

Anti-Dumping

Global Abuse of a Trade Policy Instrument

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Calculating Normal Value as a Way of Protection

Some Evidence from Turkish Dumping Investigations

CENGİZ BAHÇEKAPILI AND MURAT ÇOKGEZEN

Introduction

As multilateral trade agreements have restricted the use of conventional trade protection instruments, such as tariffs, quotas, voluntary export restraints etc., the use of other regulatory tools has flourished to fill the protection void. Anti-dumping regulation, one of these regulatory tools, has become one of the most significant barriers to world trade.¹

Anti-dumping regulations aim to protect local producers from 'unfair' pricing strategies, such as setting two different prices, one at home and the other abroad (price discrimination), or setting unreasonably low price levels (predatory pricing). These strategies are considered 'unfair' by defenders of anti-dumping duties for two main reasons. First, they can only be sustained with the help of a protected home market or government subsidies that give an 'unfair' advantage over international rivals, which, without access to similar compensation mechanisms, are eventually driven out of the market. Thus, these types of pricing behaviours are believed to distort the market mechanism and its economic merits. Second, it is also assumed that with rivals gone, the dumping company would abuse its market power and significantly reduce the general welfare, both of the importing country and globally. Defenders of anti-dumping measures believe that anti-dumping duties both enhance the operation of the

1. Blonigen and Prusa (2003) stress that "...since 1980 GATT/WTO members have filed more complaints under the AD (anti-dumping) statute than under all other trade laws combined, or that more AD duties are now levied in any one year worldwide than were levied in the entire period 1947-1970" (p. 251).

(free trade) market economy and remedy the negative effects of dumping on economies.

Even though the economic justification for anti-dumping may appear quite convincing, many economists are not satisfied with this reasoning. They frequently question and examine the implications of anti-dumping on the welfare of importing countries, global welfare and trade and find countervailing results.² However, these discussions are beyond the scope of this chapter. Rather, this chapter concentrates on the problems of anti-dumping applications in practice, with an analysis of the biased calculations of Turkish anti-dumping authorities in favour of domestic producers. Our study reveals that Turkish anti-dumping authorities use discretionary practices during the course of dumping investigation for protective purposes, and also shows that an alternative calculation for dumping margins may give different results than those calculated by the Turkish authorities.

The chapter is organised as follows. The following section discusses methodological problems in the dumping calculations based on the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (henceforth, the GATT Agreement), as well as the practical difficulties. Section 3 provides empirical evidence for the use of dumping determination as a protective tool by the Turkish authorities. Section 4 reviews confirmed dumping decisions of Turkish authorities using an alternative methodology, and Section 5 concludes the chapter.

Calculating Normal Value as a Way of Protection

Economic theories that provide justification for anti-dumping measures are based on price discrimination and predatory pricing models, in which exporters charge two different prices in two segregated markets (home and abroad) or set a price below costs. However, the GATT Agreement is unable to provide such a clear definition of dumping as is possible in economic theory. The GATT Agreement considers a product as dumped when the export price of the product is less than its normal value. However, the determination of 'normal value' is problematic as anti-dumping law targets two different pricing strategies. In price discrimination the reference price is the sales price in the home market, whereas in predatory pricing it is the cost of production.

2. For a comprehensive survey of these discussions, see Niels (2000).

The preferred method for the determination of normal value by the GATT Agreement is "the comparable price, in the ordinary course of trade, for the like product when destined for consumption in the exporting country"³ (Home Market Price, HMP). In cases in which "there are no sales of the like product in the ordinary course of trade in the *domestic market* of the exporting country or when, because of the particular market situation or the low volume of the sales in the domestic market of the exporting country, such sales do not permit a proper comparison"⁴ then the GATT Agreement recommends two alternative price references for that purpose: the export price to an 'appropriate'⁵ third country (Third Market Price, TMP) or the cost of production in the country of origin (Constructed Value, CV).

The above-mentioned rules apply only to market economies. Non-market economies (NME) are subject to a different methodology since all prices, both of exported products as well as the same of the inputs used in production, are controlled by the state. Therefore, neither HMP nor CV data compiled from NME are deemed unreliable. Instead, the input price data obtained from a 'surrogate country', one which is at a similar level of economic development, is used in order to construct a cost price of the exporter in that case.

