulation in light of its implementation.

49. The representative of Hong Kong said that while his delegation did not have any further questions to ask on the EEC Regulation at this time, it might wish to revert to this Regulation at a later stage if necessary in light of its application.

50. The Chairman said that the conclusion by the Committee of its examination of Council Regulation (EEC) No. 2423/88 did not imply that the Committee had approved this Regulation and would be without prejudice to the rights of delegations to revert to this Regulation at a later stage.

51. The Committee took note of the statements made. The Chairman said that the Committee had concluded its examination of the provisions of Council Regulation (EEC) No. 2423/88.

(vii) Hungary

52. The Chairman recalled that at the regular meeting held on 21 October 1991 the representative of the EEC had made a statement regarding an anti-dumping decree recently enacted by Hungary (document ADP/H/35, paragraphs 133-134). Written questions on this decree had subsequently been submitted by the EEC in document ADP/W/306. However, he had been informed that the EEC did not wish to pursue this matter at this meeting. He therefore suggested that the Committee leave open the possibility of reverting to this matter at one of its subsequent meetings.

53. The Committee took note of the statement by the Chairman.

(viii) Laws and/or regulations of other Parties to the Agreement

54. The representative of Canada said that his delegation understood that Brazil had recently adopted a set of new anti-dumping regulations and asked whether the delegation of Brazil would submit these regulations for discussion at the next regular meeting of the Committee.

55. The representative of Brazil said that he would attempt to provide further information on this matter at the next regular meeting of the Committee.

56. The Committee took note of the statements made.
D. Semi-annual report of Mexico on anti-dumping actions taken during the period 1 January-30 June 1991 (document ADP/62/Add.10)

57. The Chairman recalled that, in view of the late circulation of this semi-annual report, the Committee had decided at its regular meeting on 21 October 1991 to revert to this report at the next regular meeting.

58. No comments were made on this report.

E. Semi-annual reports of Parties to the Agreement on anti-dumping actions taken during the period 1 July-31 December 1991 (document ADP/70 and addenda)

59. The Chairman noted that the Committee had been informed that the following Parties had not taken any anti-dumping actions during the period 1 July-31 December 1991: Austria, the Czech and Slovak Federal Republic, Egypt, Hong Kong, Hungary, India, Norway, Pakistan, Poland, Romania, Singapore, Switzerland and Yugoslavia. No semi-annual report had been received from Australia.

60. The Committee then examined the semi-annual reports of Parties to the Agreement which had informed the Committee of anti-dumping actions during the period 1 January-30 June 1991:

   New Zealand (ADP/70/Add.2)

61. No comments were made on this report.

   Japan (ADP/70/Add.3)

62. No comments were made on this report.

   Sweden (ADP/70/Add.4)

63. No comments were made on this report.

   Brazil (ADP/70/Add.5)

64. No comments were made on this report.

   Mexico (ADP/70/Add.6)

65. The representative of Brazil raised several questions regarding an anti-dumping action taken by Mexico on imports of electric power transformers from Brazil (ADP/70/Add.6, page 4). Provisional duties ranging from 1 to 23 per cent ad valorem had been imposed in this proceeding on 20 February 1992. The first point which his delegation wished to pursue with respect to this case concerned the general question of the application of anti-dumping duties to products imported pursuant to international tender procedures as was the case of the power transformers.
imported into Mexico from Brazil. There had been intensive but inconclusive discussions on this issue in the past in the Committee and it might be appropriate for the Committee to revert to this matter. Secondly, his delegation was concerned about the manner in which the Mexican authorities had calculated constructed normal values of the imported power transformers. From the official notice of the imposition of provisional measures it was apparent that the petitioners had based their allegation of dumping on a constructed normal value, calculated by reference to their own costs of production adjusted to the prevailing manufacturing conditions in Brazil. The explanation given for this way of calculating the normal value was that since the power transformers were made according to specifications of the customers, price lists could not be used to determine the normal value. However, according to information available to his authorities, there was ample information on actual prices of the power transformers both as sold in Brazil and as sold for export to third countries. While in the notice of the imposition of provisional measures the Mexican authorities had indicated that account had been taken of the actual prices charged by the Brazilian producers, no explanation had been provided as to how exactly this had been done. Thirdly, his authorities considered that no evidence had been provided by the Mexican authorities of any causal relationship between the alleged injury to the domestic industry and the imports from Brazil. Fourthly, no opportunity had been granted to the Government of Brazil to examine the evidence considered by the Mexican authorities during the course of this investigation.

