Preliminary remark: In order to give a better understanding of the nature of the E.C. legislation, the Community refers to the "GENERAL OBSERVATIONS" in its reply to the questions raised by Japan on the same subject.

Regarding the specific questions of the Republic of Korea, the Community would like to reply as follows:

1. The purpose of the legislation is to prevent circumvention of an anti-dumping duty definitively imposed on imported products, by extending the duty to products assembled in the Community under conditions which show that circumvention has occurred. The legislation does not provide for the imposition of a new anti-dumping duty on parts used in the assembly process.

The anti-dumping duty on the finished product has of course been imposed after formal determination both of dumping and injury. The investigation carried out in the framework of the anti-circumvention action therefore concentrates exclusively on the question whether there is circumvention or not.

2. An anti-dumping duty can only be circumvented by parties subject to such duty.
The Community's anti-circumvention legislation therefore applies only to assembly operations carried out on behalf of such parties, i.e. parties who are related or associated to any of the manufacturers whose exports of the like product are subject to a definitive anti-dumping duty. This follows from the concept of circumvention and is not discriminatory, since the legislation applies to all cases of circumvention. Therefore, the legislation does not contravene Article I (1) of the GATT.

3. As already explained, the legislation does not provide for anti-dumping duties being imposed on parts, but for the extension of an existing anti-dumping duties to products assembled in the Community. Experience in the three cases currently being investigated has shown that the alleged difficulties in changing the sourcing of parts and materials are virtually non-existent in the three industries in question.

4. Article 13(10)(d) specifies that the provisions of Regulation (EEC) No 2176/84 concerning investigation, procedure etc. apply equally to investigations under that Article. The terms of the Regulation on these matters are based on the provisions of the GATT Anti-dumping Code and, accordingly, all interested parties will have the right to be heard, make submissions, receive disclosure of the Community Institutions' intentions and make comments thereon in the normal fashion.

5. The legislation in question is intended solely to counter circumvention of existing anti-dumping measures which were taken fully in conformity with the GATT, i.e. after determination both of dumping and injury. Securing compliance with such measures is, therefore, legitimate action under Article XX(d) of the GATT.