

SWEDISH ANTI-DUMPING DUTIES

*Report adopted on 26
L/328 - 3S/81*

INTRODUCTION

1. The Panel on Complaints examined with the representatives of Italy and Sweden the complaint of the Italian Government that the Swedish anti-dumping regulations were not consistent with the obligations of Sweden under the General Agreement and that the administration of these regulations impaired the benefits which should accrue to Italy under that Agreement¹. The Panel heard statements from the two parties and obtained from them additional information to clarify a number of points. On the basis of that documentation, the Panel considered if and to what extent the Swedish Royal Decree of 15 October 1954 regarding the levying of anti-dumping duties with respect to the importation of ladies stockings of nylon or similar synthetic fibres was consistent with the provisions of the General Agreement. It considered further whether and to what extent the administration of that decree had actually impaired the benefits accruing directly or indirectly to the Government of Italy under General Agreement. Finally, the panel agreed on

Government, the importer being entitled to obtain a refund of that duty if the case of dumping was not established. The Italian complaint was related to that Decree. However, a new decree was issued on 15 October 1954, i. e. before the Italian complaint was considered by the CONTRACTING PARTIES. The main difference between the new decree and the preceding one was that the basic prices were no longer a determining factor for the assessment of the anti-dumping duty but were retained as an administrative device enabling the Swedish Customs Authorities to exempt from anti-dumping enquiries any consignment the price of which was higher than the basic price; the actual determination of dumping policies and the levying of anti-dumping duty were related to the concept of normal value which was defined in terms similar to those of Article VI of the General Agreement. The anti-dumping duty is assessed in relation to the basic price only when that price is lower than the

ALLEGED INCONSISTENCY OF THE SWEDISH DECREE WITH THE PROVISIONS
OF PARAGRAPH 1 OF ARTICLE I AND OF ARTICLE VI

4. The Italian delegation contended that the system of basic prices, as an anti-dumping procedure, represented by itself an infringement of the provisions of the General Agreement for the following reasons:

- (a) it discriminated against low-cost producers and deprived them of the competitive advantages to which they were entitled under the general most-favoured-nation clause;
- (b) that system did not take into account the

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13. The further contention that the basic prices would in effect prevent any import of the product except

of taxes and duties – and it is expected that this examination will be completed by the middle of March – the Swedish Government would be prepared to adjust its procedures to take into account such exemptions or refunds which were consistent with Article VI, for such case as may be outstanding and for any future case, provided that the Italian exporters indicate clearly the amount of these refunds on their invoices.

17. The general conclusion of the Panel regarding the consistency of the Swedish Decree with the obligations of the Swedish Government under the General Agreement was:

- (a) that the basic price system was not inconsistent with the most-favoured-nation clause or with the provisions of Article VI,
- (b) but that, in practice, the administration of that system might easily run into conflict with those obligations.

alleged Unless the customs authorities were prepared to decide on the alleged case

ALLEGED NULLIFICATION OR IMPAIRMENT OF BENEFITS ACCRUING
TO ITALY UNDER THE GENERAL AGREEMENT

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to reconcile and that these misunderstandings might explain to a certain extent the divergence of views between the two governments regarding the alleged existence of dumping practices.

32. The Panel felt, therefore, that before it could come to any definite conclusion regarding the difference,

- (c) that the two parties report to the CONTRACTING PARTIES at the Tenth Session or, should it be necessary, to the Intersessional Committee which is hereby authorized to take such action as may be appropriate in the circumstances.