66. The representative of Brazil also sought further clarification on the timing of the application of provisional measures in this proceeding. According to the notification by Mexico in document ADP/70/Add.6, provisional measures had been imposed on 15 November 1991 although the investigation had only been initiated on 8 November 1991. On the other hand an official notice published in the Mexican Diario Official in February 1992 suggested that the provisional measures had become effective only as of 20 February 1992. He requested the representative of Mexico to clarify the nature of what were described as provisional measures, taken on 15 November 1991. Finally, the representative of Brazil raised the question of the definition of the "like product". Given the differences in quality and performance between the imported power transformers and the products made by the domestic producers in Mexico, it was difficult to see how these products could have been considered to be "like products".

67. The representative of the EEC, referring to a proceeding concerning imports of regenerated cellulose casing from Spain (ADP/70/Add.6, page 3), observed that the official notice of the imposition of provisional measures did not provide any explanation of the method used for determining normal values and export prices. He requested the representative of Mexico to provide further information on this matter and noted that the lack of transparency of the methodology applied by the Mexican authorities in this case was inconsistent with the Recommendation adopted by the Committee in November 1983 with regard to the transparency of anti-dumping proceedings.
68. The representative of Mexico said that he would convey to his authorities the concerns expressed by the representative of Brazil. By way of preliminary comment, he made the following points on the proceedings on imports of power transformers from Brazil. The reference in ADP/70/Add.6, page 4, to provisional measures taken on 15 November meant that on that date a declaration had been published in the Diario Oficial of the initiation of an investigation without imposition of provisional measures. Provisional measures had become effective in this case only as of 21 February 1992. The official notice of the initiation of this investigation, published on 15 November 1991, had explicitly invited the exporters, the Government of Brazil and any other interested parties to make their views known to the Mexican Ministry of Trade and Development. The official notice of the imposition of the provisional measures, published on 20 February 1992, indicated that the two Brazilian exporters and the Mexican importers had made their views known to the Ministry. However, no representations had been made by the Government of Brazil. The Mexican authorities would in the very near future visit the Brazilian exporters for the purpose of verification.

69. With respect to the comments of the representative of the EEC on the investigation of imports of regenerated cellulose casing, the representative of Mexico said that he would transmit these comments to his authorities. In his view, the Mexican authorities had acted in full conformity with the requirements regarding the transparency of anti-dumping proceedings.

70. The Committee took note of the statements made and agreed to revert at its next regular meeting to the cases referred to by the representatives of Brazil and the EEC.

Korea (ADP/70/Add.7)

71. The representative of Korea said that what was described in document ADP/70/Add.7 as a definitive anti-dumping duty on imports of polyacetal resins from the United States and Japan actually was a minimum price import price; imports made at this price or below would not be subject to anti-dumping duties.

72. The Committee took note of the statement made by the representative of Korea.

EEC (ADP/70/Add.8)

73. No comments were made on this report.

United States (ADP/70/Add.9)

74. No comments were made on this report.
Canada (ADP/70/Add.10)

75. The representative of the United States made several comments on an anti-dumping investigation by the Canadian authorities on imports of certain machine tufted carpeting from the United States (ADP/70/Add.10, page 5). As indicated in Canada's semi-annual report, a preliminary determination of dumping had been made in this case on 19 December 1991. The Canadian authorities had recently made a final determination of dumping. His delegation was concerned about several aspects of this final determination and considered that on certain issues the Canadian authorities had failed to explain why these issues had been addressed in the final determination in a different manner than in the preliminary determination. He mentioned in this respect in particular the lagging of the investigation period by three months, which appeared to be inconsistent with the normal practice of the Canadian authorities, the reversal in the final determination of the decision to exclude unfinished carpeting, and the apparent use of the best information available solely on the ground that the Canadian authorities had not had sufficient time to analyse the responses provided by the exporters. In addition, his authorities questioned the failure of the Canadian authorities to distinguish between prime and non-prime carpeting when calculating normal values and doubted whether seasonal and other fluctuations in per unit fixed cost had correctly been accounted for. He concluded by reserving his delegation's rights under the Agreement with regard to this matter.

