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EC COMMISSION ISSUES FIRST REPORT  
ON ITS APPLICATION OF ANTI-DUMPING  
AND ANTI-SUBSIDY LEGISLATION

The European Community imposed definitive duties in only about 17 percent of the anti-dumping and anti-subsidy investigations it concluded between 1980 and 1982, a recent report by the Commission of the European Communities indicates.

The Community resolved most of the investigations of dumped or subsidized exports, 88 out of 149, by accepting "undertakings" - action by the exporter or exporting country to revise prices, cease exports or eliminate or limit subsidies. Undertakings of this kind, also known as suspension agreements, often "prove to be more flexible than duties as a means of eliminating the injury caused by dumping or subsidization," the report notes.

The Community imposed definitive duties in 25 cases. By contrast, the United States during the report period imposed definitive duties in about 120 anti-dumping or anti-subsidy cases and accepted only about 15 undertakings, according to records filed by the Department of Commerce with the General Agreement on Tariffs and Trade (GATT).

The Community also determined in 18 investigations that products were not dumped or subsidized, and in 13 that Community industries had not been injured.

Those statistics are included in the Commission's first annual report on the Community's anti-dumping and anti-subsidy activities since the GATT Tokyo Round of trade negotiations.

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The report covers the first three years of applying new legislation outlining protective measures that may be taken by the EC when Community industries are harmed by dumped or subsidized products from non-Community countries.

Dumped products are those having export prices to the Community lower than their home market price, or less than the "normal" value of like products. Subsidized products are manufactured, transported or exported with direct or indirect financial backing from the originating country's government.

During the three years covered by the report, the Community opened 131 new investigations into possible dumping and subsidy cases from 32 nations. The highest number involved products exported from the United States (21), followed by Czechoslovakia (13), East Germany (12) and Brazil (9).

European industry most often complained that it was harmed by dumped or subsidized chemical products. This sector was the target of 40 percent of the new investigations. A substantial number of investigations in 1980 and 1981 also involved mechanical-engineering products, while in 1982 complaints concerning steel and iron became more prominent.

The new investigations broke down by sector as follows: Chemical, 60; textile, 3; wood and paper, 8; mechanical engineering, 26; iron and steel, 17; other metals, 6; other, 11.

From 1980 to 1982, the Community imposed 35 provisional duties based on a preliminary determination that dumping and injury had occurred.

The report notes that the Commission had made progress in speeding up its response to complaints, but that some delay remains unavoidable because of lengthy procedures that must be followed before an investigation can be terminated. During the last half of 1982, the average investigation took 8.7 months, compared with 9.6 months in 1980, the report says. Furthermore, provisional duties, on average, were imposed after 4.3 months in 1982, compared with 7.5 months in 1980.

During 1981 and 1982, seven anti-dumping and anti-subsidy cases were brought before the European Court of Justice, reflecting a "trend in the Community towards an increase in litigation," the report notes.

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Anti-dumping and anti-subsidy investigations  
in the period January 1, 1980 to December 31, 1982

	1980	1981	1982
Investigations in progress at the beginning of the period	71	29	46
Investigations initiated during the period	25	48	58
Investigations in progress during the period	96	77	104
Investigations terminated by:			
- imposition of definitive duty	8	10	7
- acceptance of undertaking	46	7	35
- change in the market situation	4	-	-
- determination of no dumping	7	7	3
- determination of no subsidization	1	-	-
- determination of no injury	1	6	6
- other reasons	-	1	-
Total investigations terminated during the period	67	31	51
Investigations in progress at the end of the period	29	46	53
Provisional duties imposed during the period	7	10	18

