

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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Committee on Anti-Dumping Practices

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REPLIES BY THE EEC TO QUESTIONS BY THE UNITED STATES ON THE EEC ANTI-DUMPING LEGISLATION

Reproduced herewith are responses by the EEC to additional questions raised by the United States in document ADP/W/228 on Council Regulation (EEC) No. 2423/88 of 11 July 1988 (ADP/1/Add.1/Rev.1).

(In the reply to the original questions posed by the United States,¹ "Article 8(a)" referred to in point 1 of the replies on Article 2.8.3(c) should be replaced by "Article 2.8(a)" and in the penultimate sentence in point 2 of the reply on Article 13.11 the word "exporter" should be replaced by "importer".)

Article 13.11

1. The reference to the resale price in Article 13.11(b) is not restricted to the resale price of importers who are related to or are associated with the exporter.
2. It is confirmed that the transfer price between the exporter and a related importer would be considered unreliable. In this instance, the export price would be established by the same method as used in the original investigation. If the calculation resulted in a lower export price than that originally established, the implication would be that the exporter had borne the cost of the duty, in whole or in part. But when investigating the facts, the related importer would have the same opportunity as an independent importer to demonstrate a reduction in selling costs. Moreover, insofar as the related importer's reasonable profit was based on those of independent importers, it would be reduced to the extent that the profits of the independent importers had also been reduced.

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¹ ADP/W/208

3. A reduction in the normal value, however established, could provide evidence of changed circumstances which would justify a review. No request for review by an exporter showing sufficient evidence of changed circumstances has been refused by the EC, though on occasions it was not possible to open Article 14 reviews as promptly as the Commission would have wished, whether the request was made by an exporter or on behalf of a Community industry. Details of Article 14 reviews have been reported to the Committee in accordance with Article 14:4 of the Code. These show that few requests for review are made by exporters and of these the change in circumstances alleged almost invariably refer to the injury determination rather than the dumping.