76. The representative of Canada said that his delegation would study carefully the points made by the representative of the United States. He noted that, while the issues raised by the representative of the United States might pertain to changes with respect to past Canadian practice in certain instances, there did not appear to be any allegation of inconsistency with Canada's obligations under the Agreement.

77. The representative of the United States asked whether the statement by the representative of Canada that there was no inconsistency with the obligations of Canada under the Agreement was based on the fact that the Agreement did not expressly deal with the issues raised by his delegation.

78. The representative of Canada said that his statement was merely that in the first intervention by the representative of the United States on this issue he had not heard the representative of the United States allege any particular inconsistency with the obligations of Canada under the Agreement.

79. The Committee took note of the statements made and agreed to revert to this matter at its next regular meeting.

F. Reports on all preliminary or final anti-dumping duty actions (documents ADP/W/305 and 314)

80. The Chairman noted that the Committee had received copies of official notices of preliminary and final anti-dumping actions from the delegations of Australia, the EEC, New Zealand and the United States.
81. The representative of Brazil, referring to an anti-dumping action listed in ADP/W/314 taken by the EEC on imports of cotton yarn from Brazil regretted that the EEC in taking this action had ignored distortions of domestic prices in Brazil caused by certain emergency economic measures which the Brazilian Government had been forced to take in the first quarter of 1989. The continuous increases of the domestic prices, coupled with a temporary freezing of exchange rates, had created a situation of artificial dumping. During the investigation Brazil had requested the EEC to make adjustments to reflect the actual devaluation of its currency, so that a fair and proper comparison of the export price and the normal value could be made but this request had not been granted. Furthermore, the anti-dumping duty was applied to a product which had been subject to quantitative restrictions since 1976 and which was the most important product in Brazil's bilateral agreement with the EEC concluded in the context of the MFA. The position of Brazilian cotton yarn in the EEC market had been severely affected by the imposition of this anti-dumping duty. He noted in this connection that Article 13 of the Agreement provided that special regard had to be given by developed countries to the special situation of developing countries when considering the application of anti-dumping measures.

82. The representative of the EEC said that the investigation of imports of cotton yarn from Brazil had been carried out in full conformity with the obligations of the EEC under the Agreement. During the investigation the Brazilian exporters had indeed raised what had just been said by the representative of Brazil with regard to the exchange rate, and the EEC authorities had explained why the requested adjustments were not appropriate. With respect to the reference made by the representative of Brazil to the existence on quantitative restrictions on the importation of cotton yarn into the EEC, he said that anti-dumping action would be appropriate with regard to a product already subject to import restrictions under certain circumstances, given that the anti-dumping action dealt with the unfair pricing aspect while the import restrictions only aimed at the quantities of the imports. He would convey the concerns expressed by the representative of Brazil to his authorities.