A dumping investigation authority needs information in order to calculate normal value. Hence the authority sends questionnaires to the interested parties requesting sales and cost information. If an interested party fails to provide accurate and complete information, for whatever reason, the investigation authority may make its final determination "on the basis of the facts available (FA)"⁶, which is usually used to punish countries which refrain from cooperation.

Of these five methodologies—HMP, TMP, CV, NME and FA—the HMP and TMP definitions of normal value are based on the price discrimination model, while CV and NME measure below cost pricing. FA can be used for both. Lindsey (1999) shows that only one of these methodologies has any relevance to the detection of market-distorting price discrimination, while none of them measures whether sales are below cost. Lindsey then goes on to examine 141 anti-dumping determinations by the US Commerce Department. He found that only

3. GATT Agreement; Part I, Article 2, Paragraph 2.1.

4. *ibid.*, Paragraph 2.2.

5. *ibid.*, Paragraph 2.2.

6. *ibid.*, Article 6, Paragraph 6.8.

2 of the 107 affirmative determinations had used an appropriate methodology for the determination of dumping. Lindsey concludes that US anti-dumping law fails to distinguish between normal commercial pricing and dumping practices, and in fact ends up punishing normal business practices.

Several other country case studies (Blonigen, 2003; Ikenson, 2005; Niels, 2000; Nielsen and Rutkowski, 2005; Srivats, 2001)⁷ indicate that there are several implementation problems related to the calculation of normal value, and that in the presence of these measurement problems several countries applied the anti-dumping laws to favour domestic interests during the course of calculation. Issues regarding the inaccuracies and inadequacies of calculations of normal value under the GATT Agreement in these studies can be classified under four broad categories:

1. *Comparing different prices*: Investigating authorities usually compare individual export prices to a weighted average HMP, or else deduct certain sales costs from the dumper's export price but not from the importing country's home market price. In addition, while calculating these prices, instead of the date on which the material terms of the transactions are established, authorities arbitrarily use the date of the sale invoice, or of the shipment, or the date when a long-term contract is signed.
2. *Comparing different country prices*: If the exporting country is an NME, price data is obtained from a 'surrogate' country, chosen by the investigating authority for the provision of a market price for a proper normal value calculation. In some cases, however, the 'surrogate' country may not be comparable to the NME. Higher prices in the surrogate country may yield higher dumping margins for the exporter. Even if a comparable surrogate country is found, investigators use the available price data differently in each case, mainly to protect domestic producers.
3. *Comparing different product prices*: Price comparisons for dumping margin calculations must be made for identical products. In the absence of an identical product, the 'next most similar' product is used. Determination of the similar product may influence the dumping margins. Sometimes price comparisons are made by

7. See also other chapters in this volume.

using the goods with different qualities. In many cases, applicants (domestic producers) and exporters disagree on the products to be investigated.

4. *Use of unreliable and biased data and calculation techniques:* During the dumping investigations, the authority collects the data from the exporter and other companies in the exporting country. However, respondents' records may not be compatible with the investigating (importing) country's standards, or be not sufficiently detailed for investigating authority's requirements. Given the inadequate data, the investigating authority makes the necessary adjustments to calculate the dumping margins, and these adjustments usually favour producers in the importing country.

For a fair comparison, two prices (ex-factory prices, for example) of the same (or like) product in two countries are needed. Achieving such prices necessitates making some adjustments, which carries the risk of the inclusion of costs not directly associated with the subject product. Investigation authorities make biased price adjustments resulting in an overestimation of subject goods costs and dumping margins.

Another example of bias due to a price adjustment practice open to selective interpretation by the investigation authority is the case of supplier-exporter affiliation. When a supplier is affiliated to the subject exporter, the investigation authority has the right to increase the price of the input, bought from the affiliated supplier, if one of the other benchmarks is higher than the price actually paid, based on the assumption that input prices are subsidised by an affiliated supplier. Such a provision obviously gives the investigation considerable scope for bias.

