



International Trade Administration Commission of South Africa

Dumping Margin Calculations





Introduction

The International Trade Administration Commission of South Africa (ITAC) is responsible for conducting investigations of anti-dumping actions countervailing duties to counteract subsidisation in foreign countries, and safeguard measures applied when a surge of imports is threatening to overwhelm domestic producers, in accordance with domestic law and regulations, and consistent with WTO rules. The purpose of this booklet is, therefore, to illustrate the anti-dumping margin calculation.



What is dumping?

Dumping occurs where foreign producers are exporting their goods in our country at prices (called the “export price”) lower than what they charge for the same product in their country (called the “normal value”). Thus if the export price is lower than the normal value, dumping occurs. The ADA (Anti-Dumping Agreement) and ADR (Anti-Dumping Regulations) provide guidance on how to determine whether the goods in question are being dumped.



How does ITAC determine whether dumping is taking place?

This booklet aims to provide further information on the process which is undertaken by the Commission in making this determination. It should be noted that this booklet is for reference purposes only and it should not be regarded as providing a definitive statement of law.

Dumping Margin Calculations



Normal value in country of origin

1

Domestic Sales

Are there any domestic sales in the country of origin of the subject product?

NO

Is there another producer of the like product in the same country for which information on domestic selling prices is available?

YES 2

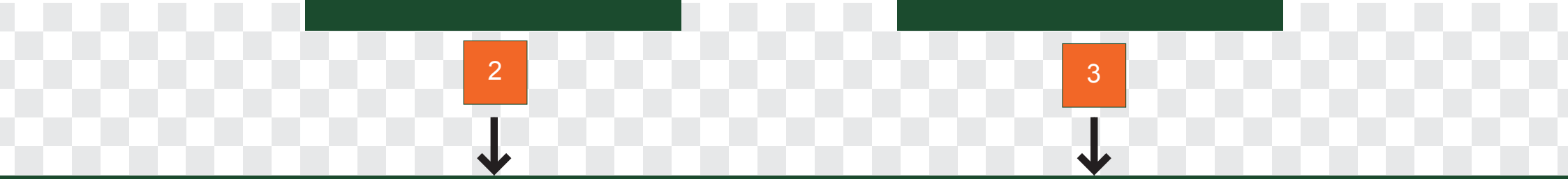
Do ordinary course of trade test:
*5% test
* Related party test
*Sales at a loss test
*Government intervention

NO

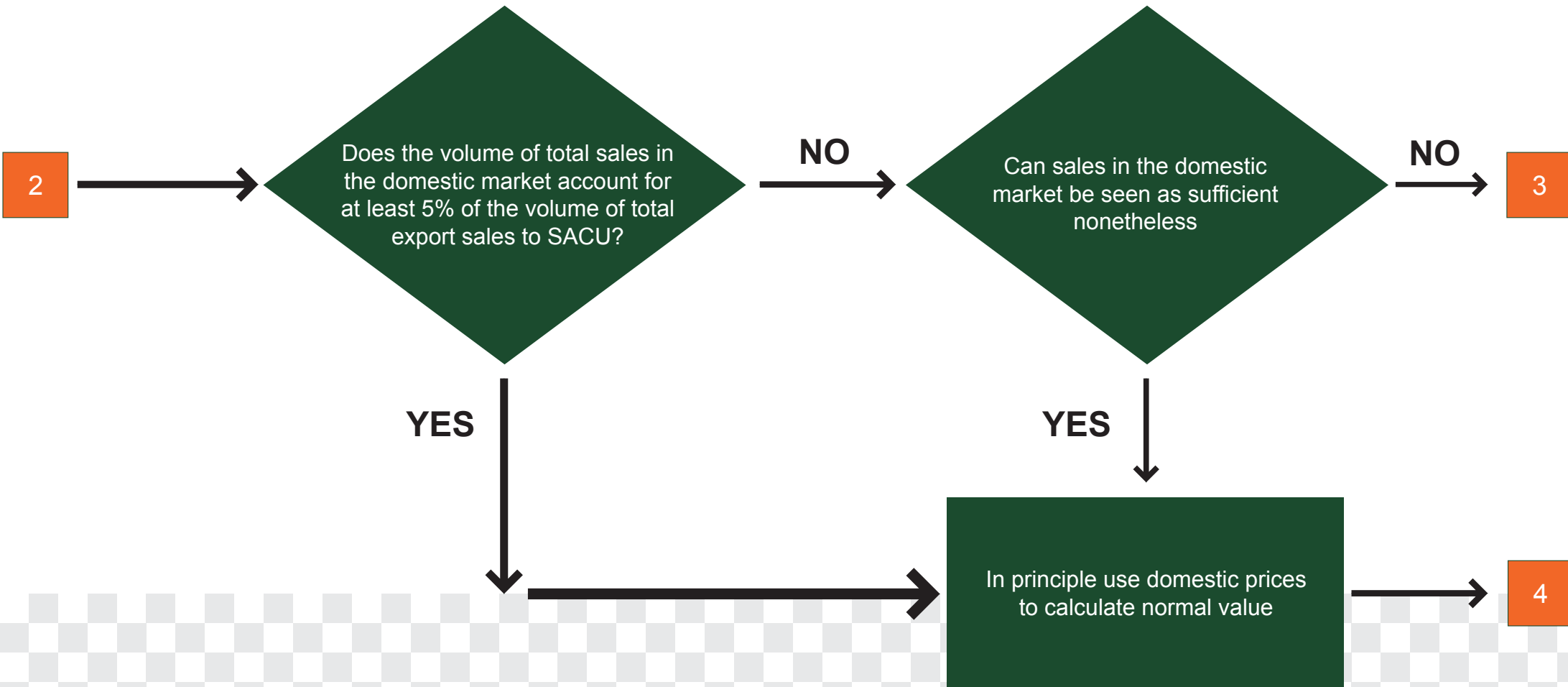
Find alternative to domestic prices as the basis for calculating normal value