83. The Committee took note of the statements made and agreed to revert to this matter at its next regular meeting.

84. The Chairman recalled that this Panel Report had been submitted to the Committee in August 1990 and had been discussed at several meetings of the Committee, most recently in October 1991. The Committee had been unable so far to adopt this Report, due mainly to differing views on the remedy recommended by the Panel in paragraph 5.24 of its Report.
85. The representative of Sweden said that this was the sixth consecutive meeting at which this Panel Report was before the Committee. The United States had on several occasions proposed that the Committee replace the recommendation appearing in paragraph 5.24 of the Panel Report with an alternative one. This would mean that the anti-dumping duties in question would neither be revoked nor be reimbursed. This proposal was unacceptable to Sweden and presumably to other members of the Committee. It was not standard practice in GATT to rewrite a Panel Report. As his delegation had stated repeatedly, the recommendation in paragraph 5.24 of the Panel Report was the only logically possible recommendation which the Panel could have made. Moreover, the CONTRACTING PARTIES to the General Agreement, including the United States, had adopted in 1985 a Panel Report which contained an identical recommendation. The Swedish Government attached great importance to this case, not only because it considered that the blocking of the adoption of this Report was detrimental to the GATT dispute settlement system, but also because the Swedish company in question was still suffering from the continued imposition of anti-dumping duties which had been found by the Panel to be inconsistent with the Agreement. His authorities were trying very actively to reach a satisfactory solution of this matter and had pursued this matter in numerous bilateral contacts with the United States. He concluded his statement by urging the Committee to adopt this Panel Report.

86. The representative of the United States said that, notwithstanding the reservations of his delegation regarding the substantive findings of the Panel, his delegation was prepared to agree to the adoption of this Panel Report on the condition that the Committee change the recommendation in paragraph 5.24 of the Report, which continued to be a problem for his delegation because of its extraordinary retroactive and specific nature. As had been indicated by the representative of Sweden, there had been many bilateral contacts between Sweden and the United States on this matter, including at the highest level of government. So far it had not proved possible to reach a solution but his authorities would continue their efforts to resolve this matter.

87. The representative of Brazil said that although this Panel Report had been before the Committee on many occasions, it was still not clear to his delegation what exactly were the objections of the United States to the recommendation formulated by the Panel in this Report.

88. The observer for Colombia said that it was difficult to understand the position of the United States which on the one hand had declared its willingness to accept the substantive findings of the Panel but which on the other hand had requested that the recommendation made by the Panel be changed by the Committee. However, the recommendation made by the Panel followed logically from its substantive findings and the Report could therefore only be adopted as a whole. It was not possible to adopt the Panel's substantive findings but not its recommendation.

89. The representative of the United States responded that the Committee procedurally had the right to alter the recommendation made by the Panel.
90. The Chairman said that he would have informal consultations with a view to clarifying the issues involved in this matter and in order to enable the Committee to make progress on a matter which had been before the Committee since quite some time.

91. The representative of Canada reiterated his delegation's strong interest in seeing the Panel Report adopted and implemented as soon as possible and requested the Chairman to provide all interested delegations an opportunity to participate in the informal consultations which he would hold on this Panel Report.

92. The Committee took note of the statements and agreed to revert to this Panel Report at its next regular meeting.

H. United States - Anti-dumping investigations of imports of certain circular welded steel pipes and tubes from Mexico and Brazil

93. The Chairman recalled that this matter had been raised by the representatives of Mexico and Brazil at the regular meeting held on 21 October 1991 (document ADP/M/35, paragraphs 125-132). The representative of Mexico had on that occasion asked a number of specific questions on certain aspects of these investigations.

