

MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND

RESTRICTED

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STATEMENT BY THE NORDIC COUNTRIES

The following statement was made by Finland, on behalf of the Nordic countries at the Group's meeting on 17 September 1987.

In document MTN.GNG/NG8/W/3 the Republic of Korea has suggested negotiations to improve the functioning of the Anti-Dumping Code. Also the Nordic countries are among those comparatively small countries, heavily dependent on foreign trade, whose exports have suffered from anti-dumping measures, which in some instances have appeared arbitrary from the point of view of the provisions of the Anti-Dumping Code. Therefore the Nordic countries can, in principle, support the initiative of the Republic of Korea and many of the specific ideas contained in it.

Work has been done for several years in the Ad Hoc Group on the Implementation of the Anti-Dumping Code in order to elaborate interpretative rules for the application of anti-dumping measures. The Anti-Dumping Committee has adopted a number of recommendations to signatories of the Code and work in the Ad Hoc Group continues on a number of issues. Among these the Nordic countries attach particular importance to the question of assessing material injury in the case of dumped imports from several sources, cumulative injury assessment.

However, the Nordic countries feel that the expected launching and the actual start of the Uruguay Round has resulted in a slowdown of the work in the Ad Hoc Group. The Nordic countries feel that it might be useful to review the outstanding issues that have emerged from Ad Hoc Group and to resume work thereon in an appropriate forum.

The Nordic countries take the opportunity in this context to draw attention to one broader question regarding the definition of dumping in the Code. That definition in the present Code is straightforward and simple: sales on export markets below the normal value as defined in Article 2 of the Code. The philosophy behind that definition is that an enterprise strong on its domestic market, either through import protection or dominant position, may reap the profits from that market and utilize surplus capacity for export sales at marginal prices. Thereby the exporter may influence and depress the price level in the importing country.

The question arises concerning the relevance of such an oversimplified thinking in today's business world. Although situations such as the one described above certainly exist, the Nordic countries believe that exporters are much more frequently faced with situations where they either have to accept the price prevailing on various foreign markets or to renounce sales on those markets. The question from the exporter's point of view is price adaptation, rather than price determination.

If it so happens that the price on the foreign markets or on some of them is lower than on the exporter's domestic market or on some other export markets, the exporter is faced with the threat of anti-dumping measures as a result of price adaptation.

The Nordic countries believe that some fresh thinking should be devoted to this problem and its possible solutions on an appropriate negotiating forum in the context of the UR.

The paper from the Republic of Korea in its point G. a) touches upon this question when it says: "In certain Signatory countries, the investigating authorities do not give any weight to evidence that domestic producers have driven prices down themselves and that the imports are merely following these price declines."