2

3

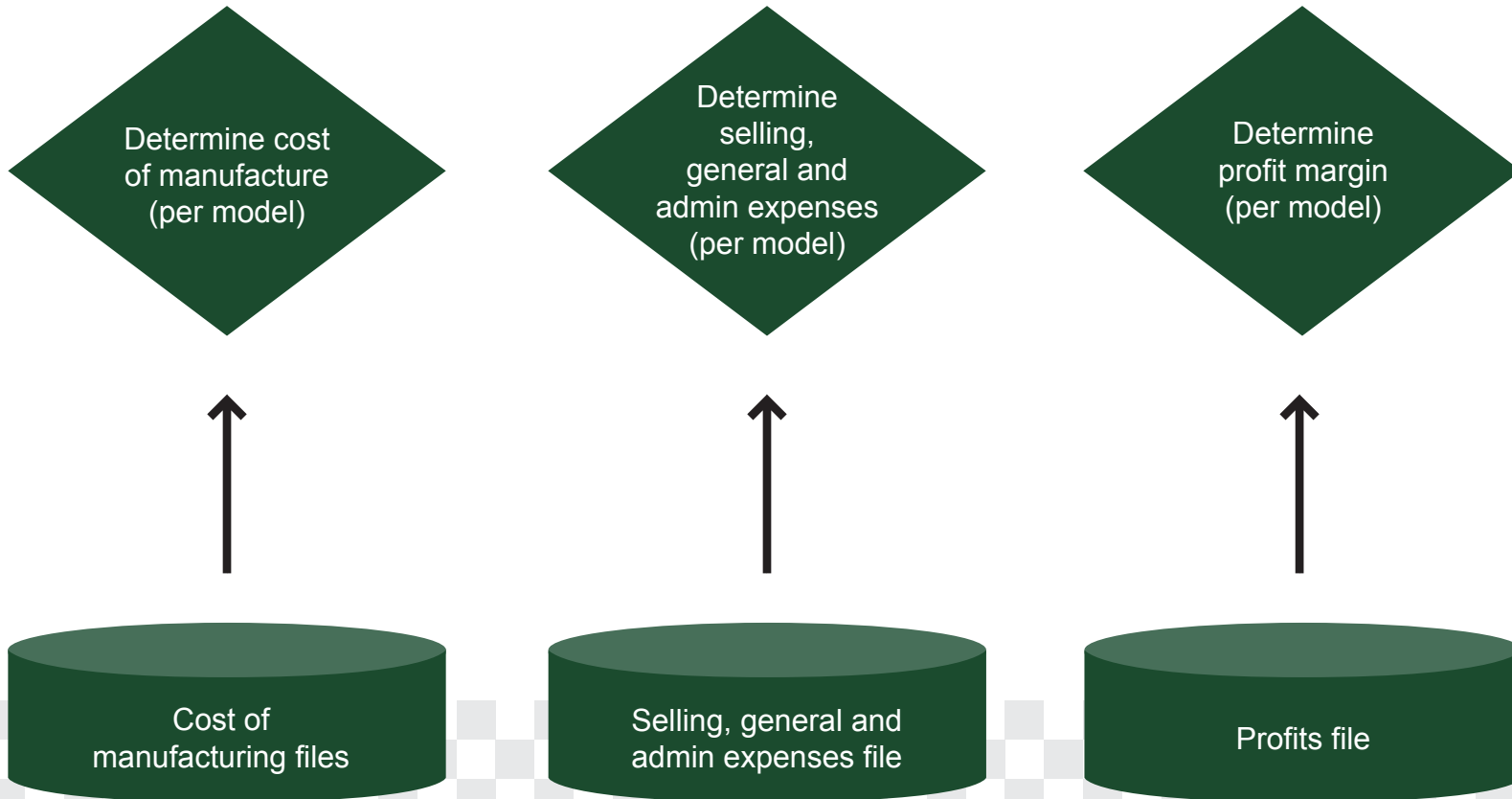


Ordinary course of trade test: Sufficiency of domestic sales

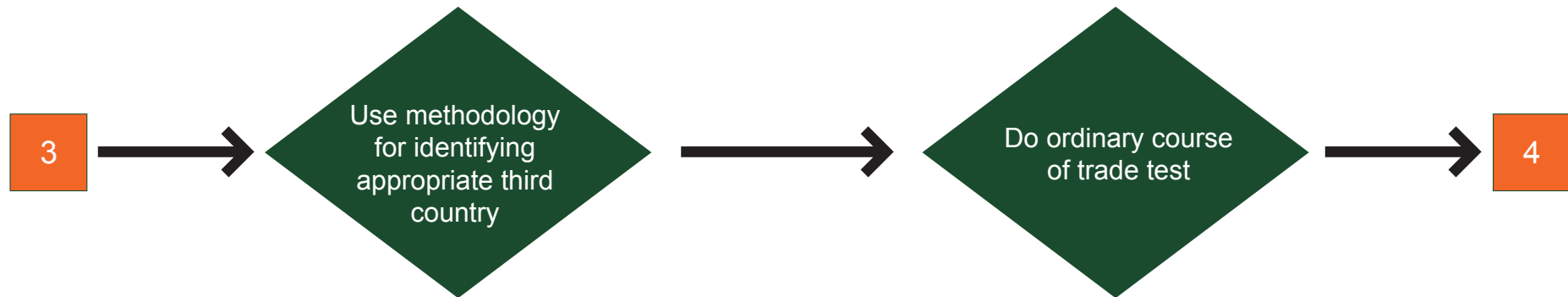


Alternative for normal value: Constructed normal value

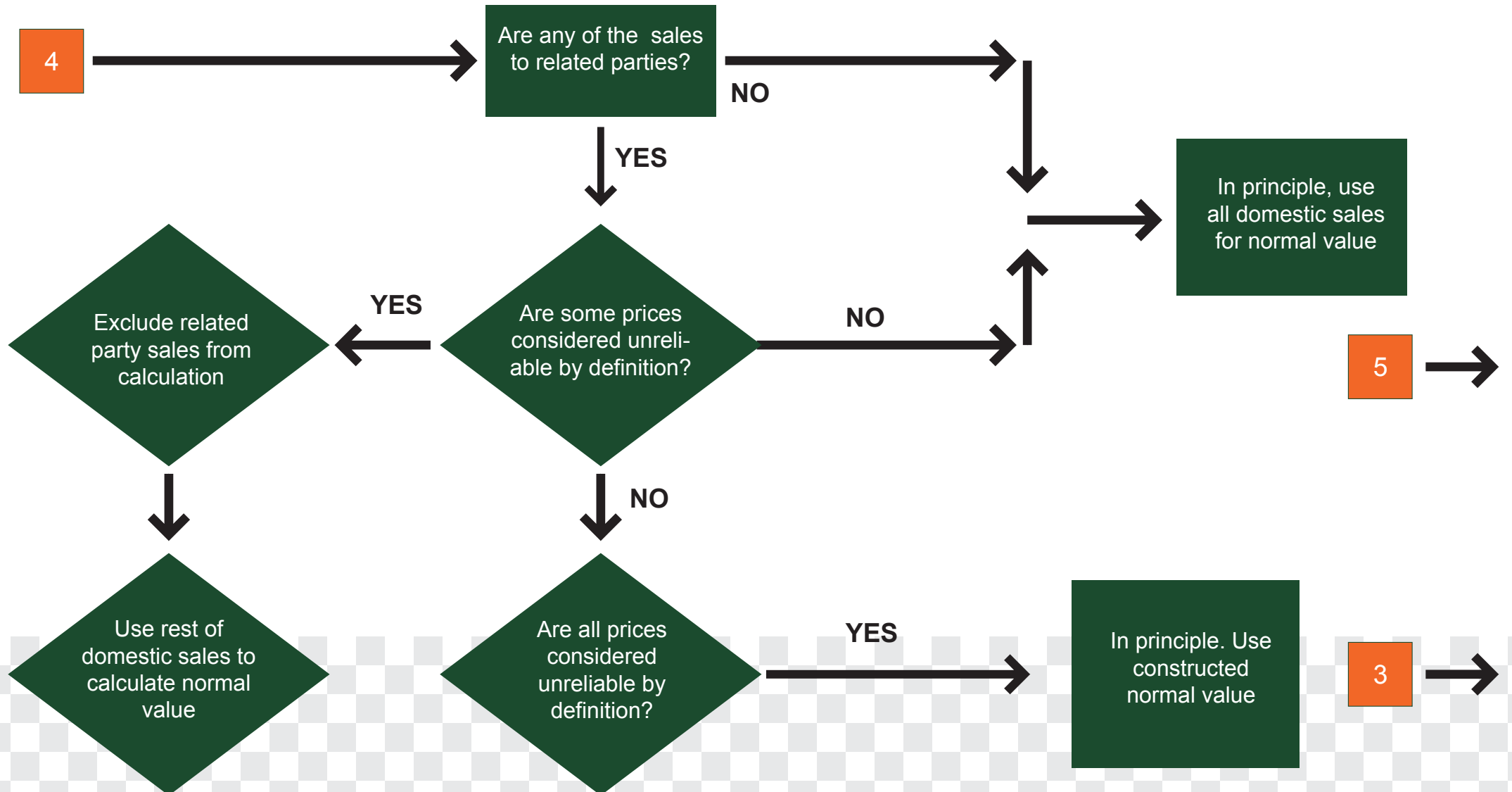
3



Alternative for normal value: Exports to third country



Ordinary course of trade test: Domestic sales to related parties



Ordinary course of trade test: at a loss

5

Determine total cost of product, including SG and A per unit (per model)

YES



Compare cost per unit to selling price per unit (per model)



Are there any sales (per model) below cost?

NO