94. The representative of the United States said that his delegation had received written questions on this case from the delegation of Mexico in Spanish but had expected that an English translation of these questions would be provided by Mexico. He then responded to the points raised by Mexico at the meeting in October, as reflected in the minutes of that meeting. As a preliminary comment, he noted that many of these questions were premature and that in some respects he did not have the ability to respond to these questions with any authority. In response to the question of the representative of Mexico why not all supplying countries were covered by these investigations, he said that this was obviously a decision taken by the petitioners on the basis of the information available to them regarding the existence of dumping, injury and causation. On the point raised by the representative of Mexico regarding the existence of quantitative restrictions on exports of this product from Mexico to the United States, he endorsed the view expressed earlier at the meeting by the representative of the EEC that the presence of quantitative restrictions did not necessarily eliminate the possibility that there might be unfair pricing practices and that such practices could cause material injury to a domestic industry. With respect to the remarks made at the meeting in October by the representative of Mexico on the ad hoc nature of the coalition which had filed the petition, he said that there was no proscription against the filing of a petition on behalf of the relevant domestic industry by a group of companies which might be found for the purpose of preserving these companies' rights under the Agreement and under domestic laws granting protection from injurious unfair trade practices.
95. The representative of the United States noted that at the meeting of October the representative of Mexico had also raised the question of how the USITC would establish the existence of a causal relationship between the imports subject to investigation and injury to the domestic industry, given that the petitioner had identified the recession in the domestic building industry as one of the principal causes of injury to the domestic industry. At this point, the USITC had only made a preliminary determination in which it had found that there was a reasonable indication of material injury to the domestic industry by reason of the subject imports. In this determination the USITC had found with respect to causation that the volume of cumulated imports subject to investigation had increased significantly throughout the period of investigation, both in terms of quantity and value, as had the market share of these imports. With respect to the price effects of the imports, the USITC had found that the market for the products in question was somewhat price sensitive and that there was substantial evidence of price underselling. The price comparisons made by the USITC had revealed that the imported product undersold the domestic product in 175 of 180 comparisons for sales distributors and in twenty of thirty-seven comparisons for sales to end-users. In addition, the evidence before the USITC had indicated that there were lost sales and revenues of the domestic industry as a result of the imports.

96. The representative of Mexico thanked the representative of the United States for the explanations provided. However, he recalled that at the last meeting he had requested that the United States respond in writing to the written questions presented by his delegation. It was correct that these questions had been provided to the delegation of the United States in Spanish, which was an official language in GATT. He reiterated his request for written answers to these questions. He noted that on 22 April the United States Department of Commerce had made an affirmative preliminary determination in this investigation in which it had found margins of dumping ranging from 27.54 per cent to 96.29 per cent ad valorem. One of the Mexican exporters had been assigned a margin of 96.29 per cent because of an alleged failure to co-operate in the investigation. This company accounted for less than 1 per cent of Mexico’s exports of the product in question to the United States and had requested the Department of Commerce to be excluded from the investigation. The Department, however, had never responded to this request. He concluded by requesting this matter be inscribed on the agenda of the next regular meeting of the Committee.

97. The representative of Brazil said that his delegation hoped that by the time of the next regular meeting of the Committee the United States would have responded in writing to the questions raised by Mexico in October 1991.

98. The Committee took note of the statements made and agreed to revert to this matter at its next regular meeting.
I. United States - anti-dumping duties on stainless steel plate from Sweden - requested by Sweden for the establishment of a panel under Article 15:5 of the Agreement (document ADP/77).

99. The Chairman drew the Committee's attention to document ADP/77 which contained a request from the delegation of Sweden for the establishment of a panel in a dispute regarding anti-dumping duties in force in the United States on imports of stainless steel plate from Sweden. This matter had been the subject of conciliation under Article 15:3 of the Agreement at the regular meeting of the Committee held on 21 October 1991 (document ADP/M/35, paragraphs 100-115).

100. The representative of Sweden noted that bilateral consultations and a conciliation meeting of the Committee had failed to lead to a mutually satisfactory resolution of this dispute. His authorities had therefore decided to request the Committee to establish a panel under Article 15:5 of the Agreement. He recalled that the issue in dispute concerned mainly the implementation by the United States of the provisions of Article 9 of the Agreement in respect of an anti-dumping duty order on stainless steel plate from Sweden which had been in force since 1973.

101. The representative of the United States noted that the USITC had twice examined whether there were changed circumstances since the imposition of this anti-dumping duty order such that the initiation of a formal review procedure was warranted. On both occasions the USITC had concluded that there were no circumstances which would affect the continuing validity of the injury determination made in the original investigation. His authorities were confident that the panel which the Committee was about to establish would confirm the conclusions drawn by the USITC in this matter.

102. The representatives of the EEC and Japan reserved their delegation's right to make their views known to the panel.

103. The Committee took note of the statements made and decided to establish a panel under Article 15:5 of the agreement in the dispute referred to the Committee by Sweden in document ADP/77.