Finally, the overall dumping margin is calculated by averaging dumping margins of individual cases. However individual negative margins are set equal to zero (zeroing) and thus are not included in average dumping margin estimation. This technique artificially inflates average dumping values.

Anti-Dumping Practices in Turkey

Turkey enacted its first anti-dumping code, the Legislation on Prevention of Unfair Competition in Importation (LPUCI), in 1989. This code, amended in 1999, covers provisions for protection from

dumped imports. It was formulated in accordance with the provisions of the Tokyo Round Anti-dumping Code of GATT, which regulated technical and official procedures.

Turkey signed the Final Act of the Uruguay Round and the Marrakesh Agreement establishing the World Trade Organization, and this Act was ratified by the Turkish Grand National Assembly in 1995. In that respect, the WTO Anti-dumping Agreement has the force of law in Turkey, by virtue of the Turkish Constitution. The WTO Anti-dumping Agreement is thus the main reference for the Turkish anti-dumping authority. In practice, it is fully observed by Turkey and in cases of conflict the Agreement has binding precedence over domestic legislation.

In Turkey two separate bodies are involved in anti-dumping proceedings: the Board of Evaluation of Unfair Competition in Importation (henceforth the Board) and the Department of Dumping and Subsidy Investigation (henceforth the Department). The Board is empowered to take decisions for the initiation of investigations, acceptance of undertakings, and termination of investigations or imposition of anti-dumping duties. The Department makes preliminary examinations upon complaint, presents proposals to the Board on whether to initiate an investigation or to take measures, and carries out such investigations.

In recent years, as in many developing countries, there has been an increasing use of anti-dumping rules in Turkey, for protective purposes (Table 2.1). Turkey initiated the fourth highest number of anti-dumping investigations among WTO member countries in 2004 (25, jumping from none in 1996), and imposed an increasing number of new measures each year. While no measures were taken in 1998, the number of measures peaked to 28 in 2003. Currently,⁸ there are 28 anti-dumping measures in force in Turkey.

We examined each communiqué reporting the investigation process and the findings and results of each case related to the measures currently in force in Turkey.⁹ We found that during the

8. As of 30.4.2006.

9. The list of products subject to anti-dumping duties and related communiqués is prepared by the Turkish Prime Ministry, Under-Secretariat for Foreign Trade, General Directorate for Import, Dumping and Subsidy Investigation Department. This list is available at the official website of the Turkish Republic Prime Ministry, Under-Secretariat for Foreign Trade, at <http://www.dtm.gov.tr/ithalat/english/trade/duties.xls>, (30.04.2006).

Table 2.1
Anti-Dumping Initiations and Measures by Turkey
(01/01/1996 – 30/06/2005)

Categories	1996	1997	1998	1999	2000	2001	2002	2003	2004	Jan.- June 2005	Total
Number of Anti-Dumping Initiations	0	4	1	8	7	15	18	11	25	8	97
Rank in Anti- Dumping Initiations Among WTO Members	-	16	23	10	10	8	6	8	4	5	-
Number of Anti-Dumping Measures	0	0	0	1	8	2	11	28	16	4	81

Source : WTO (2006), Statistics on Anti-dumping, available at http://www.wto.org/english/tratop_e/adp_e/adp_e.htm (30.04.2006).

Table 2.2
Objections by Categories Against 28 Turkish Anti-Dumping Measures
in Force in 2006 during the Investigation Period

Categories of Objections	Rejected	Approved	Total
Cost Allocations	41	5	46
Product Sampling	15	4	19
Price Adjustment	11	2	13
Market or Non-Market Economy	11	0	11
Profit Adjustment	3	0	3
Country Sampling	5	0	5
Procedure	5	2	7
Others	2	0	2
Total	93	13	106

Source : Turkish Prime Ministry Under-Secretariat for Foreign Trade 2006, The List of Anti-dumping Measures in Force, <http://www.dtm.gov.tr/ithalat/english/trade/duties.xls>, (30.04.2006).

investigations of these measures, accused companies and countries raised a total of 106 objections (Table 2.2). The majority of the objections were in the area of cost allocation, followed by product sampling and price adjustment issues. In 11 of the cases, companies claimed that they were operating under market circumstances and requested not to be assessed according to NME calculation. We classified other objections under the categories profit adjustment, country sampling, procedure and others. Of the 106 objections, only 13 were accepted by the authorities, the rest being rejected for a variety of reasons.

