

DECISION
OF THE GOVERNMENT OF THE RUSSIAN FEDERATION
NO. 183 OF FEBRUARY 16, 1999
ON THE PECULIARITIES OF THE DETERMINATION
OF A MATERIAL DAMAGE TO A BRANCH OF THE RUSSIAN ECONOMY
AS A RESULT OF DUMPING IMPORTS

For the purposes of implementing Article 10 of the Federal Law on Measures Aimed at Protecting the Economic Interests of the Russian Federation in Foreign Trade in Goods the Government of the Russian Federation hereby resolves:

To endorse the attached Regulations on the Peculiarities of the Determination of a Material Damage to a Branch of the Russian Economy as a Result of Dumping Imports.

Chairman
of the Government
of the Russian Federation

Ye.Primakov

Regulations
on the Peculiarities of the Determination
of a Material Damage to a Branch of the Russian Economy
as a Result of Dumping Imports
(endorsed by the Decision of the Government
of the Russian Federation No. 183 of February 16, 1999)

1. The present Regulations establish the peculiarities of the determination of a material damage or the menace of its being inflicted to a branch of the Russian economy as a result of the dumping imports of a good to the customs territory of the Russian Federation (hereinafter referred to as "dumping imports").

2. There are used in the present Regulations the basic terms established by the Federal Law on Measures Aimed at Protecting the Economic Interests of the Russian Federation in Foreign Trade in Goods.

The Determination of Material Damage to a Branch
of the Russian Economy as a Result of the Dumping Imports of a Good

3. The determination of a material damage shall be performed in the course of an investigation conducted by the Ministry of Trade of the Russian Federation and it shall be based on the results of the analysis of:

- 1) the volume of the dumping imports;
 - 2) the effect of such imports to the price for a similar or directly competing good (hereinafter referred to as "similar good") on the domestic market of the Russian Federation;
 - 3) the effect of the dumping imports to a branch of the Russian economy.
4. When the volume of the dumping imports is analyzed it is necessary to find out if a

significant increase in such imports occurred (as absolute and relative values) in respect to the level of the production or consumption of a similar good on the domestic market of the Russian Federation.

5. When the effect of the dumping imports on the price of a similar good on the domestic market of the Russian Federation is analyzed one of the following factors shall be taken into account:

a) whether the prices of the dumping imports were significantly below the prices for a similar Russian good;

b) whether the dumping imports has lead to a significant decline of prices for a similar Russian good on the domestic market of the Russian Federation or has impeded the growth of such prices which would have taken place if there were no dumping imports.

6. When analysis is done of the effect of the dumping imports to a branch of the Russian economy the following shall be determined:

a) actual or possible decline in the volume of sales, profit, production output, market share, labor productivity, return on investment (capital investment), production facilities use factor;

b) the factors affecting prices on the domestic market of the Russian Federation;

c) the dumping margin;

d) actual or possible negative effect of the dumping imports of the good to cashflow, goods stocks, employment level and wages level, production output growth rate, opportunities for increasing current assets and capital investment in a respective branch of the Russian economy.

7. For the purpose of making the decision as to the availability of a material damage to a branch of the Russian economy a positive statement according to the results of the analysis stipulated under Items 3, 4 and 5 of the present Regulations is mandatory. In such a case the list of the factors assessed in the course of such an analysis can also include other indicators.

8. In the course of the investigation the Ministry of Trade of the Russian Federation shall discover the existence or lack of causation relationship between the dumping imports and the material damage to the branch of the Russian economy determined according to the indicators specified under Items 3, 4 and 5 of the present Regulations. The discovery of such a causation relationship shall be based on the analysis of the whole array of information relating to the investigation.

9. When causation relationship is discovered between the dumping imports and the material damage to the branch of the Russian economy account shall also be taken of any other known factors, apart from the dumping imports proper, that exerted negatively the state of the branch of the Russian economy simultaneously with the dumping imports including but not limited to:

a) imports volume and the level of prices for the goods supplied at prices other than dumping;

b) a change in the consumption pattern of the good being the subject matter of the anti-dumping investigation;

c) the consequences of restrictive trade practices and competition between foreign and Russian manufacturers;

d) a change in the manufacturing technology;

e) a change in the exports potential of the Russian manufacturers of the good;

f) a change in the productivity of labor in the branch of the Russian economy.

The material damage inflicted by such factors shall not be taken into account while the decision is made as to the significant damage inflicted by the dumping imports.

10. The effect of the dumping imports shall be assessed in relation to the branch of the

Russian economy producing a similar good.

Should it be impossible to discern such a branch of the Russian economy on the basis of the statistical data available, the effect of the dumping imports shall be assessed in relation to the branch of the Russian economy producing a group (probably narrower) of goods including a similar good in respect to which information is available.

The Determination of the Menace of a Material Damage to a Branch of the Russian Economy as a Result of the Dumping Imports of a Good

11. The determination of the menace of a material damage as a result of dumping imports shall be based on facts not only on forecasts, probability assessment and assumptions. The occurrence of a situation under which the dumping imports in future is going to cause a material damage must be apparent and inevitable.

12. When the menace of a material damage to a branch of the Russian economy is being assessed the factors such as the following shall be taken into account:

a) the dynamics of the growth of the dumping imports testifying to a real possibility of its further significant growth in the future;

b) the availability or apparent inevitability of a future increase in the exports capabilities of the foreign exporter testifying to a possibility of an increase in the dumping imports to the Russian Federation;

c) a level of dumping imports prices that exerts a suppressing effect or an impeding effect on the prices of Russian producers and that can lead to a further increase in the demand for the dumping imported goods;

d) a negative effect of the good being the subject matter of the investigation.

For the purpose of making the decision as to the existence of the menace of a material damage to a branch of the Russian economy is shall be necessary to discover all the said factors.

While such a decision is being made other indicators can also be taken into account.