

**GENERAL AGREEMENT  
ON TARIFFS AND TRADE**

**RESTRICTED**  
**ADP/140**  
13 October 1995  
Special Distribution  
(95-3056)

**Committee on Anti-Dumping Practices**

**Original: English**

**UNITED STATES - IMPOSITION OF ANTI-DUMPING DUTIES ON  
SOLID UREA FROM THE FEDERAL REPUBLIC OF GERMANY**

**Request for Consultations under Article 15 of the Agreement**

**Communication from the European Communities**

The following communication, dated 4 October 1995, has been received from the European Communities.

In accordance with Article 15 of the Agreement on the Interpretation and Implementation of Article VI of the General Agreement on Tariffs and Trade (the Anti-Dumping Code), the European Community requests consultations with the United States concerning the case:

*solid urea from the German Democratic Republic: preliminary results of changed circumstance review and initiation of changed circumstances anti-dumping duty administrative review.*

On 1 May 1995 the US Department of Commerce (DoC) published provisional results of a changed circumstance review, initiated in February 1992 and carried out to assess the impact of the reunification of Germany on the anti-dumping duty order covering sold urea from the former GDR which had been imposed in 1987. Though the DoC decided not to confirm the extension of the duties to shipments from the whole of reunified Germany it maintained the order on the five "Länder", which formerly constituted the territory of the GDR, the "five States". The DoC only opened a changed circumstance administrative review on shipments from these five States in order to assess a new cash deposit rate using a market economy analysis for the determination of normal value.

The European Community is very concerned about this course of action. The above-mentioned decisions do not seem to take into account the radical changes which came about with the reunification of Germany. By maintaining the order against the five States of the former GDR the DoC has ignored *de jure* and *de facto* the full integration of the new States into the reunified Federal Republic of Germany, and thus the economic integration of the companies in the new States into the German market economy.

Thus complete conversion of one former centrally planned state run economy into a full market economy which took place immediately with the reunification in 1990 is unique and cannot be compared with the changes in the successor States of the former Soviet Union which are only gradually changing to so-called "economies in transition".

The decision not to take into account the complete conversion from a non-market into a market economy under these particular circumstances is a violation of the United States obligation under Article 9 of the Anti-Dumping Code, because the DoC carries out a changed circumstance administrative review, which can only result in the recalculation of the deposit rate and not, as would be warranted, a complete revocation of the order, if no dumping is found.

In any event, the division of the territory of a party of the Anti-Dumping Code is in contradiction with Article 8.2 of the Code, which provides that when anti-dumping measures are imposed, the authorities shall name the supplier concerned and/or the country concerned. From this, it must be concluded that duties are applicable to imports from countries and not regions or other fractions of a country.

The European Community reserves its rights to raise any other issue concerning this case either during the coming consultations or at a possible later conciliation.

The Community considers this to be a matter of great urgency and would therefore request consultations to take place at the earliest convenience.