



# WORLD TRADE ORGANIZATION

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Number of Pages (including this one): 3	Div. Ref: Reg. Ref:

## **Committee on Anti-dumping Practices: Working Group on Implementation Meeting on Thursday, 26 October – Friday, 27 October 2017**

As you know, the Working Group on Implementation will be meeting during the October Rules week to discuss two **injury-related issues**, the analysis of the effects of imports on domestic industry prices and the methodology for analysing imports by the domestic industry. The meeting will be held on **Thursday, 26 October**, continuing on **Friday, 27 October** as required.

As discussant for this session, I have prepared the **attached outline** of possible issues for this discussion. This outline is not a comprehensive list of issues, but I hope that it will provide you with a basis for reflection and will help to structure the discussion.

If there are any **other relevant questions** you would like to see included in the discussion, please forward them to me ([Wolfgang.Mueller@ec.europa.eu](mailto:Wolfgang.Mueller@ec.europa.eu)) or to the Secretariat ([maxim.shmelev@wto.org](mailto:maxim.shmelev@wto.org), [seref.coskun@wto.org](mailto:seref.coskun@wto.org) or [jesse.kreier@wto.org](mailto:jesse.kreier@wto.org)) for inclusion in the outline. I would like this session to be as responsive as possible to your interests and needs.

Given the technical nature of the topics, I encourage you to **send capital-based officials** who can both speak with authority about your own practices and profit from the experience of others. As we are addressing injury-related topics, it would be particularly interesting to have present **officials who are directly involved in making injury determinations**, especially for those Members with bifurcated systems or where in practice there is a division of labour between the margin and injury sides of investigations.

While the **submission of papers** is of course not required, I hope that many of you will do so, whether for circulation or distribution as room documents. I note that the early submission of papers would be desirable, as this will help colleagues to prepare for the meeting.

I look forward to this session where the Working Group will continue to serve as a forum for the **exchange of information about practices and experiences** among technical experts. These sessions represent a unique opportunity to hear directly from your colleagues about how to handle complex issues which we all confront in our day to day work as anti-dumping investigators.

Wolfgang Mueller

**OCTOBER 2017  
AD WORKING GROUP ON IMPLEMENTATION:  
OUTLINE OF ISSUES FOR DISCUSSION**

**I. Analysis of the effects of imports on domestic industry prices**

1. When performing price undercutting, price depression and price suppression analysis, do you perform all of the analyses in every case? If not, how do you choose which analysis to perform?
  - If you perform all of the analyses in all cases, is just the existence of one effect sufficient to determine that price effects in general exist?
2. How do you collect data for the price effects analysis?
  - Where does the price data for the domestic industry come from? How disaggregated is the data you receive (by transaction, by model, by month, average unit values per year)?
  - Where does the price data for dumped imports come from? How disaggregated is the data you receive?
  - Apart from price data, do you also accept anecdotal evidence? (such as proof of tenders lost)
3. How do you perform price comparisons?
  - Do you often go beyond average unit values and perform price comparisons on a more disaggregated level?
    - If yes, what can drive this decision and what criteria can be used to disaggregate prices?
  - What is your approach to heterogeneous products?
    - Do you adjust prices for technical differences before comparing them? Which criteria do you use? From what sources do you receive information for such adjustments?
    - Do you merge/batch models and search for a close match? What criteria do you use?
  - On what basis do you compare prices? ("market-entry", delivered to customer, other)
    - How do you approach situations where the price data to be compared involves different distribution channels, delivery terms, tax regimes etc.?
4. What is your approach to assessing price effects?
  - How long is the period for which you investigate price undercutting? Price depression? Price suppression?
  - When analysing price undercutting:
    - Do you carry out the undercutting analysis by comparing weighted-average to weighted average prices (see also above question 2) or do you also analyse instance-by-instance price undercutting?
    - How do you determine if the price undercutting is "significant"?
  - When analysing price depression (whether the effect of [dumped] imports is otherwise to depress prices):
    - Do you consider other causes of price declines to ensure "non-attribution"?
    - How do you determine that price declines were "to a significant degree"?
  - When analysing price suppression (whether the effect of such imports is to prevent price increases, which otherwise would have occurred):
    - How do you reach a conclusion that domestic prices should have increased?
      - Are you concerned with whether costs have increased "reasonably"?
      - Do you look at external benchmarks for prices and/or costs?
      - Do you make assumptions about the evolution of the market conditions? How do you reach them?
    - Do you construct a "price which would otherwise have occurred"? How do you do it?

5. How do you disclose your price effects analysis?

- Is a detailed analysis of price effects reflected in your public notice or is it part of a party-specific disclosure?

## II. Methodology for analysing imports by the domestic industry

1. Under what circumstances do you exclude domestic producers that are themselves importers from the domestic industry?

- Do you apply a specific test in determining whether the importers should be excluded from the definition of the domestic industry? If yes, what kind of criteria do you apply?
  - Do you have any quantitative thresholds? Do you perform a "negligible quantities test"?
  - Is the price level of such imports relevant? Do you make any price comparisons between those imports and other imports?
- Do you perform any injury-related analysis when analysing domestic producers which are importers?
- Do you make any assessment of the reasons behind the imports by domestic producer(s)?
  - Under what circumstances do you accept such importation as "normal commercial practice"?
  - Under what circumstances do you accept those imports as a means of sustaining higher-cost domestic operations? To complement the product range?
  - Are there any quantitative thresholds or qualitative criteria that you use to make such assessments (i.e. based on the volume of imports and their share in operations, based on value added, or product-type related data)
  - Under what circumstances do you accept those imports as "self-defence" against dumped imports? Are purchase and resale prices important for this consideration?
- Do you make any assessment to determine the level of commitment shown by the producer to domestic production as opposed to importing?
- Do you make any assessment on the nature of the commitment to importing activity? (i.e. whether imports are sporadic or the commitment is long-term)

2. Where you do not exclude such domestic producers from the definition of the domestic industry:

- How are the data on imports by domestic producers treated in the investigation?
    - Do you disregard the data on importation and treat resale activity as domestic sales?
    - Do you check whether the inclusion of the importer producers' data will skew the data for the rest of the industry? If so, how do you check this?
    - Do you check what kind of benefit the importing producer derived from the importation?
    - Do you check whether the advantages obtained through the importation have not offset the disadvantages suffered by the domestic producer(s)?
  - Do you check whether the importing producer(s) contributed through imports to the injury suffered by the domestic industry?
    - Do you separate and distinguish the injurious effects of self-importation from other factors of injury? How is this done?
  - Do you check whether there was a positive effect of importing activity on the economic indicators of the importing domestic producer(s)?
    - How do you distinguish the positive effects created by self-importation? For instance, do you single out profits and profitability attributable to producer's importation? Does this influence your injury and/or causal link determination?
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