

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

Spec(74)65  
23 October 1974

## WORKING PARTY ON ACCEPTANCE OF THE ANTI-DUMPING CODE

Meeting on 1-2 October 1974

Note by the Secretariat

1. The Working Party on Acceptance of the Anti-Dumping Code was established by the Council at its meeting on 29 September 1970 to examine special problems of developing countries in connexion with the Agreement on the Implementation of Article VI and any proposals and suggestions for a solution to these problems, which may lead to wide and early acceptance of the Agreement, and to report to the Council.
2. Previous meetings of the Working Party were held in September 1971 and 1972, and in October 1973. At these meetings the Working Party discussed various proposals by members, agreeing at the 1973 meeting - on an ad referendum basis - to a note on price comparison in the domestic markets of developing countries. Notes by the secretariat on these previous meetings were distributed as documents Spec(71)127 and Corr.1, Spec(72)125, and Spec(73)52.
3. Before the expiration of the time-limit for objections to the above ad referendum note (31 December 1973), the secretariat received a communication from the Government of Egypt which necessitated a further meeting of the Working Party. The communication from Egypt was reproduced in document Spec(74)14, paragraph 3.
4. The Working Party held its fourth meeting on 1-2 October 1974, under the chairmanship of Mr. M.J. Huslid (Norway).
5. Members of the Working Party representing developing countries said that the proposed text did not take fully into account the special situation and problems of developing countries, both with regard to price comparisons and to balance-of-payments difficulties. Members of the Working Party signatories to the Anti-Dumping Code, while expressing their understanding for the problems of developing countries, stressed the need for any solution not to infringe upon the principles and integrity of both Article VI of the General Agreement and the Code. They said in this connexion that they could not agree to a change of the provisions of the Code.

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6. The Working Party discussed a number of proposals made by both developing and developed countries. Finally, the Working Party recognized that, although agreement seemed to be close, it would not be possible at this meeting to arrive at a mutually acceptable solution. Thus it was felt that there was a need for some time to reflect on the proposals made. The Working Party therefore agreed to meet again early in 1975 and to base its discussion at that time on the following text, which reflects the position presently reached:

"1. It is recognized that the determination of normal value on the basis of Article 2(a) of the Code /can/would/ pose/s/ special problems for products exported from developing countries because of the special characteristics of their economies.

"2. In such cases the provisions of Article 2(d) /shall/can/ apply and normal value /shall/can/ be determined /as far as possible/ on the basis of comparable price of products when exported to any third country.

"3. In the application of the criteria for the determination of normal value of the exports of developing countries, account shall be taken of the special characteristics of their economies and of their problems /including balance-of-payments difficulties/."

7. It was agreed that before the next meeting the Chairman would consult informally with interested delegations with a view to, as far as possible, narrowing down the still outstanding differences. The Chairman stated that if at the next meeting the Working Party should fail to arrive at a consensus, it would, in his opinion, have to report to the Council the result of its deliberations.