

The Content and Application of NME Treatment under WTO Agreement

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Abstract

The domestic markets of communist courtiers were controlled by the governments and do not play by the rules of market. Therefore, it is questionable whether the investing authorities still have to take the domestic normal value as the basis for comparison. The WTO anti-dumping rules allow the members to exclude, under certain conditions, the relevant information in these NMEs from the determination of dumping. In other words, the NME are subject to the special treatment that deviates from the general principles of anti-dumping rules. However the legitimacy of NME treatment should not be presumed. This article addressed the content of the NME treatment and how to apply the NME treatment properly.

In section I, the origin of the NME treatment is elaborated and legitimacy and necessity of such treatment is analyzed. Section II tried to discover the criteria of the NME status, which were never clearly provided in the WTO anti-dumping rules, by referring to the relevant provisions, objects and purposes of the anti-dumping rules, and the practices of the members. Section III focused on the methodologies to determine the normal value in NME. By virtue of the findings in the previous sections, the “surrogate mode”, which is the most widely adopted methodology to determine the normal value in NME, is to be reviewed in the last section.

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