YES



3

YES



Are such sales made over an extended period?

YES



Are these sales (per model) made in substantial quantities?

NO



3

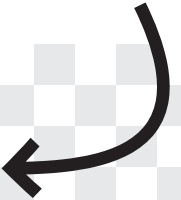
Does the volume of total sales in the domestic market account for at least 5% of the volume of total export sales to SACU?



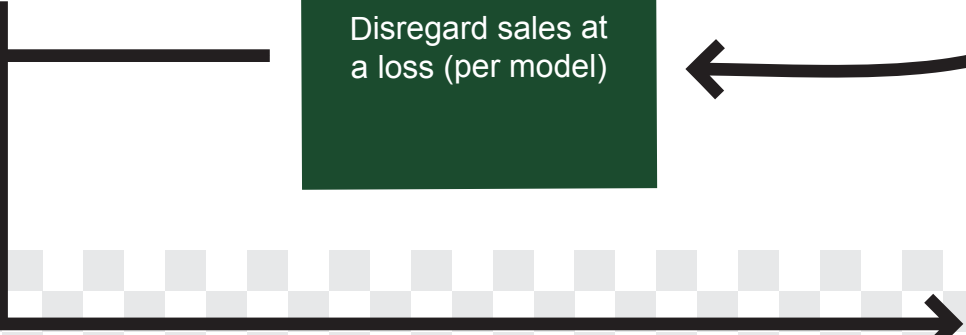
Disregard sales at a loss (per model)



Calculate normal value on the basis of these sales



Calculate normal value on the basis of all sales





Main Steps

Step 1



Step 2



Export price

6



Any sales to related importers/Sales involving a compensatory arrangement?