Even a cursory examination shows that most of the objections raised by the exporters were well argued and consistent, and responses to these objections give the impression of discretionary decisions. Probably in many cases, the high cost of carrying relevant discussion further, to the WTO, compared to projected returns, mitigated against exporters taking further steps.

Considering that the objecting parties are also biased, we examined the appropriateness of normal value calculations made by Turkish authorities, in communiqués issued for each Turkish anti-dumping measure in force in 2006 available in the list of products subject to anti-dumping duties, (henceforth the List) issued by Under-Secretariat for Foreign Trade, General Directorate for Import, Dumping and Subsidy Investigation Department. Our findings give numerous clues about biased judgements in calculating normal value. We have compiled arbitrary and biased decisions of the Turkish authorities, derived from communiqués issued, for all the anti-dumping duties imposed in the following three broad categories:

'Appropriate' Third Country

In recent years, dumping and competition from Chinese products in particular has been considered the primary challenge to 'fair' free trade throughout the world. Turkey is no exception to this, and it is therefore Chinese companies, which have been subject to the highest number of investigations by the Turkish anti-dumping authorities. This phenomenon has given rise to an increased use and extended discussion of NME methodology in Turkey. As mentioned above, NME methodology is based on the use of 'appropriate' third country prices for normal value construction when the exporter company comes from a non-market economy. Importing countries have exercised significant discretion in the calculation of normal value for products exported

from non-market economies. The legal base for the calculation of normal value for NME is provided by the 7th Article of Regulation on Prevention of Unfair Competition in Importation.¹⁰ According to the Article, the following prices can be used for normal value calculation: the export prices of an 'appropriate' country to third countries, including Turkey; the price of the subject goods in the third country; the 'constructed value' of a similar product in the third country; or, and most interestingly, the market price of or 'constructed value' for similar goods produced in Turkey. Disregarding the other options, it is clear that the application of this last option alone can operate as a protective catchall, insofar as it never allows negative dumping margins since local producers usually have a disadvantage in production costs against the exporters who are subject to investigation for similar product.

As a result of an examination of all communiqués regarding anti-dumping duties currently in practice, we found 34 NME cases. For these cases, the Department sent questionnaires to only 12 'appropriate' countries and received timely responses from just 2. In 16 (almost half) of the cases, input or product prices in Turkey were used for normal value calculations. Obviously, the increasing use of Turkey itself as a third country reduces the reliability of dumping decisions made by the Department.

From the communiqués in the List, we selected six extraordinary cases, which show differing and arbitrary applications of the NME method to similar cases. In each of the following cases a dumping investigation is initiated on (a company from) an NME, and questionnaires are sent to a third country, with no response. Then, there is a lack of uniform treatment to non-responding parties.

In the first case,¹¹ an investigation to China, Taiwan is chosen as surrogate country and questionnaires are sent to Taiwanese producers. With no response to the questionnaire, normal value was calculated on the basis of the export price of Taiwan to the European Union.¹²

In the second case,¹³ the Turkish authority again initiated an investigation against China. Pakistan was chosen as surrogate country.

10. Regulation no. 23861, dated 30.10.1999.

11. Communiqué no. 2001/2.

12. A similar method is used for dumping calculation in the following section.

13. Communiqué no. 2002/15.

With no response received for the questionnaire send to Pakistani companies, the Department used the price available in an invoice chosen arbitrarily from an importer of the subject product (pencils, in this case) from Pakistan.

In four other cases¹⁴ without returned questionnaires, the FA rule is applied but no evident explanation recorded for the data, especially the prices, used for calculation.

Like Product

Another major problem we observed in communiqués is linked to the determination of 'like product' for appropriate comparison. The commodities that are subject to foreign trade are classified under Combined Nomenclature (CN) codes. In some investigations, subject products are assessed on the basis of the CN code, but a dumping duty is imposed at the end of the investigation on all the products classified under this CN code.