104. The Chairman proposed that the Committee authorize him to decide, in consultation with the parties to the dispute, on the terms of reference of this Panel and to decide, after securing the agreement of the parties, on its composition. It was so agreed.

J. Other Business

(i) United States - anti-dumping investigation of imports of steel wire rope from Mexico

105. The representative of Mexico expressed his authorities concerns in respect of a petition recently filed with the United States Department of Commerce for the initiation of an anti-dumping investigation of imports of
steel wire rope from Mexico. The product in question had been covered by a bilateral voluntary restraint agreement between Mexico and the United States which had expired on 31 March 1992. Furthermore, this product had been subject to a previous investigation, initiated in December 1990, in which the USITC had found that no material injury was caused by imports from Mexico. His authorities considered that the filing of this petition might well be the first step in a strategy of the US industry to obtain protection against imported steel products after the expiration of voluntary restraint agreements through the massive filing of anti-dumping petitions. He urged the United States to reject this petition and requested that this matter appear as an item of the agenda of the next regular meeting of the Committee.

106. The representative of Korea expressed his delegation's interest in this matter and reserved its right to revert to this matter at a later stage.

107. The representative of the United States noted that a decision on the sufficiency of this petition had not yet been taken by his authorities and that therefore, there was not much he could say on this case at this stage. His authorities would carefully review the evidence provided by the petitioner in deciding whether or not to initiate an investigation, taking account of the international obligations of the United States in this respect. Regarding the reference made by the representative of Mexico to a previous investigation concerning the same product, he said that as the reference period used in the petition was different from the reference period used by the USITC in that investigation, the outcome of the previous investigation would not necessarily carry great weight as to the disposition of this petition.

108. The representative of the EEC reserved his delegation's right to revert to this matter at a later stage.

109. The Committee took note of the statements made and agreed to revert to this matter at its next regular meeting.

(ii) United States - imposition of definitive anti-dumping duties on imports of flat panel displays from Japan

110. The representative of Japan recalled that at the regular meeting of the Committee held on 21 October 1991, his delegation had made a statement on the recent imposition by the United States of anti-dumping duties on imports of flat panel displays from Japan (document ADP/M/35, paragraph 136). In its final determination in this case the Department of Commerce had found dumping for two out of four categories of "class or kind of merchandise" imported from Japan. Ninety per cent of the imports of flat panel displays from Japan belonged to the two classes or kinds of merchandise in respect of which the Department of Commerce had not found dumping only a small volume of imports had existed in one of the two classes or kinds of merchandise for which dumping had been found, while for
the other class or kind of merchandise found to be dumped there had been no domestic industry in the United States which produced a like product. Nevertheless, the USITC had determined that these four classes or kinds of merchandise that constituted one like product, produced by one domestic industry. His delegation considered that the USITC's failure to distinguish between the four categories of the imported product as defined by the Department of Commerce was inconsistent with the obligations of the United States under Article 3 of the Agreement. He noted that this case was currently before the United States Court of International Trade. His authorities would await the outcome of the proceedings before the court and, if necessary, revert to this matter in the Committee.

111. The representative of the United States said that the comments made by the representative of Japan were somewhat general in nature. If the delegation of Japan formulated more specific questions, his delegation would be happy to respond to such questions, it being understood that account had to be taken of the fact that the matter was currently before the Court of International Trade.

112. The Committee took note of the statements made.

(iii) United States - anti-dumping proceedings on portable electric typewriters from Japan

113. The representative of Japan recalled that at the regular meeting held on 21 October 1991 he had raised the matter of an anti-dumping petition filed in April 1991 by Brother USA with the United States Department of Commerce (document ADP/M/35, paragraph 135). The Department of Commerce had terminated the investigation initiated on the basis of this petition on the ground that the petitioner did not qualify as an "interested party" within the meaning of the US law because of the allegedly low value added by the petitioner in his production operations inside the United States. However, in the same investigation the USITC had found that the petitioner engaged in sufficient production-related activity in the United States and sourced a sufficient percentage of parts and components in the United States to qualify as a "domestic producer". Moreover, the Department of Commerce had found in a previous case involving the same product that the parent company of the exporter against which Brother USA had filed its petition qualified as an "interested party", even though the value added by this parent company in its operations in the United States was lower than the value added in the United States by Brother USA. His authorities considered that this amounted to a double standard. This matter was presently before the United States Court of International Trade and his authorities would await the outcome of this case. He concluded by reserving his delegation's rights under the Agreement in respect of this matter.