NO



Are you concerned about the reliability of the prices of such sales?



NO



Such sales are considered unreliable by definition



Such sales are considered unreliable after applying objective test for assessing reliability



Constructed export price

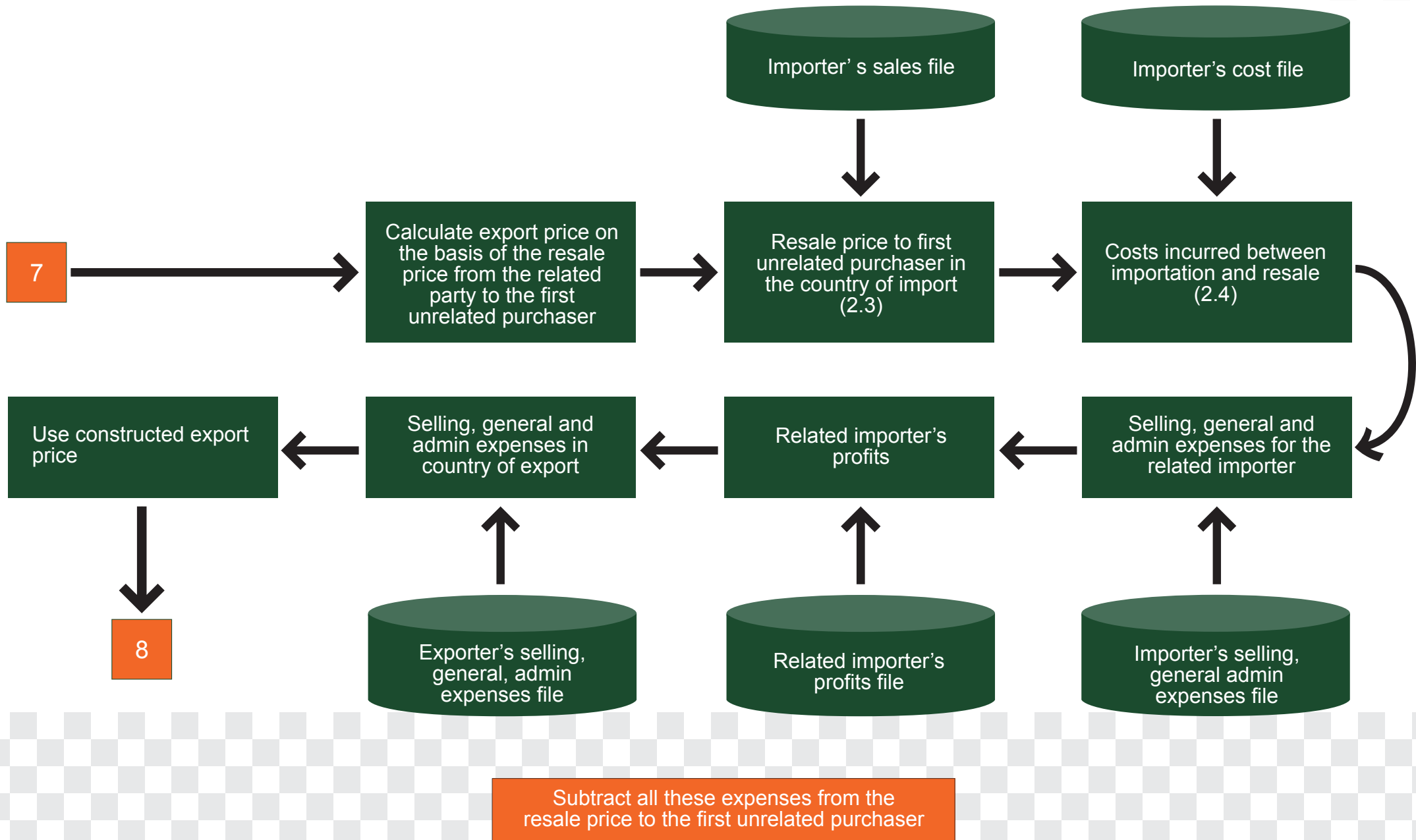


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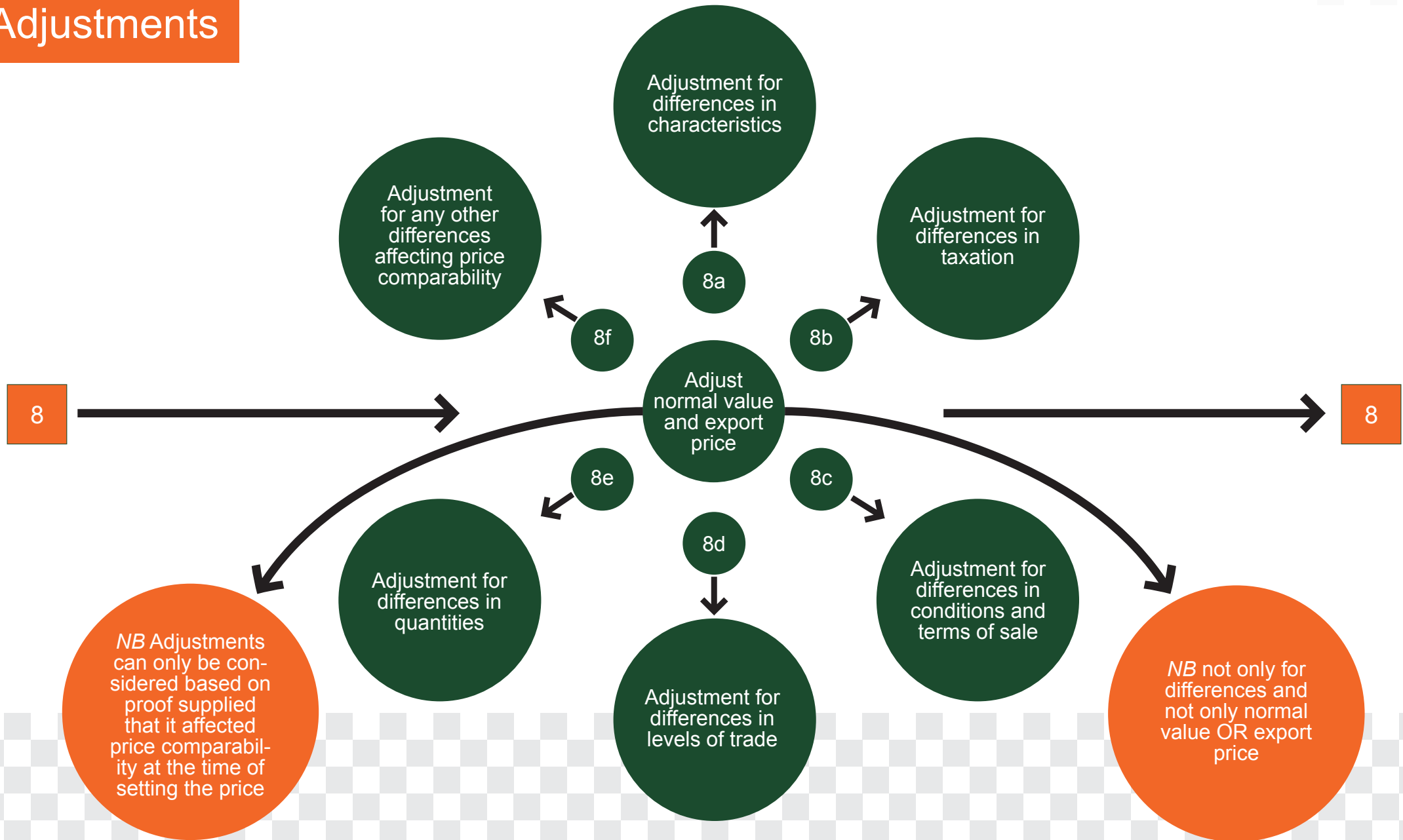
Calculate export price on the basis of all sales