Products under a particular CN code are differentiated in terms of size, function, quality, etc. The GATT agreement therefore specifies general rules for 'Like Product' determination. According to Article 2.6 in the Anti-dumping Agreement, "like product shall be interpreted to mean a product which is identical, i.e., alike in all respects to the product under consideration, or in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the product under consideration." The LPUCI definition of 'like product' is much the same, namely, a "product which has similar characteristics with the product which is subject to dumping or subsidy, or in the absence of such a product, another product which has similar characteristics."

Considering broad range of data under a CN code, an investigation authority should be expected to distinguish a group of products falling under a given code that are similar to the subject goods from the other products falling under the code, and then compare this subgroup of products to the subject goods. For example, under the broad category of apples, an investigation authority would distinguish cooking apples from eating apples, and compare the prices of cooking apples to those of the imports from the subject country.

14. Communiqué nos. 2002/15, 2004/15, 2004/19, 2004/24.

The communiqués we examined have many instances in which the like product determined by the Department was questioned by subject country firms. Three such cases are described below. As detailed analyses of each like product dispute require specific knowledge about each subject product, we preferred cases on rather simple consumer goods, discussion about which anyone can easily follow. In the cases described, there is not only a valid question regarding the choice of like product, but also of whether the product is even produced at all in Turkey.

The first case¹⁵ concerns products under the CN code 9105.21, which are battery, accumulator or mains powered wall clocks with plastic or wooden frames, with or without a pendulum, and with or without a melody mechanism. Obviously, a wide range of products falls under this classification. The Department used the product sampling method when comparing domestic and imported products and found evidence of dumping. Then, the Department imposed a duty on all products under the code 9105.21. Actually, the Department is unsure if their sample is really alike. In their report, it is mentioned that imported clocks have a melody mechanism, which is not available in domestic clocks. Despite this difference, they did not change their decision, on the basis that melody has no effect on the function. However, it is clear that existence of a melody mechanism imposes an additional cost on a clock. This does not appear to exemplify the idea of like product as set out by GATT and LPUCI.

The second case concerns rubber bicycle or motorcycle tires and tubes handled in communiqués 2003/6, 2004/22 and 2003/7. In these three investigations domestic producers admitted that they are not producing the type of bicycle tires that are the subject of the investigation, but stated that they would be able to do so with a little additional cost. Two conclusions can be drawn from these reports. First, this is a clear case of a dumping duty being imposed on imports of certain products, which actually are not produced in Turkey. Second, even if it were produced in Turkey it would imply additional cost on local producers. Accordingly, normal value calculation based on a like product, chosen with the criteria mentioned above, would be wrong and unjust.

15. Communiqué no. 2001/5.

Finally, in communiqué 2003/22 an investigation regarding pots and pans is reported. Importers raised objections to the investigation claiming that gold-coloured, steel-framed pot lids are not produced in Turkey. A producer responded to this claim with the assertion that these lids could be produced with a slight change in the mould of another type of pot lid. Again in this case there is no domestic production of the subject goods and production would only be possible with additional cost. In this case, however, there is a further complication as importers raised an additional objection with the claim that the quality of the imported lids was better than the domestic counterparts. Local producers admitted that in the earlier years of domestic production there had occurred some cases of explosion, but defended themselves on the basis that they had overcome this problem by improving production technology and quality control standards. This debate clearly shows that quality differences between domestic and imported products offers another aspect to the interpretation of like product subject to biased interpretation by the anti-dumping authority.

Generalisation

We also found two striking cases more related to the 'interpretation' of calculations, rather than calculations themselves. In the first, a dumping investigation was performed against China and Russian Federation for commodities under CN Codes 7312.10.82, 7312.10.84, 7312.10.86, 7312.10.88 and 7312.10.00, and under communiqué number 2004/4. In this investigation, while comparing normal value and export prices and calculating the dumping margin, a unique representative product was chosen from the 7312.10.82 category for China and from the 7312.10.84 category for the Russian Federation. The final dumping margins calculated by the official authority were 181.5 per cent of the CIF export price (1.65 USD/kg) for China and 89.6 per cent (0.65 USD/kg) for the Russian Federation. Then, using these single calculations, the Department put the measurement against dumping at 0.65 USD/kg for Russian and 1.65 USD/kg for Chinese imported commodities for all the five categories listed above. This is obviously an unfair anti-dumping case showing how a bias may be generated by a selective use of sample products in the initial calculations and can be further compounded by its application to a range of categories.

