



中華民國全國工業總會

CHINESE NATIONAL FEDERATION OF INDUSTRIES

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David Spooner
Assistant Secretary for Import Administration,
U.S. Department of Commerce,
Central Records Unit, Room 1870,
Pennsylvania Avenue and 14th Street, NW.,
Washington, DC 20230

Re: Weighted Average Dumping Margin

As an organization providing antidumping and other WTO related consulting services to Taiwanese businesses, we, the Chinese National Federation of Industries, are writing in response to the notice published by the Department of Commerce (“the Department”) in the Federal Register regarding the Department’s decision to abandon the zeroing practice in an antidumping duty investigation and alternative approach(s) that may be appropriate in future investigations on March 6, 2006, entitled, “Antidumping Proceedings: Calculation of the Weighted Average Dumping Margin During an Antidumping Duty Investigation”, 71 Fed. Reg. 11189.

In that notice, the Department states that it is soliciting comments pertaining to its proposal to change the zeroing practice and appropriate methodologies to be applied in future antidumping duty investigations in light of the panel's report in US - Zeroing. The following are our comments to those questions:

1. Department’s plan to abandon zeroing when calculating a weighted average dumping margin when using average-to-average comparison methodology.



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Since WTO Panels and the Appellate Body have repeatedly found that the methodology of zeroing generally inflates the margins calculated, distorts the very existence of dumping, and violates the requirement imposed by Article 2.4 and 2.4.2 of the Anti-Dumping Agreement to conduct fair comparisons, we are relieved that the Department decided to abandon its notorious zeroing practice when calculating dumping margins, and will comply with the obligations under the Anti-Dumping Agreement.

2. Appropriate methodologies to be applied in future antidumping duty investigations in light of the panel's report in US - Zeroing.

According to Article 2.4.2 of the Anti-Dumping Agreement, when comparing normal values and export prices, investigating authorities should normally opt for the “weighted average to weighted average”. Only under exceptional circumstances, should authorities implement the transaction-to-transaction or weighted average to transaction methods to calculate dumping margins. The U.S municipal laws regarding implementation of the Anti-Dumping Agreement also set forth a similar hierarchy for the Department when comparing prices and calculating dumping margins.

As mentioned above, zeroing not only violates the principle of fair comparisons, inflates the margins calculated, and distorts the very existence of dumping, but also has been repeatedly inconsistent with the Anti-Dumping Agreement. In order to preserve the integrity of dumping margin calculations and the fair comparisons principle embodied in the Anti-Dumping Agreement, it is very clear that zeroing should be prohibited from any of the three methods as stated in the Anti-Dumping Agreement; moreover, they should be excluded from any future antidumping duty investigations and reviews.



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Therefore, we see the Department's intention to change its zeroing practice to the average-to-average methodology as a good start, and we strongly urge the Department to not employ zeroing in all three dumping margin calculation methods in future antidumping duty investigations including reviews.

We sincerely hope the Department will take our comments into consideration and fully abandon the methodology of zeroing from any future antidumping duty investigations and reviews.

Pursuant to the Department's requirements, we have submitted an original and six copies of this submission, as well as an electronic CD-ROM version in PDF format.

Please do not hesitate to contact us should you have any questions regarding this submission.

Sincerely,

Yea-Kang Wang
Secretary General
Chinese National Federation of
Industries