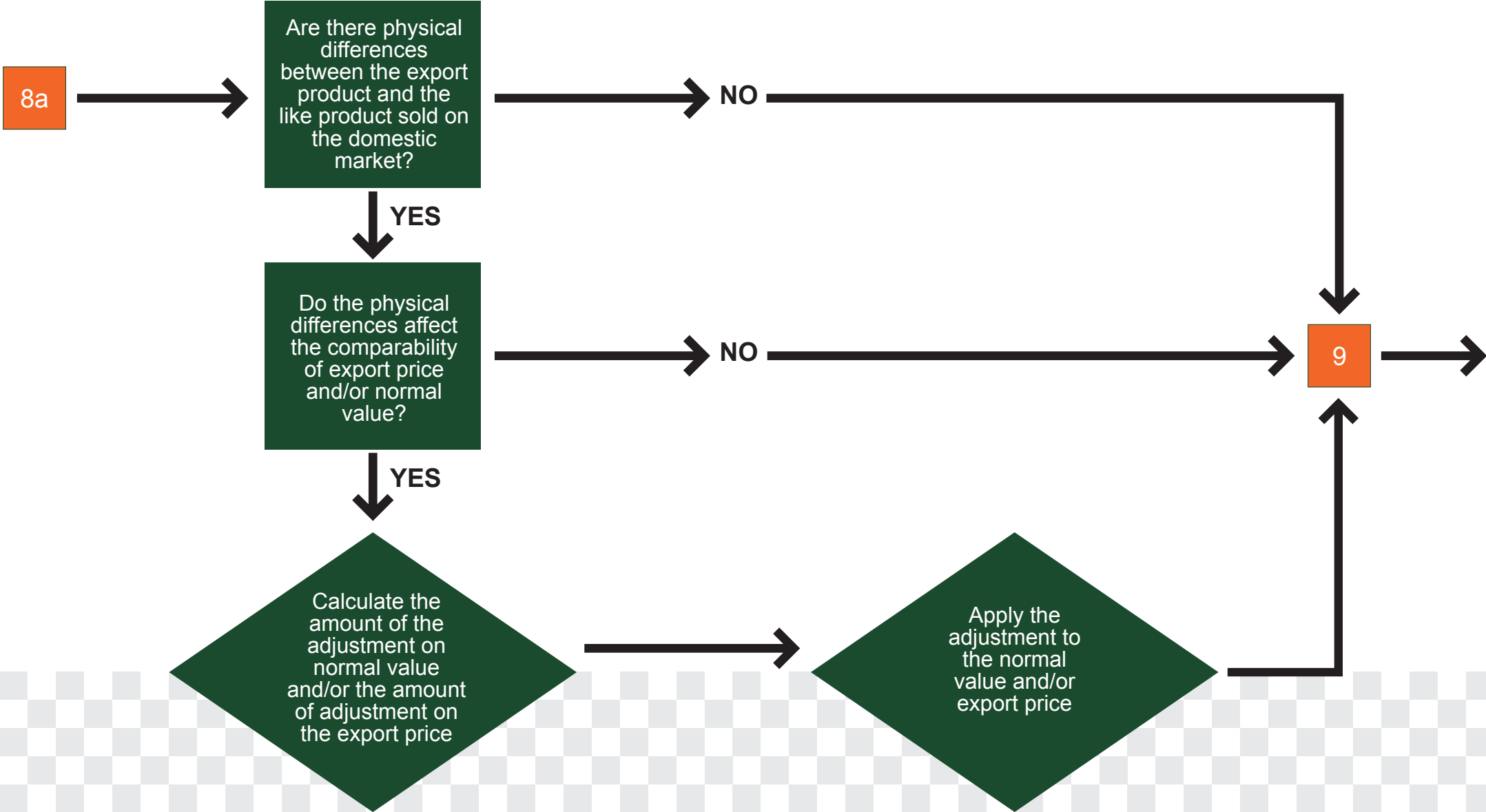
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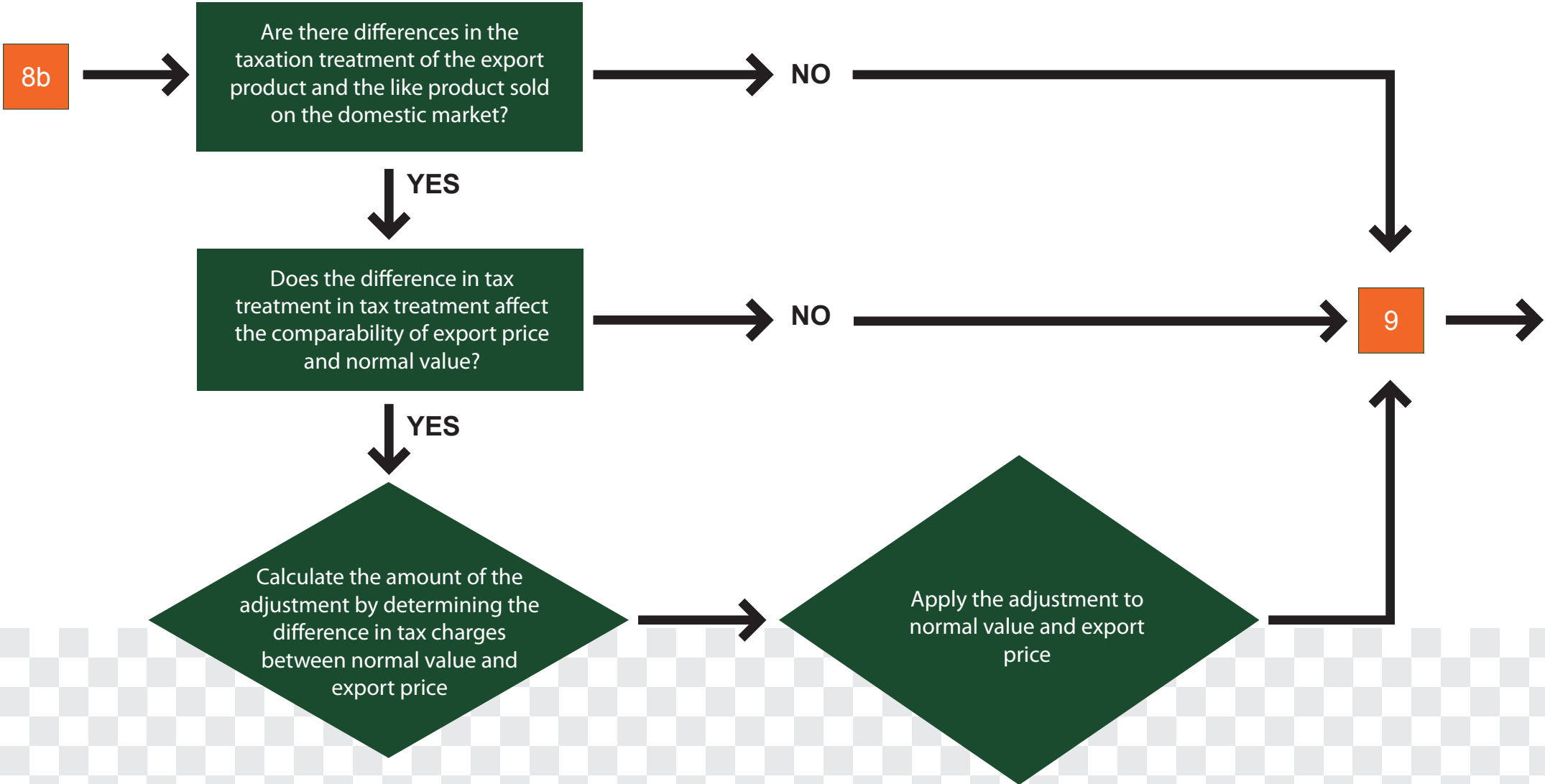
Adjustments