In the second case, under the investigation in Communiqué numbered 2001/2 against China the Department had directed questionnaires to interested parties, only one of which had responded usefully. After examination of the response of this single company, the investigation party felt able to state the following computation: "...the related company's unit price of commodity, which is subject to export, is at the same level as the average export price to Turkey from China." Contrary to this flimsy but nevertheless factual determination, however, Turkish Trade Under-Secretaries concluded the case by issuing the same fixed rate of anti-dumping tax to all Chinese exporter companies of the product. Tellingly perhaps, even the cooperating company did not react against the primary description of dumping under the GATT Agreement, despite having been penalised with unfair, fixed-rate taxes.

Another Non-Perfect Dumping Calculation

Finally, in the light of these inaccuracies and inadequacies, we recalculated dumping margins for the products, which Turkish authorities had deemed dumped and decided to apply duties to. By doing this, we aim to show that dumping margins depend heavily on the methodology and calculation method used for normal value determination.

For this purpose we used a very similar procedure to the TMP methodology, comparing a weighted average home country export price of the subject goods during the investigation period to an export price of the country being investigated. Data for the calculations were compiled from the United Nations Commodity Trade Statistics Database (COMTRADE), a comprehensive database that provides data on export and import prices of a variety of products. In each case, export prices (both from the home country and to the investigating country) corresponding to the CN code of the subject goods available in the List were obtained from this database.

As described in the GATT Agreement, TMP methodology uses an 'appropriate' third country price as proxy for HMP, comparing the third market export price to the export price of the country under investigation. Problems associated with this methodology are discussed in Lindsey (1999). As mentioned above, in practice, costs in an 'appropriate' third country may also be used as a proxy for CV in the home country, an alternative procedure which suffers from the

same methodological problems. Another criticism of the selected method may be that the product categories that are used cover not only the subject goods but also other, related goods. However, as mentioned above, 'like products' are frequently used in official investigation processes. Additionally, if duties are imposed on all of the goods covered by the related category, it is more reasonable to determine prices for each category rather than individually. Notwithstanding these weaknesses of the selected method, it is hard to say that it is less perfect than other methodological approaches, especially given the inadequacies and inaccuracies of the other methodologies and calculation techniques. The main reason for choosing TMP, despite the inadequacies, is ease of accessibility of the data.

Our calculations (Table 2.3) show that in 35 out of 87 cases in which Turkish authorities detected dumping and imposed duties, the average world export prices of the exporter are higher than the export prices to Turkey. Importantly, had an alternative methodology such as ours been employed, 'negative' dumping margins would have been found in some of the cases.

Table 2.3
Alternative Dumping Calculation

<i>CN Code</i>	<i>Exporter Country</i>	<i>Export Price to World</i>	<i>Export Price to Turkey</i>	<i>CN Code</i>	<i>Exporter Country</i>	<i>Export Price to World</i>	<i>Export Price to Turkey</i>
5503.20	Indonesia	0.74	0.75	5514	China	0.81	0.54
5503.20	Rep. of Korea	0.74	0.80	5514	China	0.80	0.69
5503.20	Chinese-Taipei	0.98	*	5515	China	0.52	0.53
5503.20	India	0.86	0.85	5515	China	0.64	0.39
5503.20	Thailand	0.73	0.80	5516	China	0.44	0.28
5503.20	Belarus	1.06	0.87	5516	China	0.58	0.31
5402.43	Rep. of Korea	0.31	1.55	6301.40	China	5.01	10.99
7307.19	Brazil	2.52	1.14	6301.90	China	4.02	17.08
7307.19	Brazil	2.46	1.10	6001.92	China	2.61	2.40
7307.19	China	0.92	0.86	9609.10	China	2.40	2.21
7307.19	China	0.86	0.72	4011.40	China	3.17	3.11
5402.33	Chinese-Taipei	1.39	1.46	8301.60	China	2.92	2.37
5402.33	Rep. of Korea	1.59	1.66	2905.42	Ukraine	0.88	0.86

Contd. ...