114. The representative of the United States said that, as explained by his delegation that the regular meeting of the Committee in October 1991, there was no question of any discrimination on the basis of nationality ownership of the facility that filed the anti-dumping duty petition. The Department
of Commerce, which was responsible for determining the standing of the petitioners, had properly exercised its responsibility by examining six factors for determining whether or not the petitioner qualified as a producer, manufacturer or wholesaler of the product in the United States. No one single factor had been dispositive but based on an analysis of the six factors taken together it had been found that the petitioner could not be considered to be a "domestic producer."

115. The Committee took note of the statements made.

(iv) EEC - Treatment of anti-dumping duties as a cost in refund procedures

116. The representative of Japan, referring to document ADP/78, informed the Committee of a request by his delegation for bilateral consultations with the EEC under Article 15:2 of the Agreement. This request concerned the practice of the EEC to treat anti-dumping duties paid as costs incurred between importation and resale of an imported product in refund procedures. This methodology had been applied inter alia in three EEC Commission decisions of 22 April 1988 on applications for the refund of anti-dumping duties on imports of ball bearings from Singapore. It was well-known that this matter had been the subject of intensive discussions in the Uruguay Round negotiations on anti-dumping. Unfortunately, the validity of this practice under EEC law had recently been confirmed by the EEC Court of Justice in a judgement rendered on 10 March 1992. In light of this judgement, the Japanese authorities had decided to seek consultations on this matter with the EEC.

117. The representative of the EEC said that as indicated by the representative of Japan, this was a fairly well-known subject which had been discussed on many occasions in the Committee and in the Uruguay Round. The representative of Japan had correctly pointed out that the practice of the EEC on this matter had recently been confirmed by the EEC Court of Justice. Referring to the last paragraph of document ADP/78, he requested the representative of Japan to clarify what exactly were "the EEC's decisions" the withdrawal of which was being requested by Japan.

118. The representative of Japan said that the decisions referred to in the last paragraph of document ADP/78 were Commission Decisions 88/327/EEC, 88/328/EEC and 88/329/EEC of 22 April 1988 concerning various applications for the refund of anti-dumping duties on imports of ball bearings from Singapore. However, Japan's concern related not only to this particular case but more in general to the impact of the EEC's refund methodology on Japanese companies exporting to the EEC via related importers.

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119. The representative of **Singapore** said that his country had a direct interest in this matter. In the view of his delegation, the EEC's practice with regard to the treatment of anti-dumping duties as a cost in refund procedures was inconsistent with the Agreement. He reserved his delegation's rights under the Agreement in respect of this matter.

120. The representative of **Korea** and the **United States** expressed their delegations' interest in the issues raised by Japan.

121. The Committee took note of the statements made.

(v) **Australia** - Preliminary determination of dumping with respect to imports of high density polyethylene from **Sweden**

122. The representative of **Sweden** raised several issues with respect to a recent determination of dumping made by Australia on imports of high density polyethylene from Sweden and other countries. This determination was questionable because of three basic reasons. Firstly, the Australian authorities had calculated the normal value on the basis of only one sales transaction in the domestic market in Sweden, even though that transaction was not representative. No allowances had been made for differences in quantities and terms of sale between export sales and domestic sales. As a result, an inflated margin of dumping of 43 per cent had been found. Secondly, in view of the different grades, uses and applications of the imported product and the Australian domestic product, it was questionable whether the Australian authorities had made a comparison between like products. Thirdly, and most importantly, the Australian authorities had found that injury was caused by the imports from Sweden, even though these imports were priced at the same level as the Australian price and the world market price. He noted that this was not the first time that the domestic industry in Australia had filed an anti-dumping petition on imports of this product. It was the responsibility of the Australian Government not to allow this industry to harass exporters by repeatedly bringing anti-dumping cases.