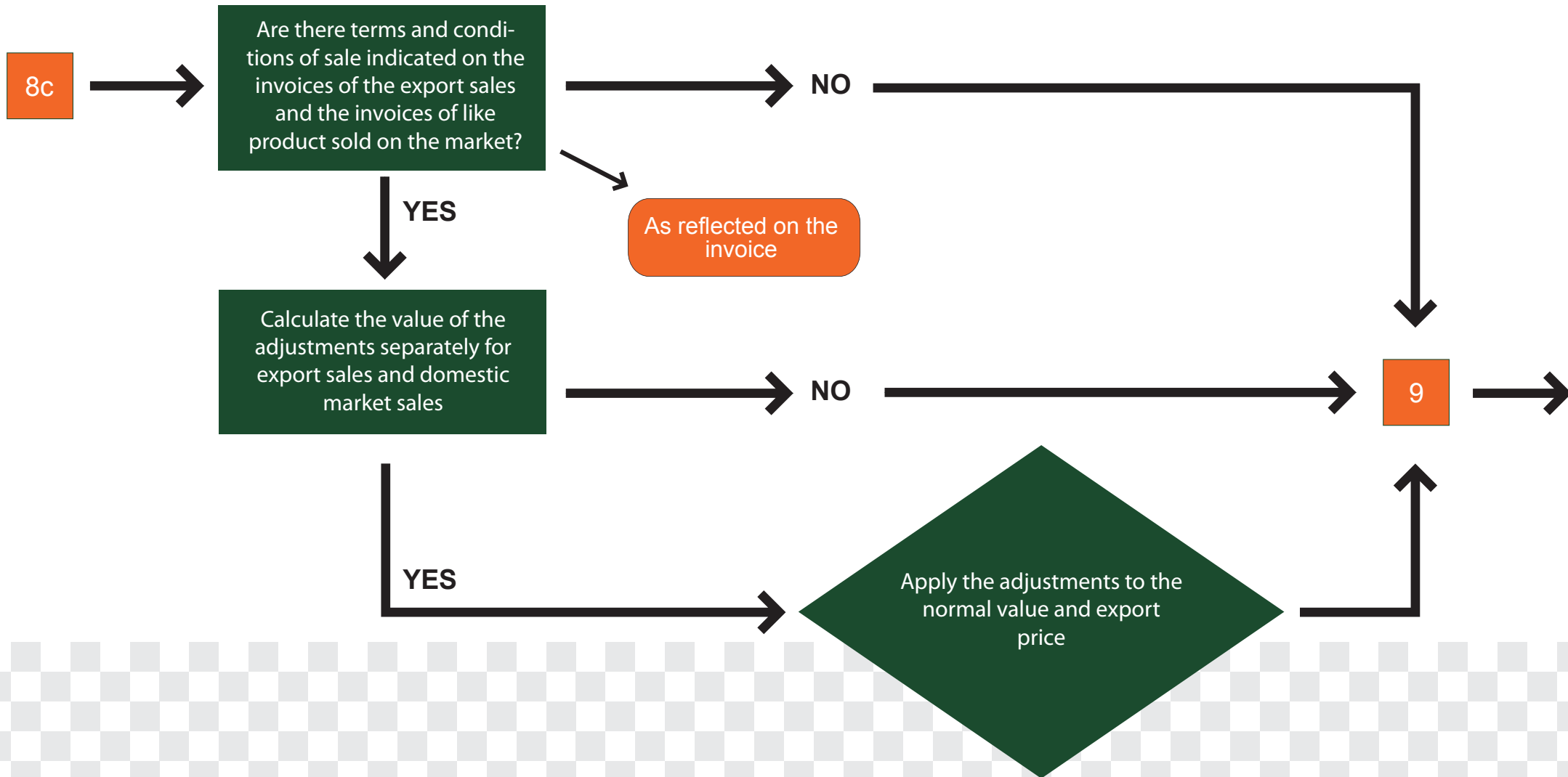
Adjustments – Physical characteristics



Adjustments - Taxation



Adjustments – Sales terms and conditions



Adjustments – Level of trade

8d

Are there differences in the levels of trade between sales of the export product and the like product sold on the domestic market?

YES

Do the level of trade differences affect the comparability of export price and normal value?

NO

NO

9

Separate export price and normal value by level of trade.

Verify whether prices vary according to the different levels of trade.

Ascertain whether each different level of trade performs the commercial functions associated with the level of trade.