...Contd. ...

CN Code	Exporter Country	Export Price to World	Export Price to Turkey	CN Code	Exporter Country	Export Price to World	Export Price to Turkey
5402.33	India	1.74	1.68	2905.42	China	N.A.	N.A.
5407	China	0.66	0.45	7010.20	China	1.06	0.78
5407	Malaysia	0.40	0.28	7315.81	China	N.A.	N.A.
5407	Rep. of Korea	6.82	5.79	7315.82	China	0.70	0.64
5407	Thailand	3.79	2.77	4007.00	Malaysia	1.57	1.85
9613.10	China	0.03	0.03	8302.50	China	1.24	1.30
3904.10	Belgium	0.55	0.54	5605.00	China	4.83	5.60
3904.10	Germany	0.60	0.56	5605.00	India	6.03	4.80
3904.10	Greece	0.59	0.64	5605.00	Rep. of Korea	7.79	7.22
3904.10	Finland	N.A.	N.A.	9607.11	China	0.14	0.12
3904.10	Hungary	0.51	0.50	9607.19	China	0.05	0.04
3904.10	Israel	0.51	0.51	4011.61	China	5.69	10.43
3904.10	Italy	0.60	0.46	4011.62	China	2.20	4.19
3904.10	Netherlands	0.49	0.45	4011.63	China	289.16	109.87
3904.10	Romania	0.45	0.43	4011.69	China	2.75	*
3904.10	USA	0.64	0.37	4011.92	China	2.27	*
4013.20	China	0.41	0.40	4011.93	China	5.42	*
4013.20	Sri Lanka	0.41	0.37	4011.94	China	114.03	1260.33
4013.20	Vietnam	N.A.	N.A.	4011.99	China	8.17	17.11
4011.50	China	1.01	0.86	7315.20	China	1.29	1.10
4011.50	India	1.24	1.28	7408.11	Russian Federation	2.81	2.83
5513	China	0.45	0.30	5801	China	1.26	1.57
5513	China	0.50	0.35	5801	China	4.37	4.39

Source : United Nations Statistics Division (2006), Commodity Trade Statistics Database (COMTRADE), <http://unstats.un.org/unsd/comtrade/dqBasicQuery.aspx>, (30.05.2006).

Note *: No export to Turkey in the year of investigation.

Conclusion

A methodical examination of inquiries and statistics of the WTO indicates that anti-dumping mechanisms are becoming a very important and potentially dangerous virtual device for trade-restriction. Numerous countries are highly active in making use of anti-dumping regulations as a trade-restricting method, and are making increasing efforts to maintain them.

This study contributes to a growing body of research that clearly establishes that the acknowledged methods for factual determination of normal value under the GATT Agreement are extremely problematic and controversial. Furthermore, the GATT Agreement itself and the anti-dumping regulations of individual countries have a wide range of open-ended issues and legally ill-defined grey areas, which allows official authorities to make unfair and biased decisions. Corroborating evidence from Turkish dumping investigations in this chapter is limited to the aspect of normal value calculation, but it would not be very hard to extend the research and extract empirical evidence that raises additional controversial issues from Turkish anti-dumping investigations.

Anti-dumping measures have many gradual implications on local importers; consumers and producers that utilise imported commodities, which are liable to anti-dumping duties. The exporter country and its companies are also major affected parties. A party, which is negatively affected because of unfair anti-dumping practices, may, technically, object to measures and formally ask for an amendment or withdrawal of these measures from the WTO or local authorities. However, affected parties typically hesitate to go forward, for a variety of reasons including bureaucratic obstacles, the material cost of objections and alternative cost of time. This leads to the establishment of unfair measurements as a permanent and commonly applied tool against free trade.

It might be a concrete alternative to reform methods of calculating normal value and describe clearly blurred definitions, thereby taking away from authorities their currently wide-ranging freedom to make subjective calculations and biased decisions about duties to be imposed. Dismantling anti-dumping regulations would be another comprehensive option.

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