

Conditions

Before any measures can be adopted to counteract dumping, certain conditions must be met:

Condition 1 – Imports must be dumped

A product is considered as being dumped if its export price to the EU is less than its normal value.

The normal value is usually the market price for the product in the exporting country. If there are no sales or there is a low volume of sales or if sales are made at a loss, the normal value of the product is usually based on the cost of production in the exporting country plus a reasonable amount for selling, general and administrative costs, and profit. The export price is the sales price to the EU.

In order to establish the dumping margin, a fair comparison must be made between the export price and the normal value. Adjustments may have to be made to ensure that normal value and export price are on a comparable basis (see Figure 1).



Condition 2 – Injury



There must be material injury to the Community industry producing the like product.

The determination of injury requires an examination of the volume and prices of dumped imports and their consequent impact on the Community industry.

In this regard, the Commission verifies whether there has been a significant increase in dumped imports, either in absolute quantities or in terms of market share.

In determining the effect on prices, an important consideration is the extent to which the import price undercuts the Community producers' price (see Figure 2).

Determining the impact on the Community producers requires analysis of various typical economic factors: market share, output, profits, productivity, return on investment, ability to raise capital, growth, magnitude of dumping, etc.

Condition 3 – Causal link

The dumped imports must be a cause of the injury. They need not be the only cause - other factors might also contribute.

Condition 4 – Community interest

Anti-dumping measures must not be against the Community interest. Although this test is not required by WTO rules, it ensures that account is taken of the overall economic interests in the EU - including the domestic industry producing the product concerned, importers, Community industries that use the imported product and will ultimately pay a higher price and, where relevant, the end consumer of the product.