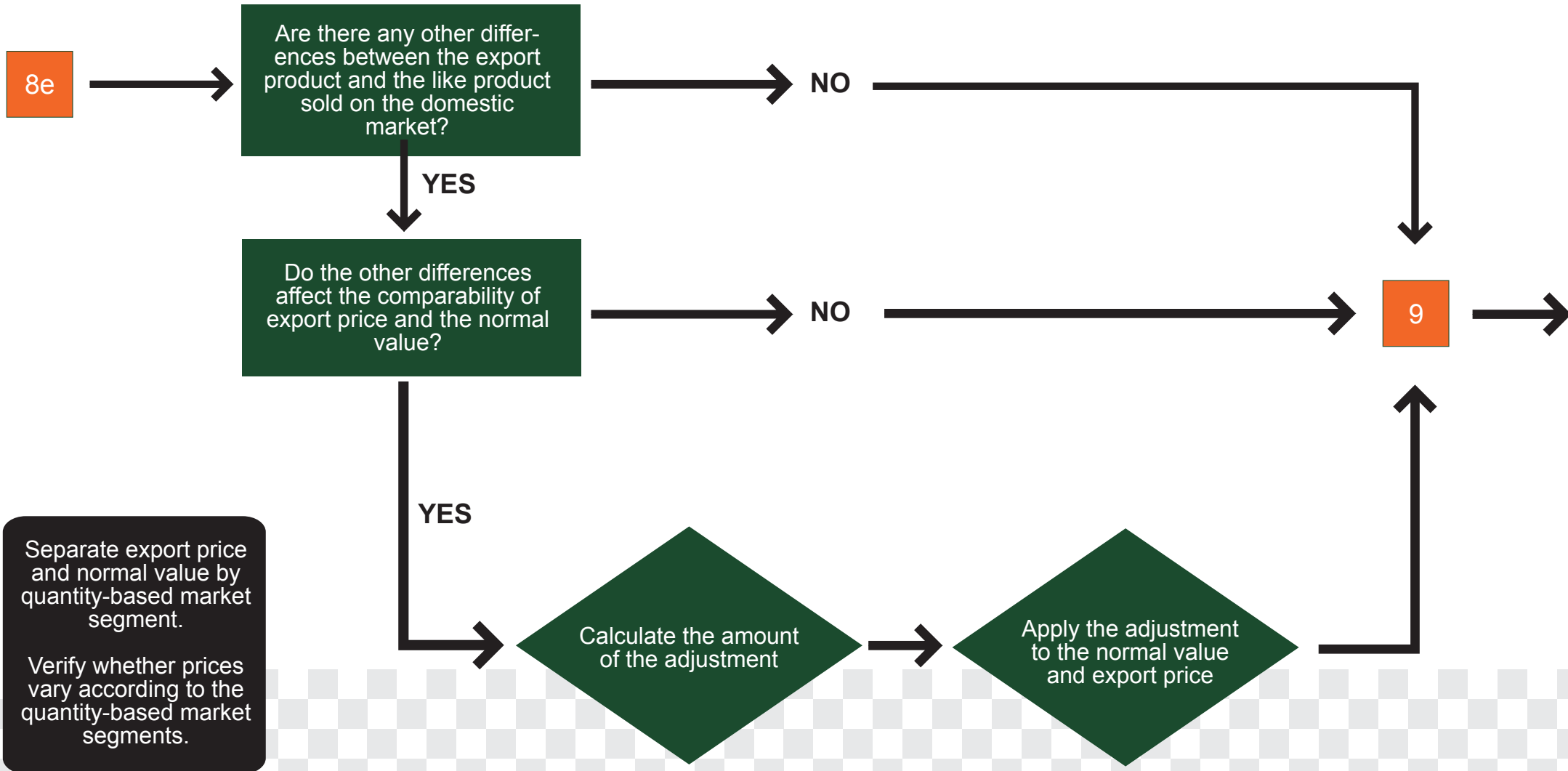
YES

Calculate the amount of adjustment

Apply the adjustment to the normal value and export price

9

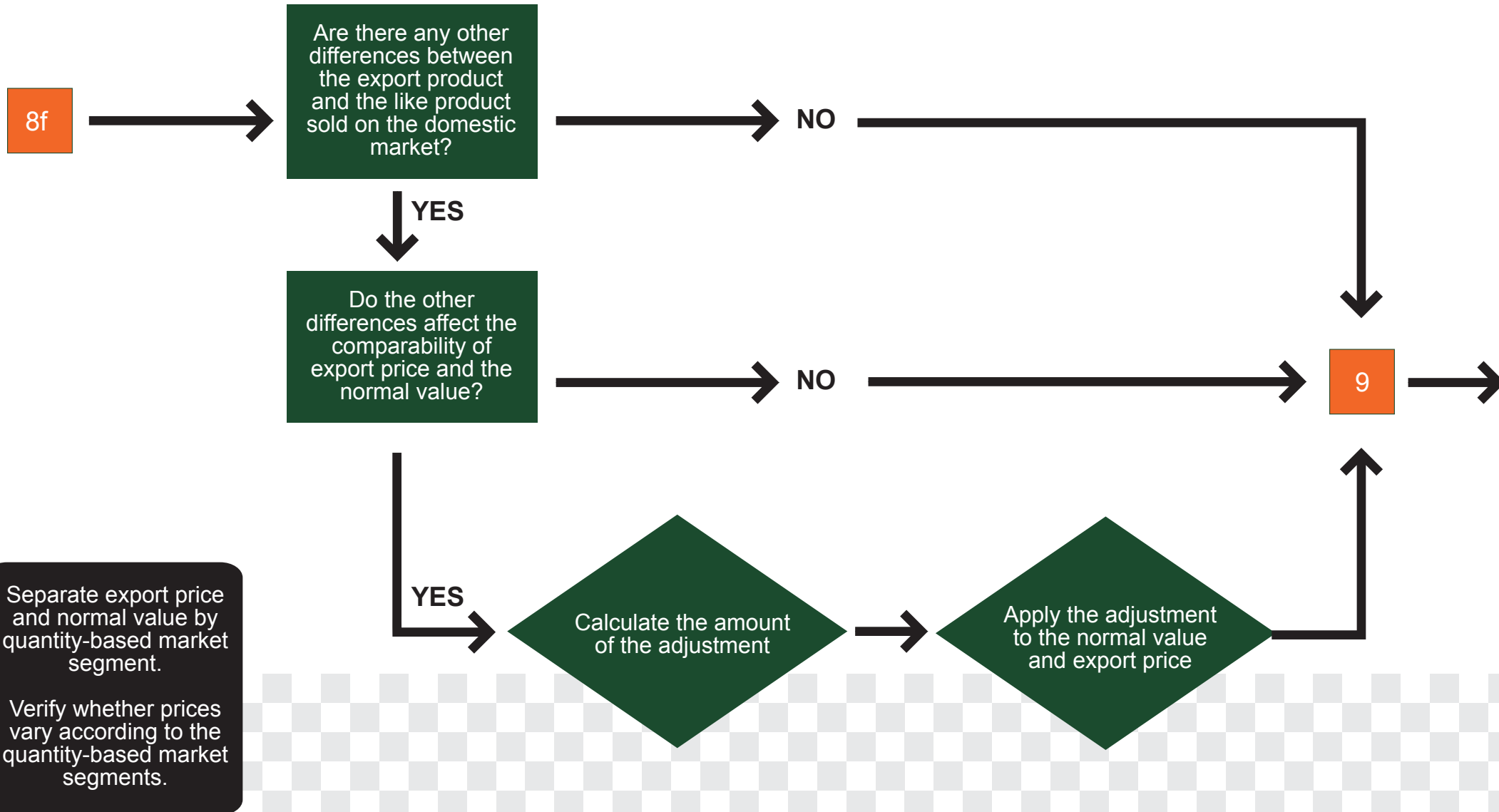
Adjustments - Quantities



Separate export price and normal value by quantity-based market segment.

Verify whether prices vary according to the quantity-based market segments.

Adjustments - Other differences



Calculations of the dumping margin

9

Select method for determining the margin of dumping

Weighted average to weighted average

Weighted average adjusted normal value vs weighted average adjusted export price

Calculate the weighted average adjusted normal value and compare it with weighted average adjusted export price

Calculate the dumping margin (the absolute difference between the two divided by the export price)

Transaction to transaction

Weighted average adjusted normal value vs weighted average adjusted export price

Select transactions for comparison

Calculate the dumping margin by transaction (the difference between the two is divided by the export price)

Weighted average to transaction

Weighted average adjusted normal value vs adjusted individual export prices

Calculate the weighted average adjusted normal value and compare it with adjusted prices of individual export transactions.

Calculate the dumping margin by transaction (the difference between the two is divided by the export price)

Calculate the weighted average dumping

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