123. The representative of **Australia** said that during verification in Sweden it had been found that most domestic sales of the subject product were to companies that were related to, or had an association with, the producer under investigation, and that extensive rebates were being paid on these sales. The company in question had acknowledged that this mechanism was in place in order to maintain an artificially high domestic price. His authorities had therefore looked to other sales as a possible basis for the calculation of the normal value. The sales considered for this purpose were sales made by other producers in Sweden. The sale eventually used had been accepted by the parties to the investigation as being representative of sales to independent third parties in the domestic market. As regards the issue raised by the representative of Sweden concerning the differences in grades between the imported and the domestic product, he said that the decision taken by his authorities was that the imported product was a like product to the product produced in Australia, notwithstanding that within the general category of high density polyethylene one could distinguish
between several different categories. On this basis, anti-dumping measures had been applied to all grades falling within the category of light goods. With respect to the question of how injury had been found to exist, given that import prices were the same as domestic and world market prices, he said that the Australian Customs Service had reached a preliminary finding of injury on the basis of a loss of profitability of the domestic industry due to price suppression and price depression. Arguments in relation to loss of sales had been considered but discounted on the basis that this loss of sales had been caused by other factors. On this basis of a detailed analysis of prices from a number of suppliers it had been found that prices of all these suppliers were causing price suppression to the Australian industry. He noted that, while the Australian legislation imposed fairly tight time limits for the completion of the investigation process, the Swedish exporter had been given every opportunity to make representations. The finding made by the Australian Customs Service was only of a preliminary nature. In the course of the final phase of this investigation the Swedish exporter would be able to make further representations.

124. The Committee took note of the statements made.

(vi) United States - Anti-dumping proceedings on imports of magnesium brass sheet and strip, and nepheline syenite from Canada

125. The representative of Canada recalled that on a previous occasion his delegation had raised concerns regarding the failure of the United States to verify whether the petitioner in the anti-dumping investigation of imports of magnesium from Canada was acting on behalf of the domestic industry (document ADP/M/35, paragraph 142). His delegation intended to revert to this matter in this Committee at a later date.

126. Turning to the anti-circumvention enquiry opened by the United States with respect to imports of brass steel and strip from Canada (document ADP/M/35, paragraph 143), the representative of Canada said that the acceptance of the request for this enquiry was inconsistent with the obligations of the United States under the Agreement and constituted an unjustifiable harassment of Canadian exports. If the United States believed that circumvention of an existing anti-dumping duty order was occurring by means of transformation of a product, the appropriate course of action was to initiate a new anti-dumping investigation of the transformed product.

127. With respect to the anti-dumping investigation of imports of nepheline syenite from Canada, the representative of Canada said that his authorities had felt all along that this investigation was unjustified and were happy to see that the USITC had made a negative determination of injury. His authorities continued to believe that the petitioner in this case had lacked standing to file the petition and had not provided any evidence in support. In fact, there was no domestic production in the United States of the product under consideration. In addition, there had been no evidence of the existence of a regional industry.

128. The Committee took note of the statements made by the representative of Canada.
(vii) **Anti-dumping legislation of Israel**

129. The representative of the EEC noted that it had come to the attention of his authorities that Israel (which had observer status in the Committee) had in 1991 revised its anti-dumping legislation. His authorities were concerned about the very short periods of time provided for in this legislation with respect to decisions to initiate investigations and to impose anti-dumping measures. These time-limits would deprive interested parties of any effective opportunity to make their views known. His delegation intended to pursue this matter on a bilateral basis with the delegation of Israel.

130. The observer for Israel said that he had taken note of the statement made by the representative of the EEC. His delegation would be happy to have bilateral discussions with the EEC on this matter.

131. The Committee took note of the statements made.

**Date of the next meeting of the Committee**

132. The Chairman said that the next regular meeting of the Committee would take place in the week of 26 October 1992.